INTERNATIONAL STEELS LIMITED

A member of ASC AMIR S. CHINOY GROUP

A Legacy of Innovation

Annual Report 2025

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A Legacy to Forge

Corporate Profile

Steel for the Nation. Strength for the Future.

International Steels Limited (ISL) is Pakistan's foremost flat steel manufacturer, setting benchmarks in quality, scale, and innovation. Established in 2007, ISL began production in 2010 — a milestone that marked the company's commitment to transforming the nation's industrial capabilities. Today, ISL is a recognized leader in **Cold Rolled, Galvanized,** and **Color Coated Steel,** supplying diverse sectors with premium steel solutions for both domestic and international markets.

BUILT FOR SCALE AND PERFORMANCE

- **Total Investment to Date:** US$ 300 Million
- **Annual Production Capacity:** 1 Million Metric Tons
- **Manufacturing Footprint:** 47 Acres

ISL's main production facility is located on a sprawling 32-acre site in Karachi's industrial heartland, equipped with cutting-edge technology and managed under stringent quality control systems. Accompanied with this is a **dedicated 15-acre Service Center,** offering value-added processing and finishing services to support industry-ready steel solutions in the most consumable forms.

GLOBAL REACH, LOCAL STRENGTH

With exports to **over 30 countries** across **six continents,** ISL has established itself as a trusted global supplier of high-quality flat steels. This international footprint not only enhances Pakistan's standing in the global steel industry but also contributes to **foreign exchange savings** by reducing the country's reliance on imported flat steel.

A PILLAR OF PAKISTAN'S INDUSTRIAL FABRIC

ISL's steel forms the backbone of several sectors, including construction, automotive, home appliances, and engineering. Its products are a key enabler of industrial growth and infrastructure development. From SMEs to large-scale manufacturers, ISL's materials power the ambitions of countless businesses, reinforcing the company's role as a **critical catalyst for national progress.**

PRODUCTION CAPABILITIES

Product Type	Annual Capacity
Cold Rolled Steel	1,000,000 Metric Tons
Hot-Dipped Galvanized Steel	462,000 Metric Tons
Color Coated Steel	84,000 Metric Tons

ISL serves the entire country through a wide supplier network supported by **regional offices in Lahore, Islamabad, and Multan.** With a diverse and adaptable product portfolio, ISL ensures timely supply to both local and international customers, meeting their dynamic production needs with consistency and care.

SUSTAINABILITY AND SOCIAL RESPONSIBILITY

ISL operates under a **Clean, Lean, and Green** philosophy. Through resource-efficient production, waste minimization, and recycling initiatives, ISL consistently reduces its environmental footprint. The company's **CSR programs** support underprivileged communities in health, education, and disaster relief—fostering inclusive growth and social well-being.

POWERING PROGRESS THROUGH RENEWABLE ENERGY

In 2024, ISL took a defining step in its sustainability journey by commissioning a **6.4 MW solar power** project at its Karachi factory. Fully operational in under a year, this initiative now generates over **8 million kilowatt-hours (kWh)** annually equivalent to the electricity consumption of more than **3,000 Pakistani households.**
The solar transition is a strategic investment in sustainable manufacturing and long-term value creation.

Key Benefits:

- **Carbon Emission Reduction:** Thousands of metric tons of CO_2 avoided each year
- **Operational Resilience:** Protection against grid disruptions and energy price volatility
- **Energy Security:** Enhanced self-sufficiency for industrial operations

Aligned with Global Sustainability Goals:

- **SDG 7:** Affordable and Clean Energy
- **SDG 9:** Industry, Innovation, and Infrastructure
- **SDG 12:** Responsible Consumption and Production
- **SDG 13:** Climate Action

This shift to solar energy strengthens ISL's **Environmental, Social, and Governance (ESG)** strategy, reinforcing its role as a trailblazer in industrial decarbonization. It positions the company as more than a steel manufacturer— **a partner in building a low-carbon and innovation-driven industrial future for Pakistan.**

Company Information

CHAIRMAN (NON-EXECUTIVE)
Mr. Kamal A. Chinoy

INDEPENDENT DIRECTORS
Dr. Amjad Waheed
Ms. Nausheen Ahmad
Mr. Nihal Cassim

NON-EXECUTIVE DIRECTORS
Mr. Haroun Rashid
Mr. Mustapha A. Chinoy
Mr. Kenichi Hotta
Mr. Yousuf H. Mirza

CHIEF EXECUTIVE OFFICER
Mr. Samir M. Chinoy

CHIEF FINANCIAL OFFICER
Mr. Usman Ahmed

COMPANY SECRETARY & HEAD OF LEGAL AFFAIRS
Mr. Zohaib Raza Merchant

CHIEF INTERNAL AUDITOR
Syed Zaib Zaman Shah

EXTERNAL AUDITORS
A. F. Ferguson & Co., Chartered Accountants

LEGAL ADVISOR(S)
Mrs. Sana Shaikh Fikree

INVESTOR RELATIONS CONTACT
Shares Registrar
THK Associates (Pvt.) Ltd
Plot No. 32-C, Jami Commercial Street 2
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Phone: +92 21-111-000-322, +92 21-37120628-29
Email: sfc@thk.com.pk

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E-mail: lahore@isl.com.pk

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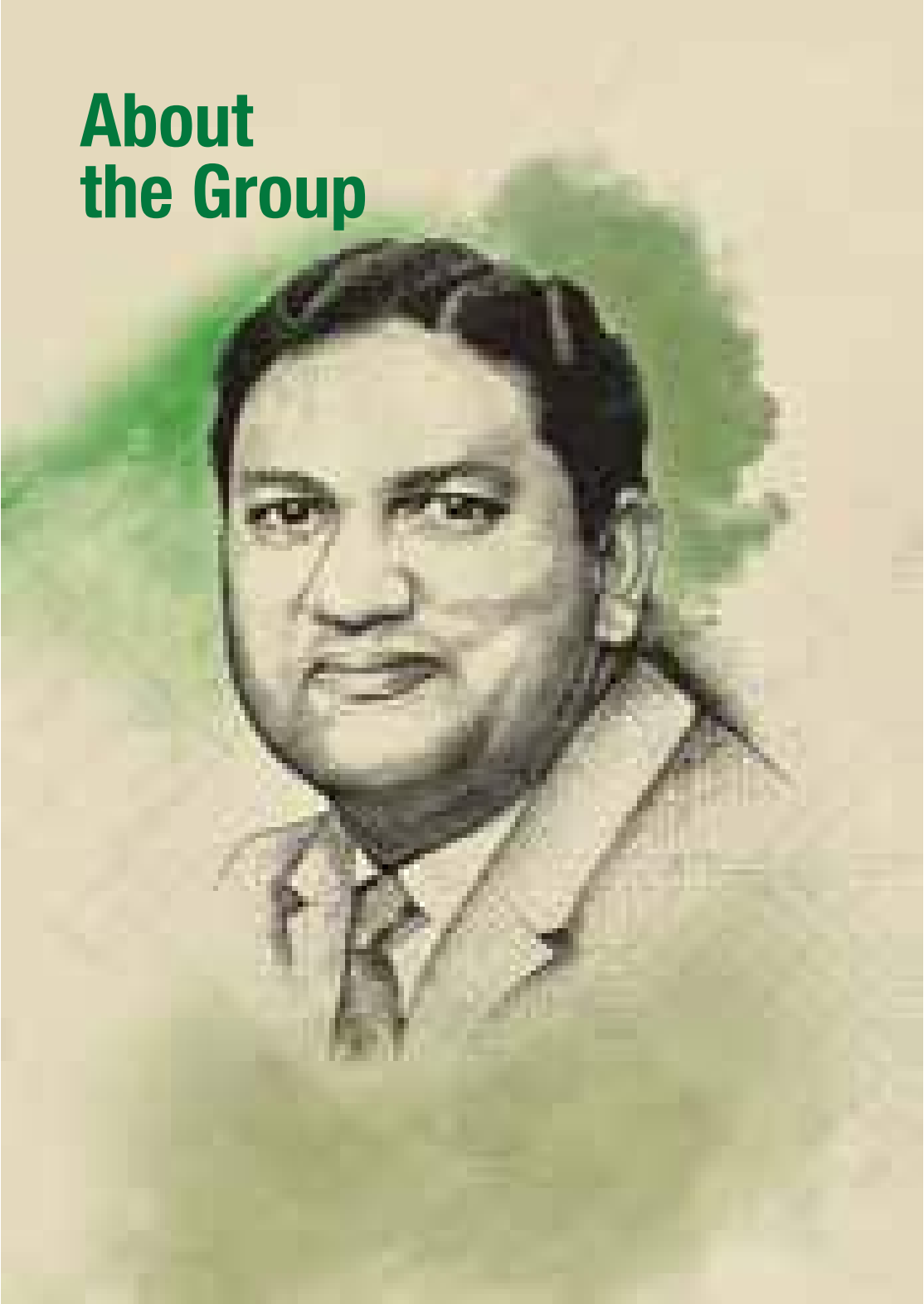
Telephone Nos: +92 21-35013104 - 5 Fax : 021-35013108
E-mail: info@isl.com.pk

SERVICE CENTER
Plot# LE-73-79, 102-103, 112-118, 125-129
Survey # Nc.98, Near Arabian Country Club,
National Industrial Park, Bin Qasim, Karachi.
Telephone Nos: +92 21-34724184

WEBSITE
www.isl.com.pk

BANKERS
Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

About the Group



Amir S. Chinoy Group

The Amir S. Chinoy Group (ASC Group) has been at the forefront of Pakistan's industrial development since the founding of the country 78 years ago. Our founder, Mr. Amir S. Chinoy, a pioneer of industrialization in Pakistan, laid the foundation of the ASC Group by setting up manufacturing concerns in heavy chemicals (Pak Chemicals Ltd, 1951), steel, and galvanized pipes (International Industries Limited, 1948) and electrical wires and cables (Pakistan Cables Limited, 1953). His commercial interests also extended to trading, electrical contracting, and the representation of major European and international companies in South Asia. As a flag bearer of determination and innovation, the group later invested in a green field project for the manufacture of Cold Rolled, Galvanized and Colour Coated steel coils and sheet (International Steels Limited, 2007).

Today, the ASC group is one of the leading industrial groups in Pakistan with proven expertise in manufacturing, trading, and industrial services. The member companies enjoy a credible export pedigree with combined export revenues of Rs. 15 billion. ASC Group's growing global footprint is further represented by an on-ground presence in Australia, Canada, and Europe through its wholly owned subsidiaries IIL Australia Pty. Ltd., IIL Americas Inc., and INIL Europe Ltd., which collectively contribute Rs. 2.3 billion in export revenues. In addition, the Group operates IIL Trading Pvt. Ltd. in Pakistan, a premium trading company representing globally renowned brands such as Milwaukee, Fischer, Mapei, and Brenntag. In Pakistan, the ASC group has an extensive distribution network through 2,600 outlets in 500 cities and towns across the country. Recently in 2024, Chinoy Engineering and Construction (Pvt.) Ltd. (CECL), an associate company of International Industries Limited, Pakistan Cables Limited and International Steels Limited, was established to explore business opportunities in construction projects. CECL successfully entered into a contract with the Reko Diq Mining Company to design and construct a Permanent Accommodation Camp at Reko Diq Copper Gold Mines, Baluchistan.

The broad range of products manufactured by the Group companies includes:

- Cold Rolled Steel
- Galvanized Steel
- Colour Coated Steel
- Steel Pipes (CR, HR, Galvanized, Stainless Steel)
- Polymer Pipes (UPVC, PPRC, PE)
- Hollow Structural Sections (Steel)
- Scaffolding Systems and Formwork
- Flat Steel Sheets, Profiles & Purlins
- Electric Wires & Cables (LV & MV)
- Electric Overhead Conductors of Aluminium & Copper
- Special Cables, Solar Cables
- PVC Compound
- Copper Rod
- Aluminum Rod
- Wiring Accessories

Member companies of the ASC group have attached international equity partners of repute, which have further enriched their technical expertise and best practices. Leading equity partners associated with member companies include:

- British Insulated Callender's Cable (BICC), UK.
- Doogood, Australia.
- General Cables, USA.
- JFE Steel Corporation, Japan.
- Sumitomo Corporation, Japan.
- International Finance Corporation (IFC), USA.

Group Highlights

116
PKR in Billion Sales Turnover

72
PKR in Billion Market Capitalisation

26
PKR in Billion Contribution to National Exchequer

15
PKR in Billion Export Sales

374,000
(Metric Tons) Total Metals Produced

72
Years of Production

2,100+
Number of Employees

60
Number of Export Destinations (including USA, Canada, Europe)

500
Geographical Footprint in Pakistan (Cities & Towns)

2,600
Number of Dealers/Distributors

*As on FY ending 30th June 2025

Member Companies

Incorporated in 1948
Listed on PSX since 1984
Credit Rating AA/A-1

Product Lines:
Steel Pipes and Tubes
Polymer Pipes and Fittings
Stainless Steel Tubes
Engineering Solutions

25 PKR Billion Turnover (2024 - 2025)

Incorporated in 1953
Listed on PSX since 1955
Credit Rating A/A-1

Product Lines:
Wires and Cables
Conductors, Aluminium Rods, Wiring Accessories
Copper Rod
PVC Compounds

29 PKR Billion Turnover (2024 - 2025)

Incorporated in 2007
Listed on PSX since 2011
Credit Rating A+/A-1

Product Lines:
Cold Rolled Steel
Hot Dip Galvanized Steel
Color Coated Steel

62 PKR Billion Turnover (2024 - 2025)

Incorporated in 2024

Services:
Contracting services in the construction and engineering industry

TRUSTED NOT TO COMPROMISE

Shaping Tomorrow

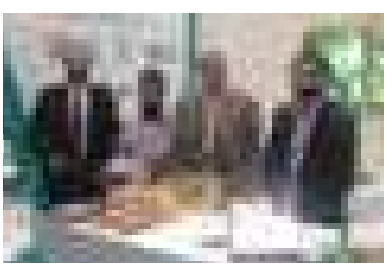
Highlights of the ASC Group member companies' events

ASC Group Participates in Saudi Build Expo 2024

ASC Group companies participated in the Saudi Build, expo to explore the region's largest building and infrastructure market at the 34th International Trade Exhibition for Construction Materials and Building Technologies held at Riyadh International Convention & Exhibition Center during November 4-7, 2024.

ASC Group Participates in IAPEX Lahore 2024

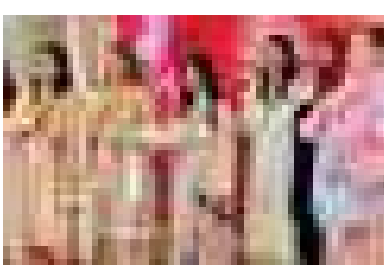
ASC Group companies participated in IAPEX Lahore, held at the Lahore Expo Centre from November 1 to 3, 2024, showcasing their commitment to innovation and industry leadership. Pakistan Cables featured its Wiring Accessories portfolio, International Industries displayed its comprehensive range of steel tubes and pipes and International Steels presented its latest galvanized and cold-rolled steel products. The exhibition provided a valuable platform to engage with industry stakeholders, strengthen brand visibility, and reinforce group's position as a leader in Pakistan's industrial landscape.



ASC Group Participates in Pakistan Minerals Investment Forum 2025

ASC Group participated in the Pakistan Minerals Investment Forum 2025, a premier platform showcasing the country's potential in the minerals and mining sector. Among the Group's highlights was CECL (Copper & Energy Company Limited), a sister company, which drew significant attention for its growing role in Pakistan's resource development landscape.

The event offered a valuable opportunity to present the Group's vision, explore strategic partnerships, and reinforce our commitment to contributing to the nation's industrial and energy advancement.

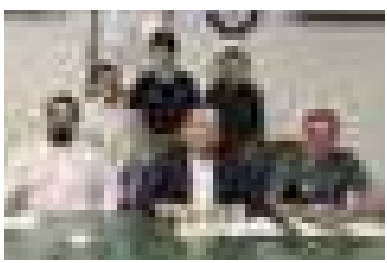


ASC Group Marks Pinktober

ASC Group organized a Breast Cancer Awareness event, featuring special guests, Dr. Bushra Maham Amin from Shaukat Khanum Hospital, cancer survivor Aysha Jamil, and former First Lady Begum Samina Arif Alvi. The informative session helped the attendees learn more about the symptoms, prevention, and treatment of breast cancer.

2nd Amir Sultan Chinoy Women's Tapeball Cricket Tournament 2024

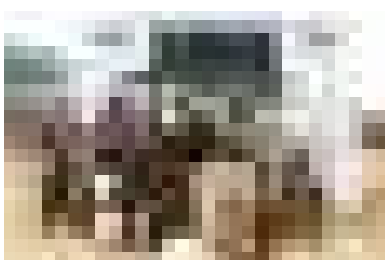
The 2nd Amir Sultan Chinoy Women's Tape-ball Cricket Tournament, held in December 2024, was a significant milestone in the ASC Group's commitment to promoting diversity, equity, inclusion, and collaboration across its member companies. The tournament featured 42 enthusiastic women participants, with Tectonic Titans (IIL), Electric Eagles (PCL), and Steel Strikers (ISL) teams embodying the spirit of sportsmanship and empowerment. Tectonic Titans (IIL) claimed the championship title in an electrifying final, capping off a successful two-day event that celebrated unity and progress on and off the field.



ASCF Sports Collaboration

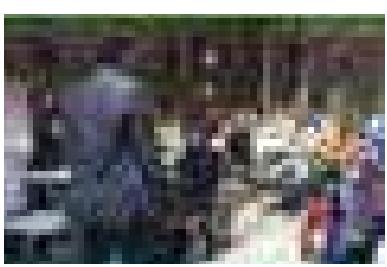
Under a multi-year sponsorship agreement by the Amir S. Chinoy Foundation, the ASC Group is proud to support Sana and Saif Bahader — two exceptionally talented squash athletes who continue to break barriers.

Despite being classified as Persons with Disabilities (PWDs), their unwavering determination and remarkable skill embody the spirit of Pakistan's resilient youth. This collaboration reflects our commitment to inclusivity and aims to elevate their talent — and Pakistan's squash legacy — onto the global stage.



ASCF Supports Water Filteration Plant in Dharasar Umarkot

ASCF in collaboration with Zaman Foundation installed a water filtration plant in Dharasar village, Umar Koth, to provide access to clean drinking water access to the local community. Dharasar is a remote desert village located 65km from Umarkot, home to over 600 residents across 350+ households. The predominantly Hindu community faces limited infrastructure and essential services access.



Emerge Incubation Centre Completed Cohort III

Emerge completed its COHORT III pitch deck round in which 30 highly promising incubates were meticulously selected, setting the stage for a dynamic and competitive cohort. Emerge is Pakistan's first TVET based incubation centre for the underprivileged youth, set up by the Amir Sultan Chinoy Foundation in collaboration with the Hunar Foundation with the intent to promote entrepreneurial skills among them.

Group Portfolio

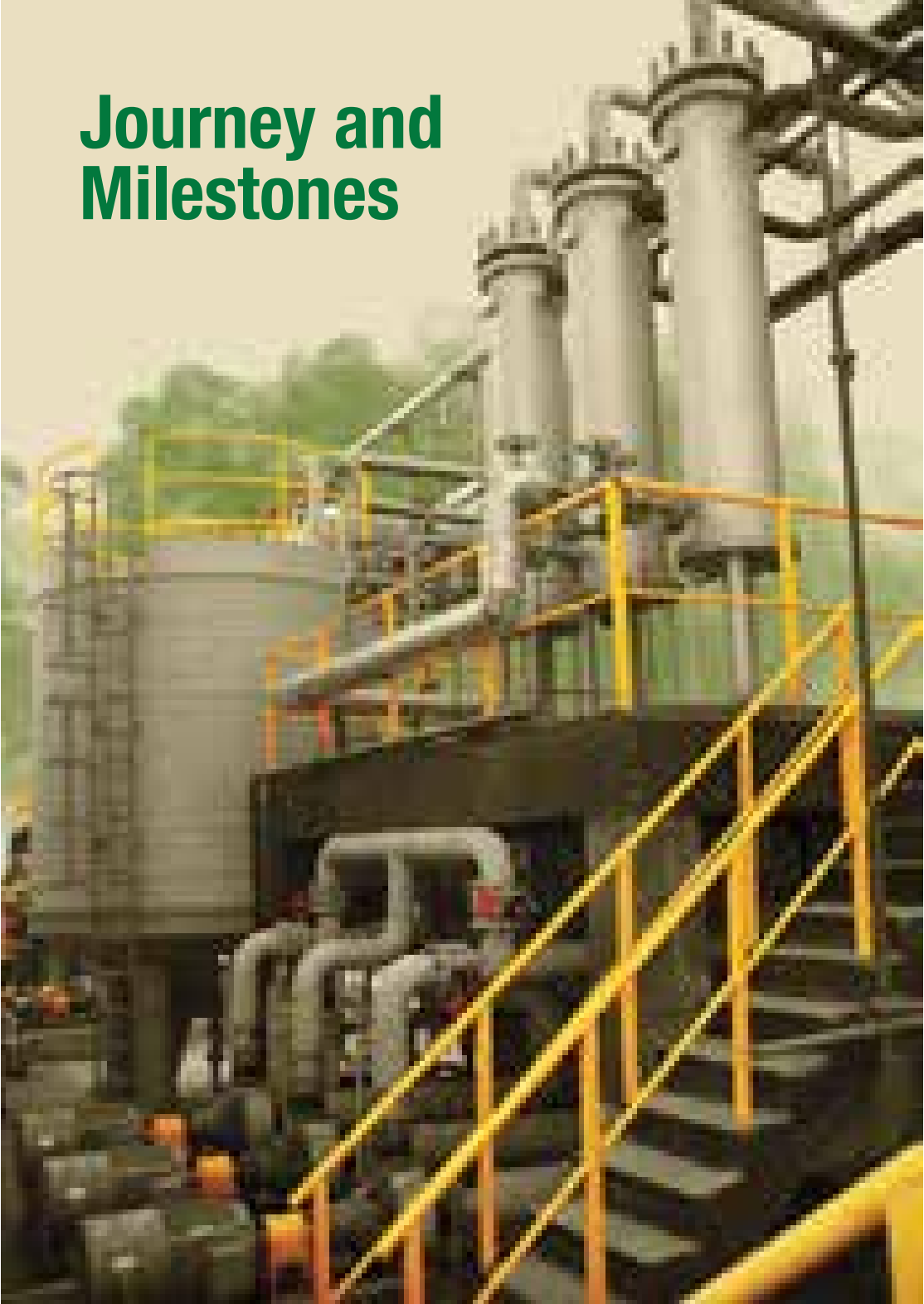
ASC AMIR S. CHINOY GROUP

International Industries	Pakistan Cables	International Steels Limited	Chinoy Engineering & Construction (Private) Limited
Incorporated in 1948 Listed on PSX since 1984 Credit Rating AA/A-1	Incorporated in 1953 Listed on PSX since 1955 Credit Rating A/A-1	Incorporated in 2007 Listed on PSX since 2011 Credit Rating A+/A-1	Incorporated in 2024
PRODUCTS	**PRODUCTS**	**PRODUCTS**	**SERVICES**
Steel Pipes and Tubes Polymer Pipes and Fittings Stainless Steel Tubes Engineering Solutions	Wires and Cables Conductors, Aluminium Rods, Wiring Accessories Copper Rod PVC Compounds	Cold Rolled Steel Hot Dip Galvanized Steel Color Coated Steel	Contracting services in the construction and engineering industry
25 PKR Billion Turnover (2024 - 2025)	**29** PKR Billion Turnover (2024 - 2025)	**62** PKR Billion Turnover (2024 - 2025)	

116 BILLION

GROUP TURNOVER

Journey and Milestones



Journey and Milestones

2007
- Incorporated in September.
- Installation of 19 Mega Watt Power Generation Plant.

2008-2009
Civil works and plant installation in process.

2010
Cold Rolling and Galvanizing complex is commissioned.

2011
- Commercial operations of Cold Rolling and Galvanizing complex commence:
  Installed capacity 250,000 MT
- ISL gets listed on Pakistan Stock Exchange.
- Certifications acquired:
  ISO 9001 (Quality Management System)
  ISO 14001 (Environmental Management)
  ISO 18001 (Occupational Health and Safety Management Systems)

2012
Commercial operations of Cold Rolling and Galvanizing Complex commence with an installed capacity of 250,000 MT.

2013
- Production exceeds 166,000 MT.
- Sales exceed 161,000 MT.
- Net turnover exceeds PKR 13 Billion.

2014
- Production exceeds 220,000 MT.
- Sales exceed 217,000 MT.
- Net turnover exceeds PKR 17 Billion.

2015
- Production exceeds 280,000 MT.
- Sales exceed 257,000 MT.
- Net turnover exceeds PKR 21 Billion.

2016
Galvanizing Plant-II is commissioned and starts commercial production:

- Galvanizing capacity increases to 450,000 MT from 150,000 MT.
- Pakistan's first Color Coating line is established at ISL with the capacity 84,000 MT.
- A new electrolysis plant is installed to produce Hydrogen
- A Second strand on the 4-Hi Reversing Mill is commissioned, converting it into a Continuous Compact Mill "CCM".
- Production exceeds 238,000 MT.
- Sales volume exceeds 239,000 MT.
- Net turnover exceeds PKR 17.5 Billion

2017
- Commercial production of the enhanced 4-Hi Continuous Compact Mill commences
- Cold Rolled capacity increases to 500,000 MT from 250,000 MT.
- Production exceeds 370,000 MT.
- Sales volume exceeds 364,000 MT.
- Net turnover exceeds PKR 20 Billion.

2018
- Debottlenecking of Push Pull Pickling Line.
- Pickling capacity enhances to 600,000 MT from 500,000 MT.
- Successful commissioning of additional annealing capacity.
- Annealing capacity enhances to 200,000 MT from 160,000 MT.
- Second Continuous Compact Mill "CCM-2" is commissioned.
- SNI certification of Indonesia is acquired.
- Production exceeds 465,000 MT.
- Sales volume exceeds 490,000 MT.
- Net turnover exceeds PKR 33 Billion.

2019
Continuous Compact Mill "CCM-2" commences commercial production:
- Cold Rolling capacity increases to 1,000,000 MT from 500,000 MT.
  Annealing capacity is enhanced:
- Annealing capacity increases to 360,000 MT from 300,000 MT.
  A New continuous picking line is commissioned and starts commercial production:

- Capacity of new continuous picking line becomes 1,000,000 MT.
- Production exceeds 470,000 MT.
- Sales volume exceeds 539,000 MT.

- Sales value exceeds PKR 47 Billion.
- ISL wins Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Export Award 2017 in the steel category.
- Pakistan Stock Exchange's status at Morgan Stanley Composite Index (MSCI) is upgraded to "Emerging Market" and ISL is listed in it.
- ISL wins Management Association of Pakistan (MAP) Corporate Excellence Award 2019.
- JCR-VIS credit rating company awards ISL the credit rating of "A+/A-1".

2020

- ISL Service Center commences operations. The state-of-the-art service center is envisioned to provide value-added services to the customers.
- ISL bags 1st award at the "7th Employer of the year award" in the Medium National Category.
- ISL receives the 43rd FPCCI Best Export Performance Award 2018-19.
- International Steels Limited (ISL) wins the prestigious Top 25 Performing Companies award by the Pakistan Stock exchange.
- ISL wins Management Association of Pakistan (MAP) Corporate Excellence Award 2020 for the second consecutive year.

2021

- ISL receives "Employers Federation of Pakistan's (EFP) Exporters Recognition Award", being acknowledged among the Top 45 largest exporters of Pakistan.
- ISL wins the "8th Employer of the Year Award" for the year 2019-2020.
- ISL wins three CSR Awards at the NFEH's (National Forum for Environment and Health) 13th Corporate Social Responsibility Summit 2021 in the categories of: Education and Scholarships, Community Development and Services Waste Management, and Recycling.
- ISL received 44th FPCCI Best Export Performance Award 2019-20.

2022

- Electrolytic Cleaning Line is commissioned at ISL. This new addition improves the surface quality of our products specifically for the automotive and appliances sectors by cleaning the remaining rolling emulsion and iron fines.
- ISL sponsored the Pakistan Pavilion at the internationally acclaimed, Dubai Expo 2021.
- ISL sponsored TEDx IBA powered by AIESEC.
- ISL participated in the 2nd Pakistan Africa Trade Development Conference, Nigeria, facilitated by TDAP.
- For the second time, ISL won three awards in the categories of Education and Scholarship, Community Development, Sports and Recreational Activities, at the 14th CSR Awards organized by the National Forum for Environment and Health (NFEH).
- ISL participated in the Management Association of Pakistan's 22nd MAP Convention, under the banner of ASC Group.
- International Steels Limited participated in Project Qatar in Doha, meeting potential partners from across Qatar and from other countries.
- ISL exhibited in HVACR Expo, Lahore, the largest dedicated HVACR trade exhibition in Pakistan. Additionally, the company participated in IAPEX Building Materials Exhibition at Expo Center, Karachi. This expo attracts and targets architects, builders and contractors, from all over Pakistan.
- ISL was listed in Traded Development Authority of Pakistan (TDAP) Top 50 exporters, second year in a row
- ISL won Pakistan Stock Exchange (PSX) "Pakistan's Top 25 Companies Award"
- ISL received "Export Performance Award" for the FY 2020-21, at FPCCI's 45th Export Awards.
- ISL won the "Corporate Excellence Award" in the "Engineering Category" for the fourth year in a row, in the 37th year of the Corporate Excellence Awards organized by the Management Association of Pakistan (MAP)
- ISL won 1st position in the Medium National Category at the "9th Employer of the Year Awards" for the year 2021

2023

- ISL received the FPCCI 46th Best Export Performance Award for FY 2021-22.
- ISL was honored with the KCCI Best Export Performance Award for FY 2019-20 and FY 2020-21.

- ISL clinched 1st Prize in the Engineering, Automobile Manufacturing & Spare Parts/Components Sector at the 17th EFP Best Practices Award Ceremony for OSHE 2022.
- ISL rolled out the ISL Customer Portal to ISL Dealers and select industrial customers from Q2 FY24. The portal was created to offer customers a convenient digital sales experience by streamlining business processes and providing real-time access to order and transaction information.
- ISL won its fifth consecutive award at the 38th Corporate Excellence Awards (CEA) hosted by MAP, recognizing exceptional performance and management best practices.
- ISL was integrated in the internet banking system of 2 leading banks of Pakistan.
- ISL celebrated reaching "3 Million Metric Tons," achieved through collaboration with JFE and Sumitomo Corporation.
- ISL won the 11th FPCCI Achievement Award for 2022.
- ISL won three CSR awards at the NFEH's 15th CSR Summit – 2023, in the categories of Community Development and Services, Education and Scholarship, and Rehabilitation, for the third consecutive year.

2024

- International Steels Limited initiated a 6.4 MW solar power project at its Karachi manufacturing facility, reflecting a strategic investment of PKR 1 billion.
- In September 2024, ISL was honored with the 7th CSR Award 2024, by The Intellects Club, Religion for Peace, and Rotary Club, reaffirming ISL's dedication to community and environmental impact.
- ISL secured the MAP Corporate Excellence Award in the Engineering Sector for the sixth consecutive year in October 2024. CEO Mr. Samir M. Chinoy accepted the honor at the 39th Corporate Excellence Awards, reaffirming ISL's legacy of innovation and industry leadership in Pakistan.
- ISL launched ISL Steel Uncovered – Season 1 on YouTube, a groundbreaking video series that takes viewers inside the world of steel manufacturing and its real-world applications.
- ASC Group Companies - ISL, IIL & PCL participated in the 3rd Engineering and Healthcare Show 2024 organized by TDAP.
- ISL participated in The Big 5 Construct Saudi, the largest construction event in Saudi Arabia, for the first time.
- ISL received three CSR awards during the NFEH's 16th CSR Summit & Awards 2024 for the fourth consecutive year in the categories of Community Development and Services, Education and Scholarship, and Public Health & Safety Program.
- ISL received the "Diamond Recognition Award" at the 10th Employer of the Year Awards, underscoring our focus on fostering a vibrant organizational culture.
- In partnership with a leading bank, ISL rolled out virtual accounts with automatic receipt creation, complementing existing payment channels to enhance convenience and efficiency for customers.
- ISL secured vendor registration for Saudi Arabia's Giga-Projects - this recognition positions ISL as a trusted partner in the Kingdom's infrastructure development, aligning with Saudi Arabia's Vision 2030.

Highlights 2024-2025

Q1 July – September 2024

ISL unveils Steel Uncovered: Celebrating the Steel That Shapes Pakistan

Inspired by educational series such as "How It's Made," ISL Steel Uncovered opens a window into how flat steel turns into finished goods that people rely on daily. The series offers an in-depth look into how ISL's high-grade flat steel is integrated into a diverse range of products, from construction materials to automotive components. The series not only highlights the technical processes but also emphasizes the vital partnerships with industrial clients that help drive Pakistan's manufacturing sector forward.

ISL Wins EFP's "Employer of the Year" Award

ISL earned the prestigious Diamond Recognition Award accolade in recognition of its inclusive, growth-oriented workplace. The award reflects ongoing commitment to employee well being, benefits, wellness, and learning opportunities.

ISL Secures Vendor Registration for Saudi Giga-Projects

ISL's commitment to quality and innovation has been recognized through its vendor registration for several high-profile Saudi Giga projects. This achievement positions ISL as a key Pakistani player in the Middle East's ever-evolving infrastructure scene.

ISL at SMU Steel Summit 2024 – Gold Corporate Sponsor

As the Gold Corporate Sponsor at the SMU Steel Summit in Atlanta, USA, ISL showcased its leadership in innovation and sustainability on a global steel industry platform.

ISL Wins 7th CSR Award 2024

Awarded the 7th CSR Award by The Intellects Club, Religion for Peace, and Rotary Club, ISL reaffirmed its commitment to environmental and community-focused initiatives.

Q2 Highlights: October – December 2024

ISL Wins MAP Corporate Excellence Award 6th Consecutive Year

ISL received the MAP Corporate Excellence Award in the Engineering Sector for the sixth year running. CEO Mr. Samir M. Chinoy accepted the award in a ceremony attended by top provincial officials and industry leaders.

ISL Showcases at Pakistan Auto Show (PAPS) 2024

ISL participated at the Pakistan Auto Show 2024 that took place at the Lahore Expo Centre. This premier event showcases the potential of the automotive industry and emphasizes advancements in engineering technology.

ISL at Saudi Build 2024 - Riyadh, KSA

ISL participated in Saudi Build 2024, reinforcing its presence in the Middle Eastern construction sector and engaging with regional infrastructure leaders.

ISL at The Big 5 Global 2024 - Dubai, UAE

At The Big 5 Global 2024, ISL showcased its innovative flat steel solutions and connected with global industry stakeholders, representing Pakistan on an international platform.

ASC Women's Cricket Tournament 2024

ISL participated in the 2nd ASC Women's Cricket Tournament. The IIL Tectonic Titans won, and ISL Steel Strikers, along with Pakistan Cables Electric Eagles, demonstrated remarkable athleticism and spirit.

Q3 Highlights: January – March 2025

ISL MOU with Chiniot General Hospital

ISL entered a partnership with Chiniot General Hospital to enhance healthcare access in the region—reflecting a shared vision of corporate commitment to community welfare.

ISL at The Big 5 Saudi Construct 2025 - Riyadh, KSA

As Pakistan's representative at The Big 5 Saudi Construct 2025, ISL presented its cutting-edge flat steel products and networked with global construction professionals.

ISL Hosts Nationwide Iftaar Events

In the spirit of Ramadan, ISL hosted Iftaar gatherings across Pakistan to build stronger community bonds among employees and celebrate cultural values.

Q4 Highlights: April – June 2025

ISL celebrates Health, Safety and Environment

ISL celebrated HSE Day, reaffirming its commitment to Health, Safety, and Environment as core values of the organization. The event brought together employees from all departments to engage in activities, training sessions, and discussions aimed at strengthening ISL's safety culture and environmental stewardship.

ISL at Pakistan HVACR Expo 2025

ISL showcased its steel solutions at the 30th Pakistan HVACR International Expo & Conference in Lahore. Its products underscored ISL's value proposition in HVACR industry segments.

ISL Completes 6.4MW Solar Power Project – A Sustainability Milestone

International Steels Limited (ISL) successfully completed its 6.4 MW solar power project, delivering clean electricity to production and office sites. Expected to generate over 8 million kWh per year, the project significantly reduces ISL's reliance on fossil fuels and advances its ESG strategy.

Vision, Mission and Core Values

Vision

To be the premium manufacturer of flat steel products in Pakistan.

Mission

To establish our presence in the steel industry by providing superior quality products and reliable services, catering to the customers' needs, at competitive prices, while delivering value and fostering close partnerships.

We take pride in providing an environment that cultivates teamwork and leadership capabilities to manage our company as a model corporate citizen, complying with the highest standards of business ethics.

Core Values

We share a core set of values which incorporate:

Integrity

We are committed to maintain highest ethical standards and ensure a culture of trust and openness internally as well as externally.

Fairness

We are committed to implement such policies and procedures which translate into fair and equitable treatment of all stakeholders, including selection, hiring, rewarding and compensating all employees.

Diversity

We are an equal opportunity employer with zero bias against gender, race, ethnicity and religion and encourage openness, expression of opinions etc.

Responsibility

We consider quality of life, health, safety, wellbeing, social uplift and environment as integral parts of our corporate culture and responsibility.

Respect for People

We are committed to foster a culture where people come first and we hire, develop and retain our people to work as synergized teams in line with our mission and vision.

Strategic Objectives

Strategic Objectives

We aim at creating fair value for the stakeholders in these areas:

CREATING SHARED VALUE

We are committed to continually enhance the effectiveness of our quality, environment, occupational health and safety management systems. We aim at creating fair value for the stakeholders through team work, continual improvement in technology, waste reduction, protection of environment, care for health, safety of people and equipment and improvement in safety practices.

INVESTING IN HUMAN CAPITAL

The company attributes its success to its human capital and its quality. It strives to attract, develop and retain the best talent available, providing career growth opportunities through a system of skill development, motivation and rewards. Aspiring to be an "Employer of Choice", we are committed to providing a safe, collaborative and high performance workplace to our employees.

INVESTING IN TECHNOLOGY

ISL aims to become a technology driven company, one that fulfils its commitment to its customers by effectively anticipating customers' requirements. The company strives to exceed expectations by utilizing and continuously enhancing its technical capabilities and service levels.

REDUCING WASTE

The company makes considerable efforts to reduce waste, thereby promoting efficient utilization of resources and lowering waste levels, ultimately promoting efficiency throughout the value chain.

ENSURING SUSTAINABILITY

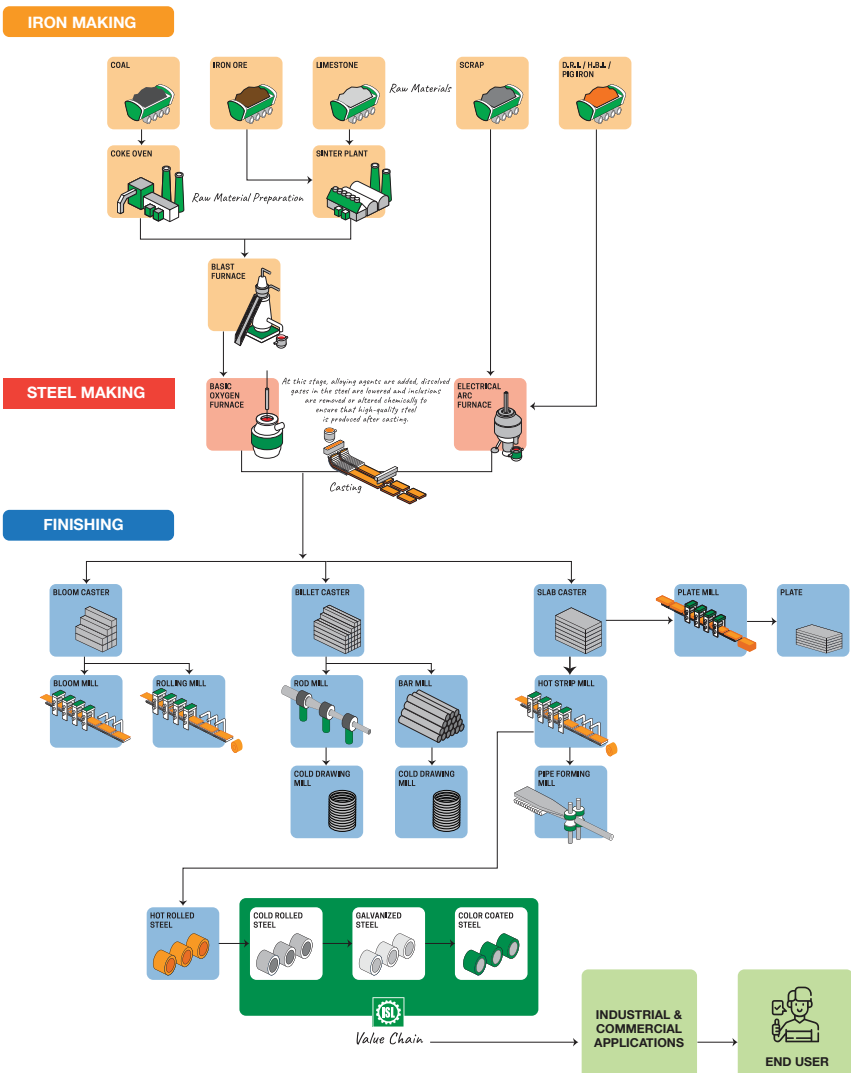
ISL regards sustainability of its operations as a key responsibility towards its stakeholders. ISL remains committed towards its causes of waste reduction, protection of environment, ensuring wellbeing, safety and welfare of people and incessant technological advancement.

We are committed to continually enhance the effectiveness of our quality, environment, occupational health and safety management systems.

Steel Value Chain

Steel Value Chain

The Steel Pathway



Products and Services

Products & Services

COLD ROLLED STEEL

Manufactured as per the ASTM A1008, JIS G3141 and equivalent standards

ISL's CRC is offered in a range of product specifications, ranging from drawable, deep drawable, to commercial grades, and surface finishes from bright to dull, to meet commercial or industrial needs of customers. ISL's Cold Rolling Mill is a modern, advanced facility designed and supplied by SMS Siemag, Germany. With strict quality control processes and advanced technology, our product provides outstanding finish and workability, highly valued by customers in the automobile, home appliances, furniture, drum, tube, filter, tin plate and various other industrial segments.

Properties
- Annealed, skin passed
- Oiled / unoiled
- Bright or dull finish
- Tension levelled

Thickness Tolerance
1/2 of ASTM A568 and
1/2 of JIS G3141

Applications
Automotive components, tubes and sections, domestic appliances, electrical goods, oil filters, hardware, packaging drums, furniture and fixtures, gates, etc.

HOT DIP GALVANIZED STEEL

Manufactured as per the ASTM A653, JIS G3302 and equivalent standards

Galvanization is the process of applying a protective zinc coating to steel to prevent rust and corrosion. ISL's Hot Dipped Galvanized Steel is produced on a state-of-the-art, fully automated galvanizing complex. Our manufacturing facility, a dynamic production team, and adherence to strict quality control measures, paired with the best available raw materials and processes, are applied under controlled conditions to produce premium quality zinc-coated steel.

Properties
- Regular / suppressed spangle
- Chromated and dried
- Skin passed / Non skin passed

Thickness Tolerance
1/2 of ASTM A924 and
1/2 of JIS G3302

Applications
HVACR and ducting, industrial and agricultural warehouses and sheds, domestic appliances, silos, door frames, roofing sheets, trunks and storage boxes, cable trays, razor wire, etc.

COLOR COATED STEEL

Manufactured as per the ASTM A653, JIS G3302 and equivalent standards

With a coating capability of 84,000 MT, ISL's Color Coating Line allows us to produce high-quality color coated sheets on various substrates like Cold Rolled, Galvanized, Galvalume, Aluminium, and Stainless-Steel sheets, in a broad range of colors. ISL's high manufacturing standards ensure uniform coating with excellent durability and stain resistance. Color Coated Steel is light weight, posesses good anti-corrosion properties, and can be directly processed and utilized in several indoor and outdoor applications. Polyester (PE) and Polyvinylidene Difluoride (PVDF) paint mediums are used to coat galvanized and other substrates.

Properties
- Heat cured on GI substrate
- Single / double side painted
- Finish coat (Polyester / PVDF)
- Laminated coils

Thickness Tolerance
1/2 of ASTM A924 and
1/2 of JIS G3312

Applications
Temperature-controlled vehicles, industrial and agricultural warehouses, sheds (roofing and cladding), appliances, furniture and fixtures, false ceilings, trunks, storage boxes, etc.

ISL Service Center

ISL Service Center

ISL Service Center shapes flat rolled steel into various forms for a wide range of industrial and commercial applications, ranging from profiles that form exceptionally durable structures, to custom-cut sheets and slitted coils that serve as ready-to-use input for various purposes.

SLITTING

Thickness Range
0.0059 in / 0.15 mm - 0.098 in / 2.50 mm

Width Range
0.98 in / 25 mm - 49.21 in / 1,250 mm

Width Tolerance
+/- 0.004 in / +/- 0.1 mm

Coil ID
20 in / 508 mm

CUT-TO-LENGTH

Thickness Range
0.0059 in / 0.15 mm - 0.098 in / 2.50 mm

Width Range
15.75 in / 400 mm - 49.21 in / 1,250 mm

Length of Sheet
15.75 in / 400 mm – 157.48 in / 4,000 mm

Length Tolerance
+ 0.118 in / + 3 mm

C CHANNELS FOR LGSS* WALL PARTITIONS

Input Material
Hot Dip Galvanized Steel

Thickness Range
0.75 – 1.15 mm

Grades
Commercial Quality
Structural Steel

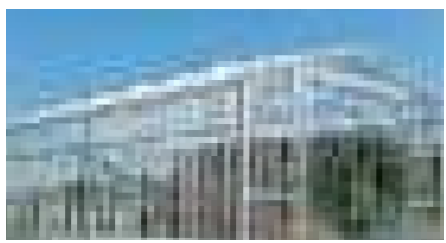
Zinc Coating
11 - 38.5 microns

Web (W)
Size 89 mm

Flange (F)
Size 39 mm

Lip (L)
Size 10 mm

*Light Gauge Steel Structures



C AND Z PURLINS

Input Material
Hot Rolled Steel,
Cold Rolled Steel,
Hot Dip Galvanized Steel

Thickness Range
1.20 - 3.00 mm

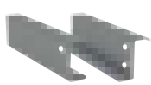
Grades
Commercial Quality
Structural Steel

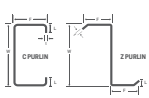
Zinc Coating
11 - 38.5 microns

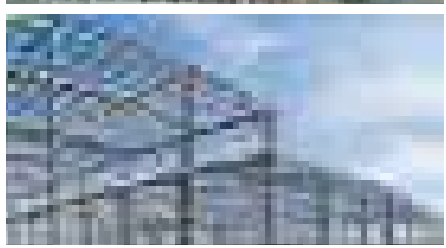
Web (W)
150 - 450 mm

Flange (F)
Size 40 - 100 mm

Lip (L)
Size 12 - 30 mm





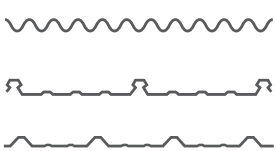


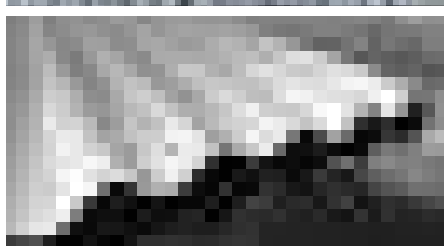
PROFILING

Sinusoidal
0.0118 in / 0.30 mm
0.0236 in / 0.60 mm

Clip Lock
0.0157 in / 0.40 mm
0.0236 in / 0.60 mm

Screw Down
0.0118 in / 0.30 mm
0.0275 in / 0.70 mm





Our flat steel products are easy, fast to erect, sturdy and lightweight. They are manufactured to suit almost any floor plan or construction style. Consistent quality and precision provide customers with assurance of strong, versatile, functional, and attractive designs that are engineered for life.

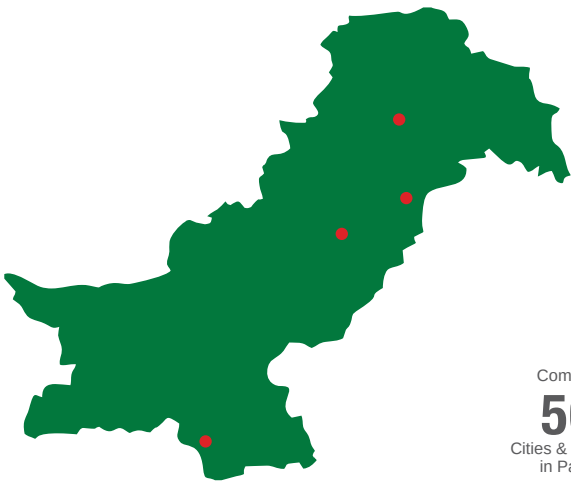
Regional Network

ISLAMABAD
Regional Office

LAHORE
Regional Office

MULTAN
Regional Office

KARACHI
Head Office, Factory
and Service Center



Comprising
500
Cities & Towns
in Pakistan

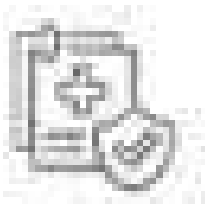
Geographical Presence

Exporting
to more than
30
countries in
06
continents

Health and Safety Statistics

0.91 M

Safe Man Hours



6,074

HSE Training Hours

04

Lost Time Injury (LTI)

0.84

Total Recordable Incident Rate (TRIR)

Value Creation

Value Creation 2011-2025

CONTRIBUTION TO GOVT.

Over

PKR 143 Billion

Contributed to the national exchequer

SUBSTITUTING IMPORTS

Saving

$431 Million

Worth of foreign exchange outflow through localization

EXPORT VALUE

Earned

$592 Million

Worth of foreign exchange by exporting flat steel

GLOBAL FOOTPRINT

Exporting to over

30 Countries

Worldwide, supplying cold rolled and coated steels

LEADING EXPORTER

Listed among

Top Exporters

by FPCCI & TDAP

SKILL DEVELOPMENT

Imparted

52,230 Man Hrs.

To train and develop human resources at ISL Factory and offices

CSR CONTRIBUTION

Allocating

1.5% Profit

(After Tax) Annually for social and community uplift

RECOGNITION OF EXCEPTIONAL PERFORMANCE

Six time winner

Corporate Excellence Award

In the Engineering Category at CEA, hosted by MAP

EMPLOYER OF CHOICE

Diamond Recognition Award

10th Employer of the Year Awards by Employers Federation of Pakistan

RECOGNITION IN CSR CONTRIBUTION

Four consecutive years of winning

3 CSR Awards

At NFEH's Annual Corporate Social Responsibility Summit

CREDIT RATING

Maintaining

A+/A1 Rating

By VIS Credit Rating Company Limited

ENVIRONMENTAL RESPONSIBILITY

Practicing

Clean, Lean and Green

Manufacturing approach and sustainable practices

Code of Conduct

Code of Conduct

The Code of Conduct is equally applicable to the Board of Directors as well as all the employees of the Company. The Salient features of the Code of Conduct are as follows:

A. BUSINESS ETHICS

I. The Company's policy is to conduct its business with honesty and integrity and be ethical in its dealings, showing respect for the interest of all stakeholders including its shareholders, employees, customers, suppliers and society at large.

II. The Company is dedicated to providing a safe and non-discriminatory working environment for all employees.

III. The Company does not support any political party or contribute funds to groups whose activities promote political interests.

IV. The Company is committed to provide products which consistently offer value in terms of price and quality and are safe for their intended use, to satisfy customer needs and expectations.

V. The Board of Directors and the management are both committed to ensuring that the Company is a responsible corporate entity, and that business shall be carried out in a sustainable manner.

VI. Operations shall be carried out with minimum adverse effect on the environment and producing quality products in a healthy and safe working environment.

VII. The Company, as a responsible corporate entity, shall play its part in the betterment of society in health and education sectors as a part of our Corporate Social Responsibility.

VIII. The Board of Directors and the Employees shall not indulge in insider trading and unfair market practices.

B. CONFLICTS OF INTEREST

I. Every employee should conduct his or her personal and business affairs in a manner such that neither a conflict, nor the appearance of a conflict, arises between those interests and the interests of the Company.

II. An employee should avoid any situation in which he or she, or a family member, might profit personally (either directly or indirectly) from the Company's facilities, its products, or relationships with its vendors or customers.

III. An employee should not permit himself / herself (or members of his/her family) to be obligated (other than in the course of normal banking relationships) to any organization or individual with whom the Company has a business relationship. However, business lunches, dinners or social invitations, nominal giveaways and attendance at conferences and seminars would not be considered a violation of this Code.

IV. Conflicts of interest shall be avoided and promptly disclosed where they exist, and guidance should be sought from supervisors.

C. ACCOUNTING RECORDS, CONTROLS & STATEMENTS

I. All books, records, accounts and statements should conform to generally accepted and applicable accounting principles and to all applicable laws and regulations and should be maintained accurately.

II. Employees are expected to sign only documents or records which they believe to be accurate and truthful.

D. ENVIRONMENT, SOCIAL & GOVERNANCE

I. The Company is committed to carry its business in an environmentally sound and sustainable manner and promoting preservation and sustainability of the environment.

II. All employees are required to adhere strictly to all applicable environmental laws and regulations that impact on the Company's operations.

III. The Company promotes environmental, social and governance (ESG) compliances including but not limited to health and safety aspects in its business strategies.

E. REGULATORY COMPLIANCE

I. The Company is committed to make prompt public disclosure of 'material information' regarding the company as prescribed by the Pakistan Stock Exchange Regulations, if required.

II. Where an employee is privy to the information which is generally referred to as 'material inside information', the same must be held in strict confidence by the employee involved until it is publicly released.

III. The Employees shall abide by the appropriate competition laws and shall not enter into understandings, arrangements or agreements with competitors which have the effect of fixing or controlling prices, dividing and allocating markets or territories or boycotting suppliers or customers.

F. ANTI-BRIBERY - ANTI-MONEY LAUNDERING

I. Employees shall not engage in any kind of bribery, extortion and all other forms of corruption. In case an employee is offered or receives any gift, payments or favors or something of value from suppliers or any business associates, which he/she believes may be questionable under this Code, he/she should disclose the matter to the relevant person of the Company.

II. Employees are strictly prohibited from participating in money laundering, financing of terrorism, or engaging in transactions with individuals or entities involved in such activities.

G. PERSONAL CONDUCT

I. All employees should conduct themselves with the highest degree of integrity and professionalism in the workplace or any other location while on company business.

II. Employees shall be careful while dealing with personal or business associates and not disclose, divulge or provide any information regarding the Company to anyone except where the same is used as a part of his/her official obligations and as required for official purpose and shall abide by the Closed Period announced by the Company from time to time and also sign a Non-Disclosure Agreement if the need arises.

III. Employees should always be cognizant of the need to adhere strictly to all safety policies and regulations.

IV. Any legally prohibited or controlled substances, if found in the possession of any employee, will be confiscated and, where appropriate, turned over to the authorities.

V. Employees must ensure no instances of personal deliveries using the Company's resources, tax number and/or business name.

H. HARASSMENT-FREE WORKPLACE

I. The Company is committed to providing and maintaining a work environment free from harassment of any kind, whether physical, verbal, psychological or otherwise. Employees are encouraged to report any incidents of harassment promptly to the relevant person of the Company.

II. The Company will take immediate and appropriate action to investigate and address any reported incidents of harassment.

I. MISCELLANEOUS

I. All Employees are required to comply with this Code of Conduct and are personally responsible for doing so. Employees must comply with any rules set out in this Code of Conduct. Breach of any principles within the code may result in disciplinary action and a serious breach – such as if any employee is found to be in wanton abuse of the Code and their action can cause reputational risk or damage or financial loss to the Company, may amount to gross misconduct, which may result in dismissal. Further, the Company reserves the right to seek redress and damages from such individuals.

II. Employees at all levels will be required to certify annually that they understand the Code and that they are in full compliance with this code. The Board monitors the findings of this certification on an annual basis.

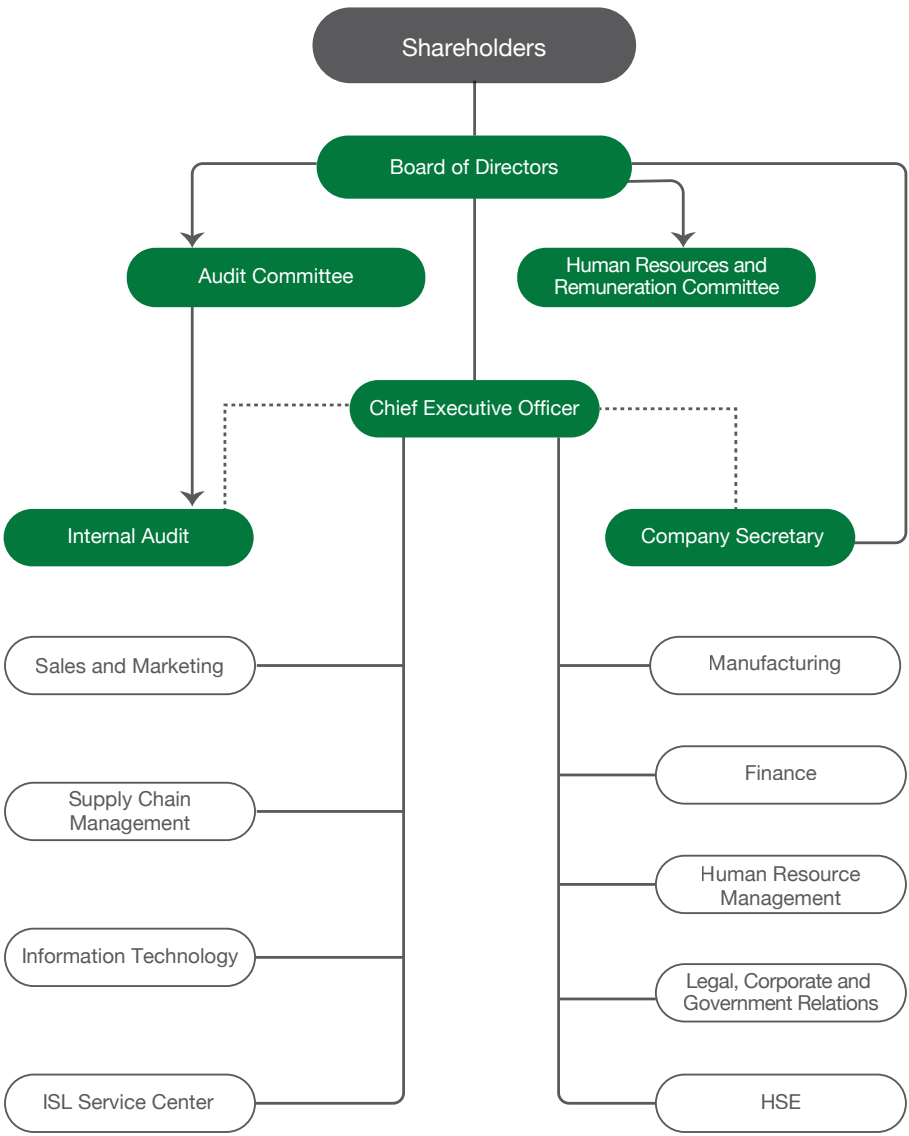
III. The Company has in place a confidential 'Whistleblowing Policy' as a mechanism and process to encourage the reporting of any non-compliance with the Code of Conduct.

IV. Employees agree that all right, title and interest in and to all work product resulting during the course of their employment with the Company, whether created, generated or produced by the Employees or others or under the supervision of Employees, including, without limiting the generality of the foregoing, all ideas, designs, concepts, information, data, inventions, improvements, works, discoveries, know-how and all intellectual property, including but not limited to patent, copyright, trade secrets and other related rights, belong to the Company exclusively and shall be the exclusive property of the Company and may be used by the Company at any time without any obligation to pay the Employees any compensation whatsoever, and to the extent that ownership of such work product may not automatically vest in the Company by operation of law or otherwise.

V. Employee hereby assign, and upon the future creation thereof shall assign, all right, title and interest in and to the work product to the Company without any obligation on the part of the Company to pay the Employees any compensation whatsoever, and the Employees shall not use the same for any purpose other than for the benefit of the Company nor will the Employees pass it on to any other person or institution other than to those approved by the Board and the Employees will not take the same with them when the Employees cease to be an employee of the Company for any reason whatsoever (and shall return such work product to the Company).

VI. Employee shall take all steps and shall execute all such documents as may be necessary or reasonably required by the Company, at the expense of the Company, to procure and ensure that the Company obtains and retains complete and exclusive legal title to any such invention or improvement, and the Employees shall assist the Company in obtaining, securing, enforcing and retaining the abovementioned intellectual property rights as is needed by the Company.

Organizational Chart



A Legacy to Transform

Chairman's Review

Chairman's Review Report

On behalf of the Board of Directors, I am pleased to present the Annual Report of International Steels Limited for the financial year ended 30 June 2025.

The year under review marked a gradual recovery for Pakistan's economy. GDP grew by 2.7%, inflation moderated to single digits, State Bank's policy rate was reduced to 11% and the exchange rate also remained stable, creating a more predictable business environment.

The domestic steel market exhibited mixed trends. Cold Rolled demand contracted by 5%, reflecting subdued industrial growth, while Galvanized demand grew 11%, due to stronger activity in the rural economy. The formal steel sector continued to contend with structural challenges, including misuse of sales tax exemptions allowed under FATA/PATA and the circumvention of anti-dumping duties on galvanized products.

Despite these headwinds, ISL volume grew by 15% as compared to last year, demonstrating our competitive strength. However, the benefit of higher volumes was tempered by declining global steel prices. Export performance was impacted by aggressive dumping from major steel-producing nations and rising protectionism in key markets.

ISL maintained its profitability trajectory and remains strategically positioned to capitalize on future market growth. The Company's resilience is reflected not only in market share gains but also in the execution of strategic initiatives:

- **Downstream Integration:** Acquisition of a 17% equity stake in Chinoy Engineering & Construction Limited to stimulate domestic steel demand.
- **Energy Diversification:** Commissioning of a 6.4 MW solar power plant, reinforcing our commitment to sustainability, energy cost reduction and a lower carbon footprint.
- **Economic Contribution:** ISL contributed USD 60 million to the national economy through import substitution and export receipts, alongside PKR 14.7 billion in direct and indirect taxes.

The Board maintained a high standard of corporate governance, with active participation from all Directors, including our Independent Directors, in strategic decision-making. During the year, Mr. Samir M. Chinoy was appointed Chief Executive Officer, succeeding Mr. Yousuf H. Mirza, who remains on the Board. We thank Mr. Mirza for his leadership and welcome Mr. Chinoy's vision for ISL's next growth phase. Additionally, Mr. Kenichi Hotta joined the Board, succeeding Mr. Norihiro Mizota, whose contribution we deeply appreciated.

We welcome recent regulatory reforms, including changes to the sales tax regime for FATA/PATA and the imposition of anti- dumping duties on circumvented coated products. These measures should help expand the footprint of Pakistan's domestic flat steel industry.

As Chairman, I remain committed to leading a culture grounded in openness, constructive debate and strategic foresight. We will continue to ensure compliance with all regulatory standards, while empowering our management to make decisions that create value over the short, medium and long term.

On behalf of the Board, I extend sincere appreciation to our shareholders, employees, customers and partners for their continued trust and support. Your confidence fuels our determination to navigate challenges and seize opportunities in the evolving market landscape.

With optimism and resolve, we look ahead to the coming year, prepared to build on our strengths, adapt to market realities and deliver sustainable growth.

We pray to Almighty Allah for the continued success and prosperity of your Company.

Kamal A. Chinoy

August 19, 2025

چیئرمین کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے انٹرنیشنل اسٹیلز لمیٹڈ کی سالانہ رپورٹ برائے مالی سال 30 جون 2025 پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

زیر جائزہ سال میں پاکستان کی معیشت میں رفتہ رفتہ بحالی کے آثار نظر آئے ہیں۔ جی ڈی پی میں 2.7% اضافہ ہوا، افراط زر نمایاں کمی کے ساتھ یک ہندسی سطح پر آگیا، اسٹیٹ بینک کے پالیسی ریٹس کم ہو کر 11% تک آگئے اور زر مبادلہ کی شرح بھی مستحکم رہی، جس سے کاروباری ماحول میں استحکام پیدا ہوا۔

مقامی اسٹیل مارکیٹ میں ملا جلا رجحان رہا۔ کولڈ رولڈ کی طلب میں 5% تک کمی آگئی جو صنعتی نمو میں کمی کی نشاندہی کرتی ہے، جبکہ دیہی معیشت میں زیادہ فعال سرگرمیوں کے سبب گیلونائزڈ کی طلب میں 11% اضافہ ہوا۔ باضابطہ اسٹیل کے شعبہ کو بنیادی صنعتی ڈھانچے کی خامیوں کے ساتھ مقابلہ رہا جن میں FATA/PATA کے تحت سیلز ٹیکس میں استثنیٰ کا غلط استعمال اور گیلونائزڈ پروڈکٹس پر اینٹی ڈمپنگ ڈیوٹیز کا عدم نفاذ شامل ہے۔

ان مشکلات کے باوجود، ISL کے سیلز کے حجم میں گزشتہ سال کے مقابلے میں 15% اضافہ ہوا جو ہماری مسابقتی قوت کی عکاس ہے۔ تاہم زیادہ حجم کے فائدے پر عالمی سطح پر اسٹیل کی قیمتوں میں کمی کا نمایاں اثر پڑا۔ اسٹیل پیدا کرنے والے بڑے ممالک اور اہم منڈیوں میں بڑھتی ہوئی تجارتی رکاوٹوں کے باعث جارحانہ ڈمپنگ نے برآمدی کارکردگی کو متاثر کیا۔

ISL نے منافع کی شرح برقرار رکھی اور مستقبل میں مارکیٹ کی نمو میں سرمایہ کاری کیلئے حکمت عملی کی پوزیشن مستحکم کی۔ کمپنی کا استحکام نہ صرف مارکیٹ شیئر میں اضافے کی نشاندہی کرتا ہے اور طے شدہ حکمت عملی پر عمل درآمد کی عکاسی بھی کرتا ہے۔

- **صنعتی انضمام:** مقامی اسٹیل کی طلب کی حوصلہ افزائی کیلئے چنائے انجینئرنگ اینڈ کنسٹرکشن لمیٹڈ کے 17% حصص (Shares) اسٹیک کی خریداری۔
- **توانائی میں تنوع:** 6.4MW سولر پاور پلانٹ کی کمشننگ، جس سے اپنے استحکام، توانائی کی قیمت میں کمی اور کم تر کاربن کی موجودگی کے عزم کو تقویت حاصل ہوئی۔
- **معیشت میں حصہ:** ISL نے مقامی پیداوار و برآمدات کی مد میں 60 ملین ڈالر کا حصہ ملانے کے ساتھ ساتھ براہ راست اور بالواسطہ ٹیکسز کی مد میں 14.7 بلین پاکستانی روپے سرکاری خزانے میں جمع کرائے۔

بورڈ نے فیصلہ سازی کے عمل میں تمام ڈائریکٹرز، بشمول خود مختار ڈائریکٹرز کی جانب سے فعال شرکت سے کارپوریٹ گورننس کے اعلیٰ معیارات کو برقرار رکھا۔

سال کے دوران میں، جناب سمیر ایم چنائے کو جناب یوسف ایچ مرزا کی جگہ چیف ایگزیکٹیو آفیسر مقرر کیا گیا، جو بورڈ میں شامل رہیں گے۔ ہم جناب مرزا کو ان کی شاندار قیادت پر شکریہ ادا کرتے ہیں اور ISL کی ترقی کے اگلے دور کیلئے جناب چنائے کے ویژن کا استقبال کرتے ہیں۔ اس کے ساتھ جناب کینچی ہوتانے جناب نوری ہیرو میزوٹا کی جگہ بورڈ میں شرکت اختیار کی جن کی خدمات کو ہم بھرپور طور پر سراہتے ہیں۔

ہم حالیہ ضوابط کی اصلاحات کا، بشمول FATA/PATA کیلئے سیلز ٹیکس کی شرح میں تبدیلیوں اور کوئٹہ پروڈکٹس پر اینٹی ڈمپنگ ڈیوٹیز کے نفاذ کا خیر مقدم کرتے ہیں۔ ان اقدامات سے پاکستان کی مقامی فلیٹ اسٹیل انڈسٹری کو تقویت حاصل ہو گی۔

بطور چیئرمین، میں ایک کھلے ذہن، تعمیراتی مباحث اور حکمت عملی پر مبنی دوراندیشی پر مبنی کلچر کے عزم کا اعادہ کرتا ہوں۔ ہم تمام قوانین پر عمل درآمد کو یقینی بنانے کا عمل جاری رکھیں گے جبکہ اپنی انتظامیہ کو فیصلوں میں بااختیار بنائیں گے جو مختصر، درمیانی اور طویل مدت کیلئے اقدام کو ہموار کرے گا۔

میں بورڈ کی جانب سے اپنے شیئر ہولڈرز، ملازمین، صارفین اور پارٹنرز کے ہم پر مسلسل اعتماد اور تعاون پر دلی شکریہ ادا کرتا ہوں۔ آپ کا اعتماد ہیں ہمارے چیلنجز سے نمٹنے کے عزم کو مضبوط کرتا ہے اور مارکیٹ کے بدلتے ہوئے منظر نامے میں مواقع کے حصول کا ذریعہ بنتا ہے۔

امید اور عزم کے ساتھ آنے والے سال میں ہم مارکیٹ کے حقائق کو اختیار کرنے اور پائیدار ترقی کیلئے پر عزم ہیں۔

ہم اپنی کامیابیوں کے تسلسل اور آپ کی کمپنی کی خوشحالی کے لئے اللہ تعالیٰ سے دعا گو ہیں۔

کمال اے چنائے
19 اگست 2025

A Legacy to Protect

Director's Report

Director's Report

The Directors of International Steels Limited are pleased to present the 18th Annual Report accompanied by the audited financial statements for the year ended June 30, 2025.

GLOBAL STEEL SCENARIO

Steel prices remained volatile throughout the year, influenced by shifts in raw material costs (notably iron ore and coking coal), aggressive Chinese export policies and heightened geopolitical uncertainties. This sparked trade tensions and led to the imposition of protective tariffs and anti-dumping investigations across multiple regions. In response, major global producers responded by enhancing production efficiencies, diversifying export destinations, and accelerating investment in decarbonization initiatives to maintain competitiveness.

Looking ahead, while the industry's fundamentals remain sound, the risk of global overcapacity, pricing pressure, and rising trade protectionism may continue to shape the flat steel landscape. Strategic capacity rationalization, technological innovation, and regional demand stimulation will be key to sustaining growth.

NATIONAL ECONOMY

FY 2025 presents a cautiously optimistic outlook. reflecting the country's progress in restoring macroeconomic stability while highlighting the structural reforms required for sustainable, inclusive growth.

During FY 2025, real GDP expanded by 2.68%, a modest improvement over the prior year's growth, supported by a marked reduction in inflation, improved external balances and strengthened investor confidence. Inflation declined sharply to 4.5% from 23.4% compared to last year. This allowed the State Bank of Pakistan to reduce the policy rate by 950 basis points from July 2024, easing credit conditions and stimulating private sector activity. Fiscal discipline improved considerably, with the fiscal deficit narrowing to 5.4% of GDP and the primary surplus rising to 2.4%. Tax revenues surged by 26.2% and development spending increased, reflecting the government's commitment to growth-enhancing expenditure. The current account recorded a surplus of USD 2.1 billion, reversing a deficit of USD 2.1 billion last year, driven by record remittances and stable exports.

For ISL, these macro shifts and lower financing costs, support demand recovery and create room for volume growth. However, sustained enforcement of trade regulations and tax reforms will be critical in creating a level playing field for the domestic market.

Sectoral performance was mixed:

- **Agriculture** grew by 0.56%, hampered by a sharp decline in major crop output but supported by resilient livestock and horticulture.
- **Industry** posted 4.77% growth despite ongoing challenges in large-scale manufacturing which contracted by 1.21%.
- **Services**, the dominant sector, grew by 2.91%, led by IT, trade and financial services.

FY 2025 marks a turning point in stabilization, but the path ahead demands sustained structural reform—particularly in human capital, agriculture, export competitiveness and institutional governance.

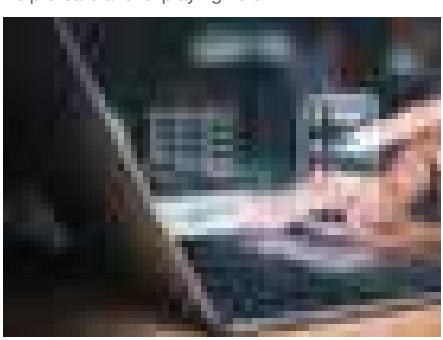
BUSINESS REVIEW

International Steels Limited demonstrated resilience in navigating this challenging economic environment. The Company prioritized working capital management by aligning inventory levels with market demand and optimizing the use of letters of credit. Continued focus on operational efficiency through energy conservation measures and strategic capital allocation enabled the Company to generate cash flows, thereby reducing reliance on external financing.

The National Tariff Commission conducted a sunset review of anti-dumping duties on the Company's Cold Rolled coils and sheets. It concluded that injurious conditions for the domestic industry persisted, resulting in an extension of protective duties for another five years. This regulatory outcome has safeguarded domestic market share and provided a stable foundation for capacity utilization.

The government has reduced the sales tax exemption on FATA/PATA from 18% to 8%, as such importers will now pay 10% sales tax. The administrative measures have also been enhanced, as businesses must now deposit bankable security for the Sales Tax differential, which is only refundable upon the completion of sales within that specific area.

The National Tariff Commission has recently concluded its review of an anti- circumvention application and imposed anti-dumping duties on circumvented coated products. Combined, these measures reflect the success of ISL's proactive regulatory engagement strategy, which continues to help create a level playing field.



SALES

During the year, the Company's sales volumes were marginally higher than the previous year, generating sales revenue of PKR 62.3 billion. This performance reflects the Company's resilience in a highly competitive and challenging market environment. Domestic market share improved from 20% to 23%, reflecting stronger customer engagement, distribution reach and targeted sales programs.

However, this growth remains constrained by ongoing market distortions, particularly the misuse of sales tax exemptions granted to businesses operating in the FATA/PATA regions. These practices continue to distort competition, creating an uneven playing field and threatening the long-term sustainability of the market.

Export sales contributed meaningfully to fixed cost absorption and capacity utilization, reinforcing ISL's focus on leveraging export growth as part of its long- term volume strategy.

The Company remains firmly committed to ethical business practices and continues to advocate for a fair, transparent and equitable regulatory framework to ensure a level playing field across the industry.

MANUFACTURING OPERATIONS

The company practices Lean manufacturing and Six sigma to drive efficiencies in the production processes and reduce wastages. The current year's production was 264,000 tons, which is in line with sales demand. The company continued its strong focus on cost optimization through multiple initiatives, including reduction in process wastages and improvements in overall plant efficiency. These measures resulted in measurable cost per ton reductions, enhancing operational sustainability and competitiveness.

HEALTH, SAFETY & ENVIRONMENT

The company remains fully committed to advancing Health, Safety and Environment (HSE) standards to achieve sustainable performance. Over the past year, significant progress was made in HSE stewardship. Notably, we achieved 0.91 million safe man-hours without a lost time injury since November 2024, reflecting our strong safety culture while supporting operational continuity. The first HSE Day, held in June 2025 with participation from around 570 employees, reinforced our focus on workplace safety. We also marked World Environment Day with a tree plantation initiative, underscoring our environmental commitment.

We underwent an external QHSE Surveillance Audit by M/s LRQA, reaffirming compliance with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards. Regular environmental monitoring and emergency evacuation drills were conducted to ensure regulatory compliance and preparedness.

Our HSE Family Online Training, held in February, received strong feedback and emphasized safety awareness among employees and their families. In total, 6,073 training hours were dedicated to various safety programs, equipping staff with vital skills and knowledge. These initiatives reflect the company's unwavering commitment to HSE excellence.

ENERGY MANAGEMENT

The company's 19 MW co-generation power plant continued to operate efficiently, with recovered heat fulfilling most of the utility requirements. In line with our sustainability practices, a major milestone was achieved with the successful installation and commissioning of a 6.4 MW solar project, further reinforcing our commitment to clean energy. The solar project generated significant annual cost savings and formed a key pillar in ISL's energy mix optimization strategy, aimed at reducing dependency on high-cost supply.

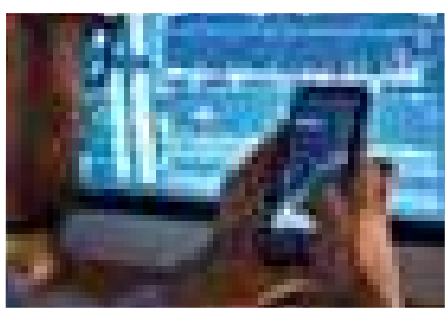
FINANCIALS

Revenue for the fiscal year totaled PKR 62.3 billion, representing a 10% decrease compared to the previous year. Gross profit margin reduced to 8.58% from 12.37% in the prior year, primarily due to increased energy costs and low-capacity utilization. The company reported a profit after tax of Rs. 1,559 million compared to Rs. 3,655 million recorded in the same period last year. While these results reflect near-term margin compression from external pressures, management's deliberate trade-offs, focusing on market share retention, inventory optimization and energy efficiency are designed to drive improved fixed cost absorption and margin recovery over the medium term.

This decline reflects the ongoing challenges facing the industry. Profitability was primarily impacted by external pressures, including the expiry of the 5% Regulatory Duty on imports effective April 2025, the non-enforcement of Anti-Dumping Duties and intensified competition from circumvention-based imports such as Galvalume/ZAM. Additionally, sustained high energy and input costs continued to compress industry margins. Despite these headwinds, the company maintained a disciplined strategic approach focusing on market share retention, inventory optimization and cost control. These measured trade-offs, though affecting short-term profitability, have strategically positioned the company to expand volumes, enhance fixed cost absorption and capture long-term energy efficiency gains.

EARNINGS PER SHARE

Earnings per share for the year ended June 30, 2025, were Rs. 3.58 compared with Rs. 8.40 per share last year.



VIS CREDIT RATING

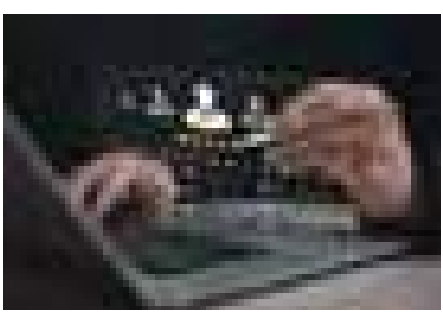
VIS Credit Rating Company Limited has maintained the company ratings of 'A+/A-1' (Single A Plus/A-One) reviewed in October 2024. The outlook assigned remained 'Stable'.

HUMAN RESOURCES

The Company sustained a climate of industrial harmony and a high-performance work culture built on candor, fairness, and meritocracy. Our talent strategy focused on developing capabilities at every organizational level, ensuring both business continuity and future-ready leadership. Robust engagement policies and procedures were complemented by cross-functional team-building initiatives that strengthened collaboration, trust, and organizational coherence.

With an optimal headcount of 690, ISL has embedded a structured succession plan that integrates rigorous performance evaluation with targeted learning interventions. Employees benefited from development opportunities at leading institutions such as LUMS, IBA, ICAP, MAP, and an advanced overseas leadership program in Japan.

Our commitment to employee well-being is reinforced through initiatives such as the state-of-the-art gymnasium, which promotes a healthy lifestyle and work-life balance. In recognition of our HR excellence, ISL was honored with the "Employer of the Year" award from the Employers' Federation of Pakistan. Female representation in managerial roles continues to expand, reflecting our commitment to diversity, inclusion, and merit-based advancement.



CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to sustainable development towards corporate social responsibility initiatives. Key focus areas include education, healthcare, and environmental conservation. The Company has reduced its carbon footprint through energy efficiency measures and renewable energy adoption. The Company contributed Rs. 22.6 Mn, to different health care, educational and social uplifting projects.

The Company regularly supports various healthcare facilities including Karwan-e- Hayat and Al Rehmat Benevolent Trust, to ensure the provision of quality healthcare facilities to the less privileged section of society.

ISL believes that the future of our country is linked with high-quality education. Education is critical for sustainable economic development as well as human and social interaction within society. The Company has continued to maintain a scholarship program at NED University for deserving students and provides support to The Citizen Foundation for their activities related to the promotion of education.

The Company demonstrates a firm commitment to contributing to social uplifting and community development initiatives by supporting organizations like the Amir Sultan Chinoy Foundation.

RISK MANAGEMENT

A robust ERM framework to identify and manage strategic, operational, financial and compliance risks. Key risks include market volatility, credit

risk, operational disruptions, and regulatory changes. Mitigation strategies, such as risk transfer, risk avoidance, and risk reduction, are implemented to manage these risks effectively. A robust system of internal controls has been established, communicated and monitored through regular self-assessments. Emerging risks such as import circumvention and energy cost shocks are actively mitigated through advocacy, process improvement and supply chain diversification.

A detailed risk register, encompassing key risks and corresponding controls, is maintained and reviewed periodically by the Board Audit Committee.

A dedicated BAC meeting was held on May 30, 2025, to review the risks and actions in place for their adequate mitigation.

Independent Internal Audit function, reporting directly to the Audit Committee, ensure the design and operating effectiveness of these controls.

BOARDS COMPOSITION & REMUNERATION

The composition of the Board and the names of Members of Board Sub- committees are detailed on Pages 85 & 100.

The Company has formulated a transparent policy and procedures for the remuneration of its directors.

RECOMMENDATION OF THE BOARD AUDIT COMMITTEE FOR APPOINTMENT OF AUDITOR

The Audit Committee's recommendation for auditor appointment is referred to on Page 102.

DIVIDEND

Given the financial results of the Company for the year 2024-25, the Board of Directors of the Company has recommended a final cash dividend of 25% i.e., Rs. 2.50 per share for the financial year ended June 30, 2025.

	2025	2024
Appropriations	**Rupees in '000**	
Profit after tax for the year	1,559,261	3,654,815
Interim Dividend 2025: Nil; (2024 Rs. 2.5 per share)	-	(1,087,500)
Final Dividend 2025 Rs. 2.50 per share; (2024 Rs. 3.00 per share)	(1,087,500)	(1,305,000)

CONTRIBUTION TO THE NATIONAL EXCHEQUER AND THE ECONOMY

Your Company contributed Rs. 14,703 Mn to the National Exchequer during the year by way of income tax, super tax, sales tax, customs duties and other levies.

PROVIDENT FUND & GRATUITY SCHEME

The Company provides retirement benefits to its employees. These include a non- contributory defined benefit Gratuity Scheme and a contributory Provident Fund. The defined benefit gratuity scheme remains fully funded at the year end with a net plan surplus of Rs. 102 Mn. at the end of the year. (2024: Rs. 55 Mn.) Both plans are funded schemes recognized by tax authorities.

RECOGNITION

ISL won its sixth consecutive award at the 39th Corporate Excellence Awards (CEA) hosted by MAP, recognizing exceptional performance and management best practices.

In September 2024, ISL was honored with the 7th CSR Award 2024 by The Intellects Club, Religion for Peace and Rotary Club.

FUTURE OUTLOOK

The Company anticipates a positive business environment in the coming year, supported by several macroeconomic and policy-driven factors. Key contributors to this outlook include pro-growth government policies, easing inflationary pressures, signs of economic recovery and a reduction in interest rates, all of which are expected to create a more conducive environment for industrial activity.

STRATEGIC PRIORITIES FOR FY 2026 WILL FOCUS ON:

- Sustained sales volume growth across domestic and export markets.
- Energy mix optimization and reduction of overall energy consumption.
- Conversion costs reduction to enhance delivered margins.
- Continued regulatory engagement to address market distortions.

With a strengthened market position, disciplined cost structure and targeted growth initiatives, ISL is positioned to navigate near-term volatility while capturing medium-term opportunities.

For the year 2026, the government has set a GDP growth target of 4.2%, primarily driven by a rebound in the agricultural sector and moderate recovery in industrial activity. Inflation, which had eased in the previous fiscal year, is forecast to rise modestly to 7.5%, largely due to base effects and global commodity price fluctuations.

Against this backdrop, the Company will continue to focus on cost management, operational efficiency and market diversification to ensure sustainable long-term growth.

Looking ahead, a continued emphasis on research and development will be essential to remain agile in a dynamic market and to strengthen our competitive position.

The Company remains fully committed to creating value for its stakeholders while contributing positively to the community and the environment.

ACKNOWLEDGMENTS

The Board would like to thank our employees, customers, suppliers, shareholders and bankers for their continued support. The confidence and goodwill of the stakeholders have allowed the Company to sustain and grow over the years.

We continue to pray to Allah for the success of the Company and the benefit of all stakeholders and the country in general.

Samir M. Chinoy
Chief Executive Officer

Kamal A. Chinoy
Chairman

قومی خزانے اور معیشت میں حصہ

آپ کی کمپنی نے سال کے دوران میں انکم ٹیکس، سپر ٹیکس، کسٹم ڈیوٹیز اور دیگر محصولات کی مد میں قومی خزانے میں 14,703 ملین روپے جمع کرائے۔

پراویڈنٹ فنڈ اور گریجویٹی

کمپنی اپنے ملازمین کو ریٹائرمنٹ کے فوائد فراہم کرتی ہے۔ ان میں غیر شراکتی متعین فنڈ پر مبنی گریجویٹی اسکیم اور شراکتی پراویڈنٹ فنڈ شامل ہے۔ متعین فنڈ پر مبنی گریجویٹی اسکیم سال کے اختتام پر مکمل طور پر فنڈڈ رہی جس میں سال کے اختتام پر 102 ملین روپے کا خالص سرپلس موجود ہے۔ 2024: 55 ملین روپے دونوں اسکیمیں فنڈڈ ہیں اور ٹیکس اتھارٹیز سے تسلیم شدہ ہیں۔

اعتراف

ISL نے کی MAP جانب سے 39ویں کارپوریٹ ایکیمی لنس ایوارڈز (CEA) میں مسلسل چھٹی مرتبہ ایوارڈ حاصل کیا، جو ہماری غیر معمولی کارکردگی اور بہترین انتظامی معمولات کا اعتراف ہے۔

ستمبر 2024 میں ISL کو The Intellects Club، Religion for Peace اور روٹری کلب کی جانب سے 7 واں CSR ایوارڈ کا اعزاز حاصل ہوا۔

مستقبل کا منظر نامہ

کمپنی کو آنے والے سال میں مثبت کاروباری ماحول کی امید ہے جس کو متعدد میکرو اکنامک اور پالیسی پر مبنی عوامل سے مدد ملے گی اس منظر نامے کے لئے بنیادی محرکات میں نمو سے متعلق حکومتی پالیسیز، افراط زر کے دباؤ میں کمی، معیشت کی بحالی کی علامات اور شرح سود میں کمی شامل ہیں، اور توقع ہے کہ یہ تمام انڈسٹری کی سرگرمیوں کیلئے ایک زیادہ سازگار ماحول پیدا کریں گے۔

مالی سال 2026 کیلئے حکمت عملی کی ترجیحات میں مرکزی توجہ کے نکات:

- مقامی اور برآمدی مارکیٹس میں سیلز کے حجم میں پائیدار نمو
- ملی جلی توانائی کا انتخاب اور مجموعی طور پر توانائی کے خرچ میں کمی لانا
- دیئے گئے مارجنز میں اضافے کیلئے لاگت کی تبدیلی میں کمی
- مارکیٹ میں رگاڑ کی صورتحال سے مقابلے کیلئے ضابطوں پر مسلسل عملدرآمد

ایک مضبوط تر مارکیٹ پوزیشن، لاگت کے منظم اسٹرکچر اور ہدف پر مبنی اقدامات کے ساتھ ISL قلیل المدت طیران پذیری سے نمٹنے، جبکہ درمیانی مدت کے مواقع حاصل کرنے کی پوزیشن میں ہوگی۔

سال 2026 کیلئے حکومت نے 4.2% جی ڈی پی کی نمو کا ہدف مقرر کیا ہے جو بنیادی طور پر زرعی شعبہ کے دوبارہ ابھرنے اور صنعتی سرگرمیوں کی اعتدال کے ساتھ بحالی سے حاصل ہوگا۔ افراط زر کی شدت جو گزشتہ مالی سال میں کم ہوگئی تھی، توقع ہے کہ اعتدال کے ساتھ 7.5% تک بڑھ جائے گی، جس کا بڑا سبب بنیادی اثرات اور عالمی اشیاء کی قیمتوں میں اتار چڑھاؤ ہے۔

اس پس منظر کے برخلاف، طویل پائیدار نمو کو یقینی بنانے کیلئے کمپنی لاگت کی منیجمنٹ، آپریشنز کی استعداد اور مارکیٹ کے تنوع پر توجہ مرکوز رکھے گی۔

آئندہ پر نظر رکھتے ہوئے، تحقیق اور ڈیولپمنٹ پر مسلسل زور دینا لازمی ہے تاکہ مختلف پہلوؤں کی مارکیٹ میں متحرک رہا جائے اور اپنی مسابقتی پوزیشن کو مضبوط کیا جائے

کمپنی اپنے اسٹیک ہولڈرز کیلئے اقدار کی تخلیق کیلئے، نیز کمیونٹی اور ماحولیات کے لئے مثبت سرگرمیوں کیلئے مکمل طور پر پرعزم ہے۔

اعتراف

بورڈ اپنے ملازمین، صارفین، سپلائرز، شیئر ہولڈرز اور بینکرز کے مسلسل تعاون پر ان کا شکر گزار ہے۔ اسٹیک ہولڈرز کے طویل مدت سے ہم پر اعتماد اور خلوص نے کمپنی کے استحکام اور خوشحالی کو ممکن بنایا ہے۔

ہم کمپنی کی کامیابیوں اور تمام اسٹیک ہولڈرز کے مفاد اور خاص طور پر ملک کی بہتری کیلئے ہمیشہ اللہ تعالیٰ سے دعا گو ہیں۔

سمیر ایم چنائے
چیف ایگزیکٹیو آفیسر

کمال اے چنائے
چیئرمین

کمپنی معاشرے کی بہتری اور کمیونٹی ڈیولپمنٹ کے اقدامات میں شرکت کرنے کیلئے اپنے پختہ عزم کا مظاہرہ کرتی ہے اور اس سلسلے میں مختلف تنظیموں، جیسے عامر سلطان چنائے فاؤنڈیشن کے ساتھ مستقل تعاون پیش کرتی ہے۔

خدشات کا سدباب

کمپنی کا ایک مضبوط ERM فریم ورک موجود ہے جس کے ذریعے حکمت عملی، آپریشنز، مالیاتی اور عمل درآمد سے متعلق خدشات کی نشاندہی کی جاتی ہے اور ان کا سدباب کیا جاتا ہے۔ اہم خدشات میں مارکیٹ کی طیران پذیری، کریڈٹ رسک، آپریشن میں درپیش رکاوٹیں اور ضوابط میں ردوبدل شامل ہیں۔ نقصانات سے بچاؤ کی حکمت عملی کے تحت جیسے خدشات کی منتقلی، خدشات سے گریز اور خدشات میں کمی لانا جیسے اقدامات کئے گئے ہیں تاکہ خدشات کا موثر طور پر سدباب کیا جاسکے۔ اندرونی کنٹرولز کا ایک مضبوط سسٹم بھی قائم کیا گیا ہے جس کو مسلسل خود تشخیصی کے ذریعے چلایا اور مانیٹر کیا جاتا ہے۔ نئے ابھرنے والے خدشات، جیسے سرکیومونیشن کی درآمد، توانائی کی لاگت کے گہرے اثرات کو وکالت، پروسیس کی بہتری اور سپلائی چین کے تنوع کے ذریعے فعال طور پر ختم کیا جاتا ہے۔

ایک تفصیلی رسک رجسٹر، جس میں اہم خدشات اور ان سے متعلق کنٹرولز شامل ہیں، مرتب کیا گیا ہے اور بورڈ آڈٹ کمیٹی وقفے وقفے سے اس کا جائزہ لیتی رہتی ہے۔ اس سلسلے میں 30 مئی 2025 کو ایک خصوصی BAC میٹنگ منعقد ہوئی جس میں خدشات اور ان کے مناسب سدباب کیلئے سرگرمیوں کا جائزہ لیا گیا۔
ایک خود مختار اندرونی آڈٹ کا نظام آڈٹ کمیٹی کو براہ راست رپورٹ پیش کرتا ہے تاکہ ان کنٹرولز کے ڈیزائن اور عمل درآمد کے موثر ہونے کو یقینی بنایا جاسکے۔

بورڈز کی ترتیب اور مشاہرہ

بورڈ کی ترتیب اور بورڈ کی ذیلی کمیٹیوں کے ممبرز کے ناموں کی تفصیل صفحہ نمبر 85 اور 100 پر موجود ہے۔
کمپنی نے اپنے ڈائریکٹرز کے مشاہرے کیلئے ایک شفاف پالیسی اور طریقہ کار ترتیب دیا ہے۔
آڈیٹر کے تقرر کیلئے بورڈ آڈٹ کمیٹی کی سفارشات
آڈیٹر کے تقرر کیلئے آڈٹ کمیٹی کی سفارشات صفحہ نمبر 102 پر دی گئی ہیں۔

ڈیویڈنڈ

کمپنی کے مالیاتی نتائج برائے سال 25-2024 کے مطابق، کمپنی کے بورڈ آف ڈائریکٹرز نے مالیاتی سال مختتمہ 30 جون 2025 کیلئے حتمی کیش ڈیویڈنڈ بحساب 25% یعنی 2.5 روپے فی شیئر کی سفارش کی ہے۔

تخصیصات	2025	2024
	روپے '000 میں	
بعد از ٹیکس منافع برائے سال	1,559,261	3,654,815
عبوری ڈیویڈنڈ 2025: صفر؛ (2024 : 2.5 روپے فی شیئر)	-	(1,087,500)
حتمی ڈیویڈنڈ 2025 : 2.5 روپے فی شیئر (2024 : 3.0 روپے فی شیئر)	(1,087,500)	(1,305,000)

مالیاتی صورتحال

زیر جائزہ مالی سال میں 62.3 بلین پاکستانی روپے کی آمدنی ہوئی جو گزشتہ سال کے مقابلے میں 10% زیادہ ہے۔ مجموعی منافع کا مارجن 12.37% سے کم ہو کر 8.58% ہو گیا، جو بنیادی طور پر توانائی کی بڑھتی ہوئی لاگت اور کم کیپیسیٹی کے استعمال کے باعث ہوا۔ کمپنی کا بعد از ٹیکس منافع 1,559 ملین روپے رہا جبکہ گزشتہ سال کی اسی مدت میں 3,655 ملین روپے ریکارڈ کیا گیا تھا۔ ان نتائج سے ظاہر ہوتا ہے کہ قلیل مدت کے مارجن میں کمی بیرونی دباؤ کے باعث ہوئی، لہذا کمپنی نے حکمت عملی کے تحت دوسرا راستہ اختیار کیا اور مارکیٹ شیئر برقرار رکھنے، انونٹری کا انتخاب کرنے اور توانائی کی استعداد پر توجہ مرکوز کی تاکہ بہتر مقررہ لاگت کو شامل رکھا جائے اور قلیل مدت میں مارجن کی بحالی حاصل کی جائے۔

اس کمی سے ظاہر ہوتا ہے کہ انڈسٹری کو جاری چیلنجز کا سامنا ہے۔ منافع پر بنیادی طور پر بیرونی عوامل کے دباؤ کا اثر پڑا جس میں اپریل 2025 میں درآمدات پر 5% ریگولیٹری ڈیوٹی کی مدت کا خاتمہ، اینٹی ڈمپنگ ڈیوٹیز کے عدم نفاذ اور سرکیومینشن پر مبنی درآمدات، جیسے گیلوالیوم/ZAM شامل ہیں، نیز انڈسٹری کے مارجن پر مہنگی توانائی اور ان پٹ کی لاگت کا دباؤ بھی جاری رہا۔ ان مشکلات کے باوجود، کمپنی نے منظم حکمت عملی کے طرز عمل کو جاری رکھتے ہوئے مارکیٹ شیئر برقرار رکھنے، انونٹری کا انتخاب اور لاگت پر کنٹرول پر توجہ مرکوز رکھی۔ اس طے شدہ تبدیلی سے اگرچہ قلیل مدت کے منافع پر اثر پڑا، مگر کمپنی اپنی حکمت عملی کے مطابق حجم میں توسیع، مقررہ قیمت کو سمونے اور طویل مدت کے توانائی کی استعداد کے فائدے حاصل کرنے کی پوزیشن میں آ گئی۔

فی شیئر آمدنی

سال مختتم 30 جون، 2025 کیلئے فی شیئر آمدنی 3.58 روپے رہی، جبکہ گزشتہ سال فی شیئر آمدنی 8.40 روپے تھی۔

VIS کریڈٹ ریٹنگ

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے کمپنی کی 'A+/A- 1' (Single A Plus/A-One) کی ریٹنگ برقرار رکھی، جس کا جائزہ اکتوبر 2024 میں لیا گیا تھا۔ اس سلسلے میں آئندہ کے امکان بھی 'مستحکم' رہے۔

انسانی وسائل

کمپنی نے صنعتی ہم آہنگی کی فضا اور اعلیٰ کارکردگی کے کلچر کو برقرار رکھا جو غیر جانبداری، شفافیت اور میرٹ پر مشتمل ہے۔ ہماری صلاحیت کی حکمت عملی ادارے میں ہر سطح پر صلاحیتوں کو ابھارنے، کاروبار کے تسلسل اور مستقبل کیلئے قیادت کی تیاری، دونوں کو یقینی بنانے پر مرکوز ہے۔ پالیسیز اور پروسیجز پر بھرپور عمل درآمد کے ساتھ مختلف شعبوں کے افراد پر مبنی ٹیم سازی کے اقدامات اٹھائے جن کے ذریعے اشتراک عمل، اعتماد اور اداراتی ہم آہنگی کو تقویت حاصل ہوتی ہے۔

690 بہترین ملازمین کے ساتھ ISL میں ایک مربوط وراثت کا پلان موجود ہے جو کارکردگی کی کڑی جانچ کے ساتھ ساتھ سیکھنے کے مقرر کردہ اہداف کے حصول پر مبنی ہے۔ ملازمین کو اعلیٰ ترین علمی اداروں، جیسے لمس، آئی بی اے، آئی سی اے پی، ایم اے پی کے ساتھ جاپان میں ایڈوانسڈ اوور سیز لیڈرشپ پروگرام میں شرکت کے ذریعے ڈیولپمنٹ کے مواقع فراہم کئے جاتے ہیں۔

ہم نے اپنے ملازمین کی صحت و عافیت کے لئے مختلف انتظامات کئے ہیں جن میں اسٹیٹ آف دی آرٹ جمنازیم جو صحت افزاء اور کام کے ساتھ متوازن لائف اسٹائل فراہم کرتا ہے۔ اپنے اعلیٰ ترین ایچ آر کی پیروی میں ISL کو ایمپلائز فیڈریشن آف پاکستان کی جانب سے "بہترین ایمپلائر آف دی ایئر" کا اعزاز حاصل ہوا ہے۔ انتظامی کردار میں خواتین کی نمائندگی کو توسیع دینے کا عمل بھی جاری ہے جو ہمارے تنوع کی شمولیت اور میرٹ پر مبنی ترقی کے عزم کی عکاسی کرتی ہے۔

اجتماعی سماجی ذمہ داری

کمپنی اجتماعی سماجی ذمہ داری کے اقدامات کیلئے دیرپا ڈیولپمنٹ کے عزم پر کاربند ہے۔ اہم قابل توجہ شعبوں میں تعلیم، صحت عامہ اور ماحولیات کا تحفظ شامل ہے۔ اس سلسلے میں کمپنی نے توانائی کی استعداد کے اقدامات اور قابل تجدید توانائی کے ذریعے کاربن کے اثرات کو کم کیا ہے۔ کمپنی نے صحت عامہ، تعلیمی اور سماجی بہتری کے متعدد پروجیکٹس میں 22.6 ملین روپے خرچ کئے ہیں۔

کمپنی باقاعدگی کے ساتھ صحت کے مختلف اداروں کو تعاون پیش کرتی رہتی ہے تاکہ معاشرے کے کم مراعات یافتہ طبقے کو معیاری صحت کی سہولتیں یقینی طور پر پہنچتی رہیں ان اداروں میں کاروانِ حیات اور الرحمت بینوولینٹ ٹرسٹ شامل ہیں۔

ISL کو یقین ہے کہ ہمارے ملک کے مستقبل کا اعلیٰ معیاری تعلیم سے گہرا تعلق ہے۔ تعلیم نہ صرف پائیدار معاشی ترقی کیلئے ناگزیر ہے بلکہ معاشرے میں لوگوں کے آپس میں میل جول اور فلاح کیلئے بھی نہایت اہم ہے۔ کمپنی نے NED یونیورسٹی کے ساتھ مستحق طلبہ کیلئے اسکالرشپ پروگرام پیش کرنے کا سلسلہ جاری رکھا ہوا ہے اور ہم دی سٹیزن فاؤنڈیشن کے ساتھ ان کی تعلیم کے فروغ کی سرگرمیوں کیلئے مسلسل تعاون کرتے رہتے ہیں۔

نیسنل ٹیرف کمیشن نے حال ہی میں ایک اینٹی سرکمویشن درخواست کا جائزہ مکمل کیا ہے اور سرکمویٹڈ کوٹڈ مصنوعات پر اینٹی ڈمپنگ ڈیوٹیز نافذ کر دی ہیں۔ یہ اقدامات ISL کی فعال ریگولیٹری حکمت عملی کی عکاسی کرتی ہیں جو برابری کی سطح پر کاروباری شعبہ کو ترتیب دینے میں معاون ہے۔

فروخت

سال کے دوران میں، کمپنی کے فروخت کے حجم میں گزشتہ سال کے مقابلے میں اضافہ ہوا اور فروخت کی آمدنی 62.3 بلین روپے ہوئی۔ اس کارکردگی سے انتہائی مسابقتی اور چیلنجز والے ماحول میں کمپنی کی استقامت کی عکاسی ہوتی ہے۔ مقامی مارکیٹ شیئر 20% سے بڑھ کر 23% ہو گیا جو صارفین کے ساتھ مضبوط رابطہ، تقسیم کاری کی پہنچ اور ہدف پر مبنی فروخت پروگرام کا اظہار ہے۔

تاہم یہ اضافہ مارکیٹ کے عوامل، خاص طور پر FATA/PATA ریجنز میں کاروباری آپریشنگ کو دیئے گئے سیلز ٹیکس استثنیٰ کے غلط استعمال کے باعث محدود رہا۔ ان عوامل کے سبب مسابقت مجروح ہوتی ہے اور کاروبار کیلئے عدم مسابقت کی سطح پیدا ہوتی ہے جو مارکیٹ میں طویل مدت کے استحکام کیلئے خطرہ ہے۔

برآمدی فروخت نے مقررہ قیمت کے جذب ہونے اور گنجائش کے استعمال میں بڑے پیمانے پر حصہ ڈالا اور ISL نے اپنے طویل المدت حجم کی حکمت عملی کے حصے کے طور پر برآمدی نمو کو سہارا دینے پر توجہ مرکوز رکھی۔

کمپنی کاروباری اخلاقیات پر پوری طرح عمل پیرا رہتی ہے اور ایک صاف، شفاف اور درست ضابطے کے دائرہء کار میں رہنے کی حمایت کرتی ہے تاکہ انڈسٹری کو برابری کی بنیاد پر کام کرنے کو یقینی بنایا جاسکے۔

پیداواری طرز عمل

کمپنی پیداواری عمل کے طریقہء کار میں استعداد پیدا کرنے اور کم سے کم ضیاع کیلئے Lean مینوفیکچرنگ اور Six sigma پر عمل درآمد کرتی ہے۔ موجودہ سال میں 264,000 ٹن کی پیداوار ہوئی، جو فروخت کی طلب سے مطابقت رکھتی ہے۔ کمپنی نے متعدد اقدامات کے ذریعے لاگت کو مناسب رکھنے پر بھرپور توجہ جاری رکھی جس کیلئے پروسس میں ضیاع میں کمی اور مجموعی طور پر پلانٹ کی استعداد میں بہتری لانا شامل ہے۔ ان اقدامات کے نتیجے میں فی ٹن لاگت میں قابل قدر کمی آئی اور آپریشنز میں استحکام اور مسابقت میں اضافہ ہوا۔

صحت، تحفظ اور ماحولیات

کمپنی صحت، تحفظ اور ماحولیات (HSE) کے معیار کو برقرار رکھنے اور پائیدار کارکردگی کے حصول کیلئے مکمل طور پر پر عزم ہے۔ گزشتہ سال کے دوران میں HSE کی ذمہ داریوں میں نمایاں اضافہ کیا گیا۔ خاص طور پر نومبر 24 سے ہم نے 0.91 ملین محفوظ افراد (سیف مین) آورز، بلا کسی بڑے ضرر حاصل کیا، جو ہمارے مضبوط تحفظ کے کلچر کی عکاسی کرتا ہے جبکہ یہ آپریشنز کے مسلسل جاری رہنے میں مددگار ہے۔ پہلا HSE ڈے جون 2025 میں منایا گیا جس میں تقریباً 570 ملازمین نے شرکت کی جو کام کی جگہ پر تحفظ پر توجہ مرکوز رکھنے کا اعادہ ہے۔ ہم نے عالمی یوم ماحولیات پر شجرکاری کی جو ہمارے ماحولیات سے متعلق عزم کو واضح کرتی ہے۔

ہم نے LRQA سے بیرونی طور پر QHSE سرویلنس آڈٹ بھی کروایا، جو ہمارے ISO 9001:2015۔ ISO 14001:2015 اور ISO 45001:2018 معیارات کی پیروی کی تصدیق کرتا ہے۔ ماحولیات کی مسلسل نگرانی اور ہنگامی حالات میں جگہ خالی کرنے کی مشقیں بھی کرائی گئیں جو ضابطہ پر عمل درآمد کیلئے تیار رہنے کو یقینی بناتی ہیں۔

فروری میں ہماری HSE فیملی آن لائن ٹریننگ کا انعقاد کا انعقاد ہوا جس کی ہمیں بھرپور پذیرائی حاصل ہوئی اور ملازمین اور ان کی فیملیز کے درمیان تحفظ کی آگہی پر زور دیا گیا۔ اس کے علاوہ تحفظ کے دیگر پروگراموں میں ٹریننگ کے کل 6,073 گھنٹے مخصوص ہوئے جس سے اسٹاف کو اہم صلاحیتوں اور معلومات فراہم ہوئیں۔ ان قدامات سے کمپنی کے HSE کے اعلیٰ ترین معیار کیلئے غیر متزلزل عزم کا اظہار ہوتا ہے۔

توانائی کے انتظامات

کمپنی کے 19MW کوجنریشن پاور پلانٹ سے آپریٹ کرنے کی استعداد کے ساتھ شمسی توانائی سے بجلی کی ضروریات پوری کرتے ہوئے کام کر رہی ہے۔ ہماری پائیداری کی کاوشوں کے مطابق، 6.4MW سولر پروجیکٹ کی کامیاب تنصیب اور کمشننگ سے ہمارے صاف توانائی کے عزم کی مزید تصدیق ہوئی ہے۔ شمسی توانائی پروجیکٹ سالانہ لاگت میں نمایاں بچت فراہم کر رہا ہے اور ISL کی انرجی مکس کے انتخاب کی حکمت عملی، یعنی زیادہ قیمت پر سپلائی کے انحصار میں کمی کے ہدف کو پورا کرنے کیلئے بنیادی ستون ثابت ہوا ہے۔

ڈائریکٹرز کی رپورٹ

انٹرنیشنل اسٹیلز کے ڈائریکٹرز 18ویں سالانہ رپورٹ مع آڈٹ شدہ مالیاتی اسٹیٹمنٹس برائے مالی سال مختتمہ 30 جون 2025 پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

عالمی اسٹیل کا منظرنامہ

پورے سال کے دوران میں اسٹیل کے خام مال (خاص طور پر آئرن اور اور کوکنگ کول) کی قیمتوں میں اتار چڑھاؤ، چین کی جارحانہ برآمداتی پالیسیز اور جیو پولیٹیکل غیر یقینی صورتحال کے باعث غیر مستحکم رہیں۔ ان عوامل کے باعث کاروبار میں تناؤ پیدا ہوا اور اس کے نتیجے میں تحفظ کے ٹیرفس کا نفاذ اور متعدد ریجنز میں اینٹی ڈمپنگ کی تحقیقات کا آغاز ہوا۔ اس کے ردعمل کے طور پر بڑے عالمی پروڈیوسرز نے مسابقت برقرار رکھنے کیلئے پیداواری استعداد میں اضافہ، برآمدات کے مقامات میں تنوع اور ڈیکاربونائزیشن میں سرمایہ کاری بڑھانے جیسے اقدامات کئے۔

اگرچہ انڈسٹری کی بنیادی ضروریات مضبوط ہیں، آنے والے وقت میں عالمی اضافی گنجائش، قیمتوں کے دباؤ اور کاروبار کے تحفظ میں اضافے کا عمل جاری رہنے کے خدشے کے باعث فلیٹ اسٹیل کے منظرنامے میں تبدیلی ہو سکتی ہے۔ حکمت عملی کے تحت منظم گنجائش، ٹیکنالوجی کی جدت اور متحرک مقامی طلب نمو کے مستحکم ہونے کی بنیاد ہوگی۔

قومی معیشت

مالی سال 2025 کیلئے ایک محتاط امید افزا امکانات موجود ہیں جن سے معاشی صورتحال کی بحالی کی عکاسی ہوتی ہے جبکہ پائیدار، مجموعی نمو کیلئے اسٹرکچرل اصلاحات کی ضرورت نمایاں ہوتی ہے۔

مالی سال 2025 کے دوران میں حقیقی جی ڈی پی میں 2.68% اضافہ ہوا، جو گزشتہ سال کی نمو سے خاطر خواہ بہتر ہے، جس کو افراط زر میں نمایاں کمی، بیرونی توازن کی بہتری اور سرمایہ کاروں کے اعتماد میں مضبوطی سے مدد ملی۔ افراط زر میں گزشتہ سال کے 23.4% کے مقابلے میں تیزی سے 4.5٪ تک کمی آئی اور اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں جولائی 2024 سے 950 بیسس پوائنٹس کم کر دیئے، جس سے کریڈٹ کے حالات میں آسانی اور نجی شعبہ کی سرگرمیوں کی حوصلہ افزائی ہوئی۔ مالی شعبہ میں بھی کافی بہتری آئی اور مالی خسارہ جی ڈی پی کے 5.4٪ تک محدود رہا اور ابتدائی سرپلس میں 2.4٪ اضافہ ہوا ٹیکس کی آمدنی تیزی کے ساتھ 26.2% تک بڑھ گئی اور ترقیاتی اخراجات میں اضافہ ہوا، جو حکومت کے ترقی کیلئے اخراجات میں اضافہ کے عزم کی عکاسی کرتا ہے۔ کرنٹ اکاؤنٹ میں 2.1 بلین ڈالر سرمثبت رہا جس کے مقابل گزشتہ سال کے 2.1 بلین یو ایس ڈالر کا خسارہ دیکھا گیا، یہ رقم ریکارڈ ترسیلات زر اور مستحکم برآمدات سے حاصل ہوئی۔

ISL کیلئے یہ معاشی استحکام اور کم ترمالیاتی لاگت طلب کی بحالی میں مددگار ہوتی ہیں اور پیداواری حجم بڑھانے کا محرک ہے۔ تاہم تجارتی ضوابط اور ٹیکس کی اصلاحات کے نفاذ مقامی مارکیٹ کیلئے برابری کے مواقع فراہم کرنے کیلئے ناگزیر ہے۔

شعبہ جاتی مجموعی کارکردگی

- **زراعت** میں 0.56% اضافہ ہوا، جس پر بڑی فصلوں کی پیداوار میں کمی کا اثر پڑا مگر لائیو اسٹاک سیکٹر کے شعبہ سے زراعت کے شعبے کو تقویت ملی۔
- **انڈسٹری** میں 4.77% اضافہ ریکارڈ ہوا باوجود اس کے کہ بڑے پیمانے کی صنعتوں میں جاری چیلنجز کے سبب شرح نمو 1.21% کی حد تک کم ہوئی۔
- **خدمات** کے شعبہ میں، جو ہمارا سب سے نمایاں شعبہ ہے، 2.91% اضافہ ہوا جس میں سرفہرست IT، کاروبار اور مالیاتی خدمات شامل ہیں۔

مالی سال 2025 استحکام کے لحاظ سے ایک نئے موڑ پر آیا، لیکن آنے والے وقت کیلئے اسٹرکچرل اصلاحات، خاص طور پر افرادی سرمایہ کاری، زراعت، برآمدات میں مسابقت اور اداراتی گورننس کی ضرورت ہے۔

کاروبار کا جائزہ

انٹرنیشنل اسٹیلز لمیٹڈ نے اس مشکل معاشی ماحول میں آگے بڑھنے کیلئے استقامت کا مظاہرہ کیا۔ کمپنی نے جاری سرمایہ کاری کے منصوبوں کو ترجیح دی اور خام اور تیار مال کے ذخائر کی سطح کو مارکیٹ کی طلب کے مطابق کیا اور لیٹر آف کریڈٹ کے استعمال کا انتخاب کیا۔ آپریشنز کی استعداد کو توانائی کی بچت کے ذریعے قائم کرنے پر توجہ مرکوز رکھی اور اس حکمت عملی کے باعث کاروباری سرمائے کو بہاؤ میں مدد ملی جس سے قرضہ جات کی ضرورت میں کمی آئی۔

نیشنل ٹیرف کمیشن نے کمپنی کے کولڈ رولڈ کوائلز اور شیٹس پر اینٹی ڈمپنگ ڈیوٹیز کے اختتامی جائزے کا اہتمام کیا۔ اس کے نتیجے کے مطابق مقامی انڈسٹری کیلئے مشکل حالات برقرار ہیں، اس تناظر میں ڈیوٹیز میں آئندہ پانچ سال کیلئے توسیع کردی جس نتیجے میں مقامی مارکیٹ شیئر کو تحفظ حاصل ہوا اور پیداوار میں اضافے کی ایک مستحکم بنیاد فراہم ہوئی۔

حکومت نے FATA/PATA پر سیلز ٹیکس کے استثنیٰ کو 18% سے کم کر کے 8% کر دیا ہے، لہٰذا اب درآمد کنندگان 10٪ سیلز ٹیکس ادا کریں گے۔ انتظامی اقدامات میں بھی اضافہ کیا گیا ہے اور اب بینک میں زرضمانت جمع کرانا ہوگی جو صرف مخصوص حد کے اندر سیلز مکمل ہونے پر قابل واپسی ہوگی۔

A Legacy to Endure

Sustainability & CSR Report

Our Commitment to Society and Community

As we reflect on the past year, we reaffirm our dedication to both our business and the communities we serve. While Pakistan's economy continues to navigate a challenging environment, signs of recovery are emerging. The government's focus on macroeconomic stabilization and structural reforms—supported by the IMF Extended Fund Facility—has helped maintain a stable exchange rate and Current Account Balance.

The domestic steel sector, however, continues to face significant challenges. Declining global steel prices are exerting pressure on margins, and the misuse of sales tax exemptions in the erstwhile FATA/PATA regions has distorted the competitive landscape, disadvantaging compliant manufacturers and causing revenue shortfalls for the national exchequer. ISL remains actively engaged with policymakers to help restore fair competition across the industry.

Despite these headwinds, International Steels Limited continues to demonstrate discipline in operational efficiency, cost management, and strategic adaptation in an evolving economic landscape.

Central to our business philosophy is a steadfast commitment to global quality standards, sustainability, and responsible manufacturing. Our 6.4 MW solar power project at our Karachi factory—part of our "Clean, Lean, and Green" approach—reflects our dedication to reducing our carbon footprint and energy costs while protecting the environment for future generations. We remain committed to initiatives that conserve vital natural resources and advance the transition to renewable energy.

Looking ahead, we will remain vigilant, closely monitoring economic variables and adjusting our strategies to seize emerging opportunities while mitigating rising costs. Our priorities remain clear: enhancing operational efficiency, optimizing working capital management, and implementing cost-rationalization measures to safeguard profitability and long-term sustainability.

In conclusion, we extend our deepest appreciation to our employees and stakeholders for their unwavering support, trust, and commitment. Your contributions have been instrumental in helping us navigate these testing times, as we continue building a future where business success and societal well-being go hand in hand.

Samir M. Chinoy
Chief Executive Officer

Our Value System

Integrity

At our core, we uphold the highest ethical standards, fostering a culture of trust and transparency both within our organization and in our external relationships. This unwavering commitment to integrity guides every decision and action we take.

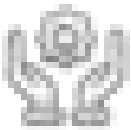
Fairness

Our dedication to fairness is embedded in every facet of our operations. From recruitment and career development to recognition and rewards, our policies ensure equal treatment for all. We value and respect the contributions of every stakeholder.

Diversity

We are proud to be an equal-opportunity employer, embracing diversity in all its forms. Our commitment is uncompromising—zero bias towards gender, race, ethnicity, or religion. We foster an inclusive environment that encourages open expression of opinions and celebrates different perspectives.

Responsibility



We consider quality, health, safety, and environmental stewardship integral to our way of life and the way we conduct our business. We are committed to creating lasting value while safeguarding the well-being of people and the planet.

Respect for People

People are our cornerstone. We prioritize individual well-being and invest in personal and professional growth. By hiring, developing, and retaining talented individuals, we build synergistic teams aligned with our mission and vision.

10 UN GC Principles

ISL has set a benchmark for sustainability and ethical corporate conduct by aligning with the United Nations Global Compact (UNGC). At the heart of corporate sustainability are our core values and a principled approach to business operations. This commitment translates into fulfilling fundamental responsibilities across critical domains of human rights, labor, environment, and anti-corruption.

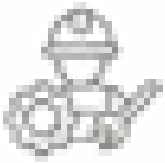
Our dedication to these shared principles drives us to embed the Global Compact's tenets into our strategies, policies, and procedures, with a strong focus on fostering a culture of transparency and integrity. Through these efforts, we remain steadfast in our pursuit of a sustainable future—one that balances business growth with our responsibility to people, society, and the planet.

Human Rights

Principle 1
Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2
Make sure that they are not complicit in human rights abuses.

Labour



Principle 3
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4
The elimination of all forms of forced and compulsory labour;

Principle 5
The effective abolition of child labour; and

Principle 6
The elimination of discrimination in respect of employment and occupation.

Environment

Principle 7
Businesses should support a precautionary approach to environmental challenges;

Principle 8
Undertake initiatives to promote greater environmental responsibility; and

Principle 9
Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10
Businesses should work against corruption in all its forms, including extortion and bribery.

Our Stakeholders

Shareholders

Enhance shareholder value by prioritizing transparency and openness, while maintaining the highest standards of corporate governance and ensuring uninterrupted business continuity.

Goverment

- Contribute to government revenue collection, promote import substitution, and address national challenges through our value chain.
- Support government initiatives aimed at improving social welfare and economic development.

Employees

- Provide sustainable employment opportunities to a diverse pool of skilled individuals.
- Embrace diversity and inclusion wholeheartedly, upholding employee welfare and well-being while maintaining a zero-tolerance stance against sexual harassment and misconduct.
- Foster a strong safety culture to ensure an optimal and secure work environment for all.

Society

- Promote social uplift and welfare through meaningful value creation and by addressing major human development issues.
- Support corporate and social entities in advancing social development goals, especially in areas that are traditionally underserved.

Customers

- Deliver top-quality products at fair and transparent prices, while empowering downstream industries with seamless access to essential raw materials.
- Develop a diversified product portfolio designed to meet the needs of multiple industrial sectors across the nation.
- Ensure a reliable and sustainable supply of flat steel products supported by excellence in customer service.tt

Stakeholders' Communication

STAKEHOLDER	FREQUENCY	ACTIVITIES	VALUE CREATION
Employees	Ongoing	• Employee feedback • Surveys • In house training • Townhall meetings • Emails • Newsletters	• Career Growth • Learning and development • Health and Safety
Customers	Ongoing	• Customer visits • Exhibitions • Company organized events	• Quality product • Fair pricing development • Timely deliverability
Shareholders	Quarterly	Shareholders and providers of capital are engaged by corporate affairs department. The mode of engagement is Annual General Meeting (AGM) and Extra-ordinary General Meeting (EOGM).	• Sustained economic returns • Business growth
Society	Ongoing	• Corporate Social Responsibility (CSR) • Donations • Support for social causes	• Social Welfare • Better access to opportunities
Government and Industrial Groups	Ongoing / As and when	Meeting with key stakeholders	• Adequate representation • Knowledge sharing

EXTERNAL ASSOCIATIONS 2024-25

ISL engages with various government and non-government associations to present our social and environmental impact and remain in coordination for further improvement.

NAME OF THE AGENCY

- Sindh Environment Protection Agency (SEPA)
- Civil Defense
- Labor Directorate
- Employers Federation of Pakistan
- National Forum for Environment and Health
- Federal Board of Revenue

Sustainability and CSR
Advancing in Responsible Practices

As a flat steel manufacturer, our approach to CSR is integral to our business philosophy and operations. We have voluntarily adopted the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the Securities and Exchange Commission of Pakistan (SECP), as well as other relevant regulatory frameworks. Our commitment to CSR is not only about compliance but also about making a meaningful impact on the communities we serve. Through our CSR initiatives, we aim to address key social and environmental challenges while aligning with our core values and business objectives. We believe in fostering sustainable development, promoting ethical practices, and enhancing stakeholder engagement. Our CSR activities encompass various areas such as education, healthcare, environmental conservation, and community development. We regularly assess the effectiveness of our initiatives, measure their impact, and transparently report our progress to stakeholders. By integrating CSR into our corporate strategy and operations, we strive to create shared value for our company, stakeholders, and society as a whole. We remain committed to continuous improvement in our CSR practices and to contributing positively to the betterment of our communities and the environment.

SUSTAINABLE DEVELOPMENT GOALS

COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS

At ISL, we draw inspiration from the United Nations Sustainable Development Goals (SDGs) and are committed to aligning our business practices with these global benchmarks. Our dedication to sustainability drives us to embed responsible practices across every facet of our operations—ensuring positive contributions to environmental stewardship, social equity, and economic progress.

By actively integrating the SDGs into our strategies and day-to-day activities, we aim to create lasting value, make a measurable impact, and help shape a sustainable future for all.

Employees

At ISL, we are deeply committed to creating a meaningful societal impact through initiatives that generate employment opportunities, develop skills, provide on-the-job training, and promote employee well-being within a secure and nurturing work environment.

In today's fast-paced and competitive business landscape, an organization's most valuable asset is its people. At ISL, we recognize this fundamental truth. Our Human Resources Department designs policies that not only align with our strategic business objectives but also serve as catalysts for career growth and personal development. This approach empowers our employees to excel as high-performing contributors who embody the core values and vision of our company.

Central to ISL's operations is an unwavering commitment to workplace equity and inclusivity. We embrace diversity across gender, race, and religion; foster a culture of collaboration; uphold respect for every individual; prioritize safety; and actively promote employee well-being. By cultivating an environment where people feel valued, supported, and inspired, we ensure that our teams remain the driving force behind our continued success.

MERIT-BASED RECRUITMENT

Our recruitment process is firmly rooted in meritocracy, guided by clearly defined role requirements and competency assessments. Structured interviews and panel evaluations ensure that we hire candidates based on relevant experience, skills, and cultural fit, aligning with both immediate and future organizational needs.

TALENT ACQUISITION AND PROFESSIONAL GROWTH

At ISL, we are committed to unlocking and nurturing the full potential of our workforce. Our recruitment process is meticulously designed to attract top talent, guided by well-defined, role-specific criteria. Beyond evaluating skills and aptitude, we place significant emphasis on a candidate's values to ensure alignment with our company culture.

Drawing from the best talent in the industry, our recruitment strategy is reinforced by a comprehensive orientation program. This onboarding process immerses new employees in our operations, introduces them to our customers, and familiarizes them with the intricacies of our processes. By ensuring a smooth transition, we help employees quickly understand our structure, values, and operational flow.

We focus on developing well-rounded professionals equipped with the knowledge, skills, and passion to excel in their roles. This approach not only drives high performance but also deepens employee engagement with ISL's mission and vision.

SUCCESSION PLANNING

We follow a structured succession planning process to ensure long-term leadership continuity and organizational resilience. High-potential employees are identified through performance and potential metrics and are nominated for tailored leadership development programs. This proactive approach helps us build a strong internal pipeline for critical roles.

Our HR department works closely with departmental heads to identify key positions, evaluate current talent, and develop potential successors. Through regular talent reviews, individualized development plans, and targeted succession training, we ensure smooth transitions in leadership and critical functions—strengthening organizational stability and supporting sustainable growth.

WELL-BEING

At ISL, we place the highest priority on both physical and mental well-being, recognizing it as the cornerstone of a healthy work-life balance. We foster a supportive work environment that promotes wellness, safety, and resilience, enabling our people to perform at their best while maintaining personal fulfillment.

We actively encourage our employees to cultivate a healthy balance between work and personal life, fostering a work environment that supports their well-being while maintaining high levels of productivity.

GYM FACILITIES

To prioritize the physical well-being of our workforce, ISL has established a state-of-the-art gym at our manufacturing facility, fully equipped with modern amenities, including hot showers. The gym is managed by professional trainers who not only maintain the facility but also provide personalized guidance to employees during their workout sessions.

COMPENSATION AND BENEFITS

ISL is committed to offering competitive and comprehensive compensation packages. We regularly benchmark our plans against industry leaders, conducting salary surveys to ensure remuneration remains competitive and includes regular annual increments.

Our packages are robust, comprising annual performance bonuses, the Workers' Profit Participation Fund, Provident Fund, and Gratuity Fund. We also provide comprehensive health insurance, life insurance, mobile phone allowances, company-maintained vehicles, and fuel allowances. To further support work-life balance, we offer a variety of leave options—including annual, sick, casual, and maternity leave—tailored to meet the diverse needs of our employees.

PERFORMANCE-BASED APPRAISAL SYSTEM

Our annual appraisal process is structured to ensure clear goal-setting, consistent evaluation, and alignment with organizational priorities. Performance is assessed through a calibrated process that promotes fairness and transparency, with results directly linked to employee development, career progression, and reward decisions.

PROMOTION, REWARD, AND MOTIVATION

Promotions and rewards are performance-driven and aligned with demonstrated contribution, capability, and business impact. Our system ensures recognition of high performers while motivating all employees through transparent, data-driven career progression and reward mechanisms.

Staff Turnover Ratio: 4.93

DIVERSITY, EQUITY & INCLUSION (DE&I)

Our DE&I policy emphasizes fair representation and inclusive growth. We are actively enhancing female participation across all levels through gender-inclusive hiring practices, unbiased performance evaluations, and supportive workplace policies that ensure equitable career advancement.

We are committed to fostering an inclusive environment where all employees have equal opportunities to thrive. Female representation in professional and management roles continues to strengthen, as reflected in the steady year-on-year increase in women in leadership positions and their access to broader development programs. In addition, engagement initiatives are conducted to build confidence and support long-term inclusion across the organization.

GENDER EQUALITY

ISL is committed to being the employer of choice in Pakistan, with a focused effort on attracting and retaining talent across all genders and age groups. Central to our mission is achieving gender equality and ensuring balanced representation of women within our workforce.

As a leading industrial manufacturer located on the outskirts of the city, we provide safe and convenient transportation services to all female employees at our manufacturing facility, ensuring equal access to the workplace and supporting their participation in the industrial sector.

Over the years, ISL has made significant progress in increasing the representation of women in management roles. These talented professionals contribute across a broad range of functions, including HR, finance, sales, marketing, IT, supply chain, procurement, planning, engineering, and production.

ANTI-HARASSMENT POLICY

Our Gender Diversity Procedure covers provisions related to anti-harassment. These aspects are also addressed on annual basis through the awareness sessions of the Code of Conduct.

TRAINING AND DEVELOPMENT

We allocate a dedicated annual training budget covering both technical and behavioral learning areas. Training needs are identified in consultation with departments, ensuring that learning paths are relevant, role-based, and future-focused. This investment strengthens functional excellence and leadership capability across the organization.

Last year, we allocated a budget of 6,500,000, specifically dedicating it towards operational trainings – Kaizen to optimize continuous improvement.

These investments underscore our commitment to fostering a knowledgeable and capable workforce, driving sustained organizational success.

TRAINING TARGET	SESSIONS	PARTICIPANTS	TRAINING MAN HOURS	AUDIENCE
UNSAFE ACTS AND CONDITIONS REPORTING	1	6	9	MANAGEMENT / NON-MANAGEMENT STAFF
HAZARD IDENTIFICATION AND RISK ASSESSMENT (HIRA)	7	113	387	MANAGEMENT STAFF
WINNING HEARTS AND MINDS (04 MODULES)	7	113	281	MANAGEMENT STAFF
HOME SAFETY	1	68	102	MANAGEMENT STAFF / FAMILIES
LIFE SAVING RULES	1	17	17	MANAGEMENT STAFF
ELECTRICAL SAFETY AWARENESS	1	17	25.5	NON-MANAGEMENT STAFF
OVERHEAD CRANE OPERATIONS SAFETY	6	104	695	CRANE OPERATORS
DEFENSIVE DRIVING TRAINING	1	18	117	M0 TO M3
HAZOP TRAINING	1	20	450	M0 TO M3
HSE DAY CELEBRATION	1	570	3990	ALL GRADES
TOTAL	27	1046	6074	

CHILD CARE POLICY

At ISL, we understand the importance of supporting our employees as they balance professional responsibilities with the demands of parenthood. Our Child Care Policy is designed to provide meaningful assistance to both new mothers and fathers, fostering a healthy work-life balance during the crucial early years of a child's life.

- Parental Leaves
Male employees are entitled to one week of paid leave to support their families during the birth of a child.

- Maternity Leave:
Female employees are entitled to four months of paid leave to ensure adequate recovery and bonding time.

SUPPORT FOR CHILDREN (NEWBORN TO 5 YEARS)

To help with child care, ISL provides new mothers with a monthly allowance until their child reaches the age of five.

CONVEYANCE ALLOWANCE AND TRANSPORTATION FACILITY FOR FEMALE EMPLOYEES

Female employees working at ISL's Head Office receive a conveyance allowance, while those working at our manufacturing facility and service centers are provided with safe, reliable transportation to and from the workplace. This ensures convenience, security, and peace of mind for our workforce.

EMPLOYEE ENGAGEMENT AND FEEDBACK

We foster a culture of openness and continuous dialogue through an open-door policy and structured feedback mechanisms.

Regular employee engagement surveys provide valuable insights that guide HR initiatives, enhance workplace policies, and strengthen our organizational culture.

SAFETY AWARENESS AND PRACTICES

At ISL, we are steadfast in our commitment to providing a safe workplace that minimizes the risk of injury for both employees and visitors. This commitment is embedded in our robust Occupational Health, Safety, and Environment (OHS&E) System, managed by our dedicated HSE Department.

Our safety program operates under well-defined reporting protocols to identify and address unsafe behaviors before they lead to incidents. By fostering a culture of shared responsibility, our HSE initiatives help maintain a hazard-free environment.

Large, clearly visible safety illustrations outlining protocols, exit routes, and cautionary notices are displayed across factory floors and offices. Safety is a core part of our daily operations—before commencing work, employees are required to wear appropriate protective gear, including gloves, goggles, and ear protection. Designated safety pathways ensure secure movement within the facility. To maintain best practices, we work closely with expert consultants who regularly evaluate and enhance our safety systems. Employees receive ongoing training from industry specialists to strengthen awareness and adherence to safety procedures. Recent first-aid training and fire drills conducted at multiple locations across Pakistan have equipped our workforce with critical emergency response skills. These sessions ensure that our staff can respond effectively to fire or health-related incidents.

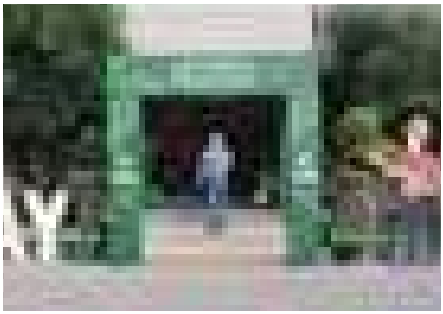
For specialized high-risk activities, such as working at heights, a mandatory "permit to work" or safety clearance is enforced. This measure underscores our commitment to rigorous safety compliance. In Fiscal Year 2024–25, ISL recorded 0.91 million safe man-hours and conducted 6,074 hours of HSE training LTI: 04 and TRIR: 0.84 (to date).

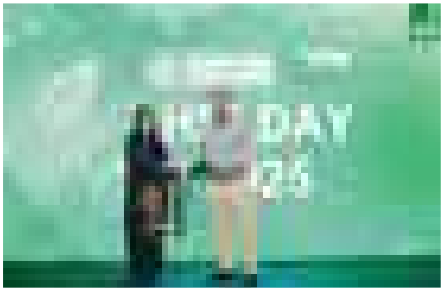
HSE DAY AT ISL: FOSTERING A CULTURE OF SAFETY

International Steels Limited celebrated HSE Day in June 2025, reaffirming its commitment to Health, Safety, and Environment as core values of the organization. The event brought together employees from all departments to engage in activities, training sessions, and discussions aimed at strengthening

ISL's safety culture and environmental stewardship. The day featured interactive workshops, safety drills, and awareness sessions conducted by HSE experts, focusing on workplace hazard prevention, emergency preparedness, and environmental sustainability. Employees actively participated in hands-on demonstrations, learning best practices for maintaining a safe and healthy work environment. Speaking at the event, ISL's management emphasized that HSE is not just a policy—it is a way of life at the company.

By adhering to rigoroussafety protocols and promoting eco-friendlypractices, ISL continues to ensure the well-beingof its employees, protect the environment, andmaintain operational excellence. HSE Day served as a reminder that safety starts with each individual and that a safe workplace is key to productivity, morale, and sustainability. With collective commitment and continuous improvement, ISL aims to set new benchmarks in industrial safety and environmental responsibility.





THE 2ND ASC WOMEN'S CRICKET TOURNAMENT 2024

Paving the Way for Inclusivity

Traditionally considered a gentleman's game, cricket has steadily broken barriers, becoming a sport that champions diversity, inclusivity, and empowerment. The **ASC Women's Cricket Tournament** is a shining example of this transformation, offering a platform where women can display their talent, passion, and resilience on the field.

Building on the success of last year's event, the 2nd ASC Women's Cricket Tournament 2024 brought together the women of the ASC Group for an exciting day of competition, camaraderie, and sportsmanship. The tournament showcased not only athletic skill but also the spirit of teamwork and determination that defines our organization.

Events like these reaffirm our belief that empowering women in sports is a vital step towards building a more inclusive and equitable workplace. Here's to many more milestones on and off the field!

Customers

CUSTOMER CENTRICISM

At ISL, our customers are at the heart of everything we do. They are not just clients—they are valued partners whose trust and collaboration have been pivotal in our journey toward success. Our diverse portfolio of domestic and international customers provides the foundation that fuels our continued growth and achievements.

CUSTOMER SERVICE EXCELLENCE

We believe that exceptional customer service is built on teamwork. Across all departments - planning, production, quality assurance, service center, information technology, and sales and marketing—we work in perfect synergy to deliver outstanding results. This integrated approach allows us to exceed expectations through value-added services and reliable after-sales support for both industrial and commercial clients.

By deeply understanding the complexities of our customers' operations and tailoring solutions to their specific needs, we strengthen our role as a trusted and long-term partner in their success.

CUSTOMER AWARENESS

At ISL, our sales and marketing team plays a pivotal role in shaping strategies that seamlessly blend information with engagement—strengthening our brand presence while driving product and service sales.

Our sales representatives maintain close connections with customers through regular visits, participation in expos, seminars, and exhibitions. These interactions help us better understand customer needs while sharing insights about our offerings. Additionally, our website serves as a readily accessible hub for marketing materials, quality certifications, and other essential resources, ensuring customers always have the information they need at their fingertips.

To sustain brand leadership in the steel market, ISL conducts regular retail branding initiatives. These include identifying and mapping new retail locations, installing ISL shop fascia, maintaining existing retail points, and executing impactful in-shop branding. These efforts not only enhance visibility but also reinforce ISL's position as a trusted name in the industry.

AFTER SALES SUPPORT

We place the utmost importance on staying connected with our customers long after a sale is made. Our dedicated regional and international sales teams ensure seamless communication and timely assistance.

Through our robust Quality Management System and specialized Complaint Handling Teams, we meticulously log, track, and resolve any concerns—ensuring quick, effective, and lasting solutions.

CUSTOMER ENGAGEMENT

To strengthen relationships and build lasting brand loyalty, ISL regularly hosts corner meetings across various cities, creating opportunities for meaningful interaction between customers, end-users, and our management team. These sessions encourage open dialogue, allowing us to better understand customer needs while sharing insights into our products and services. We also provide virtual tours through engaging corporate videos and presentations, giving fabricators an inside look at our operations and capabilities. To further nurture these connections, we organize special events such as iftars, lunches, and dinners, fostering a sense of community and partnership. Throughout the year, our sales teams also distribute thoughtful giveaways as a token of appreciation for our customers' continued trust and support.

ISL CUSTOMER PORTAL

As part of our ongoing commitment to enhancing customer experiences, ISL proudly launched the ISL Customer Portal—a major step forward in our customer-centric journey. This secure, user-friendly digital platform serves as a unified gateway for customers to access product details, ledgers, and other transactional information.

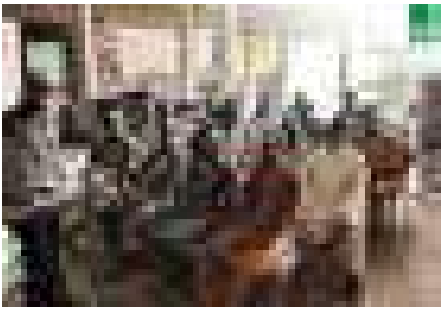
With username and password authentication, the portal safeguards sensitive data while allowing customers to conveniently place orders, view ledger information, and manage transactions from their office or home—whether on a computer or smartphone. The portal offers a clear, real-time overview of orders and account activities, ensuring transparency and efficiency.

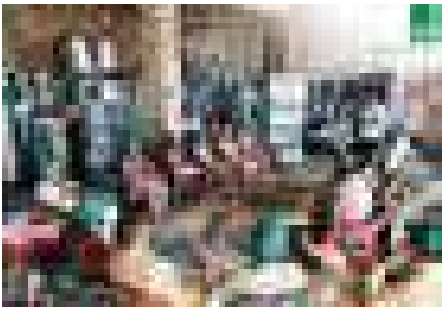
In 2024, ISL successfully rolled out the Customer Portal to ISL Dealers and select industrial

customers, marking a significant milestone in digitalizing our customer engagement.

FACILITATING PAYMENTS

In line with our mission to provide seamless and efficient services, ISL partnered with two leading banks to integrate our systems with their internet banking platforms. One of these banks completed the setup of virtual accounts, enabling automatic receipt creation upon payment. This innovation complements our existing payment channels, offering customers greater flexibility, convenience, and speed in managing their financial transactions with ISL.





ISL Steel Uncovered: Season 1

A JOURNEY WITH OUR CUSTOMERS INTO PAKISTAN'S FLAT STEEL STORY

International Steels Limited stands as a benchmark of excellence in Pakistan's industrial sector, renowned for its high-quality flat steel products that form the backbone of numerous industries. Through its pioneering series, ISL Steel Uncovered, ISL invites viewers to explore the remarkable journey of raw steel as it is transformed into everyday products that power modern life. From household essentials to critical infrastructure components, this series highlights the indispensable role of steel and celebrates the ingenuity of Pakistan's manufacturing ecosystem.

Season 1 of ISL Steel Uncovered offered an unprecedented look into the manufacturing processes that turn ISL's flat steel into products that drive industries such as construction, automotive, and safety. By featuring ISL's industrial partners, the series underscores the collaborative efforts that enable innovation and excellence.

A LEGACY OF EXCELLENCE AND COLLABORATION

ISL Steel Uncovered is more than a series; it's a testament to the ingenuity, resilience, and collaborative spirit of Pakistan's manufacturing sector. By showcasing the transformative journey of ISL's flat steel, the series celebrates the industries, partnerships, and innovations that drive progress.

CELEBRATING PAKISTAN'S MANUFACTURING EXCELLENCE

ISL Steel Uncovered is more than just a series; it's a celebration of Pakistan's manufacturing capabilities and the pivotal role steel plays in shaping the nation's industrial landscape. Each episode dives into the applications of ISL's flat steel, revealing the precision, expertise, and innovation behind the products that define modern infrastructure and mobility.

By spotlighting its industrial partners, ISL highlights the collaborative spirit that drives progress, showcasing how these partnerships transform raw materials into high-quality, reliable products that meet the demands of a dynamic economy.

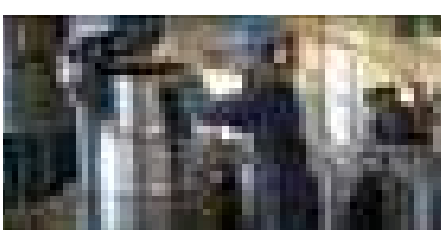
From durable steel drums to energy-efficient sandwich panels, the series illustrates the versatility of ISL's flat steel and its impact across diverse sectors. These episodes not only educate viewers about the manufacturing process but also inspire pride in Pakistan's ability to produce world-class products that compete on a global stage.

SEASON 1 RECAP: A DEEP DIVE INTO ISL'S IMPACT ACROSS INDUSTRIES

Season 1 of ISL Steel Uncovered took viewers on a fascinating journey through the manufacturing processes of ten key products, each made possible by ISL's high-quality flat steel. Below, we revisit the highlights of each episode, exploring how ISL's steel contributes to the creation of essential goods that power Pakistan's economy.

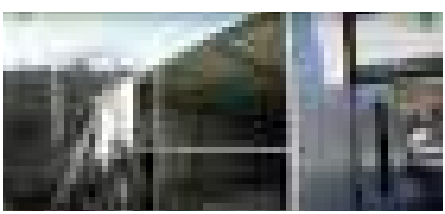
1. STEEL DRUMS: DURABILITY FOR INDUSTRIAL NEEDS

Steel drums are a cornerstone of industries such as chemical storage and industrial transportation, requiring materials that are both robust and reliable. This episode delves into how ISL's flat steel is used by Petroleum Packages (Pvt) Ltd to transformed into durable steel drums, engineered to withstand demanding conditions while ensuring safety and efficiency. The process highlights the precision and quality that define ISL's products, showcasing their critical role in supporting industrial operations across Pakistan.



2. SANDWICH PANELS: BUILDING THE FUTURE WITH EFFICIENCY

Sandwich panels are revolutionizing the construction industry with their strength and insulation properties, making them ideal for energy-efficient buildings. This episode explores how ISL's flat steel is used by Pakistan Insulations Pvt. Ltd to create these innovative panels, which combine durability with thermal efficiency. The result is a product that supports sustainable construction practices while meeting the demands of modern infrastructure projects.



3. MOTORCYCLE RIMS: ENGINEERED FOR PERFORMANCE

Motorcycle rims are critical to the safety and performance of two-wheeled vehicles, requiring materials that offer both strength and precision. This episode shows how ISL's high-quality steel used by Super Tech Auto Parts Pvt. Ltd. is crafted into rims that deliver durability and reliability on the road. The manufacturing process highlights the meticulous engineering that ensures these rims meet the demands of Pakistan's motorcycle industry.

4. MOTORCYCLE HANDLES: PRECISION FOR RIDER CONTROL

Motorcycle handles are essential for rider control and comfort, demanding a balance of strength and ergonomic design. In this episode, ISL's flat steel takes center stage as it is transformed into handles that meet the highest standards of precision and durability. The episode underscores Super Tech Auto Parts Pvt. Ltd., demonstrating the critical role of quality materials in ensuring rider safety and enhancing the riding experience.

5. MOTORCYCLE MUFFLERS: BALANCING PERFORMANCE AND COMPLIANCE

Mufflers play a vital role in controlling noise and emissions in motorcycles, requiring materials that can withstand high temperatures and meet regulatory standards. This episode highlights how Super Tech Auto Parts Pvt. Ltd. Uutilizes ISL's steel to produce high-performance mufflers that combine durability with environmental compliance. The manufacturing process showcases the innovation driving Pakistan's automotive sector.

6. FIRE RETARDANT DOORS: SAFETY THROUGH STRENGTH

Fire retardant doors are essential for ensuring safety in buildings, providing critical protection in the event of a fire. This episode explores how Karachi Steel Services uses ISL's flat steel to manufacture doors that offer both fire resistance and structural integrity. The process highlights the importance of quality materials in creating products that prioritize safety without compromising on design.

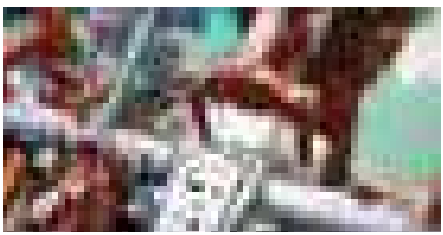
7. AUTOMOTIVE COMPONENTS: EXHAUST SYSTEMS AND CENTRAL PILLARS

Exhaust systems and central pillars are key to the performance and safety of vehicles, requiring materials that offer strength and precision. This episode delves into explores how ISL's flat steel is transformed into these critical automotive components in collaboration with Agriauto Industries Limited, showcasing the engineering expertise behind Pakistan's growing automotive industry. The result is a product that enhances vehicle performance while ensuring passenger safety.

8. STEEL INSTRUMENT PANELS FOR CARS: FUNCTIONALITY MEETS DESIGN

Instrument panels are a vital part of a vehicle's interior, combining functionality with aesthetic appeal. This episode highlights how Agriauto Industries Limited utilizes ISL's flat steel to create instrument panels that meet the demands of modern automotive design. The

manufacturing process underscores the importance importance of precision and quality in producing components that enhance driver safety and comfort.



9. STEEL PIPES: THE BACKBONE OF INFRASTRUCTURE

Steel pipes are essential for a wide range of applications, from construction to fluid transportation. This episode explores how ISL's flat steel is transformed into pipes that offer unmatched strength and durability, supporting International Industries Limited in critical infrastructure projects across Pakistan. The manufacturing process highlights the versatility and reliability of ISL's steel in meeting diverse industrial needs.

10. FALSE CEILING STEEL T-CHANNELS: ENHANCING AESTHETICS AND FUNCTIONALITY

False ceiling systems are widely used in buildings to improve aesthetics and provide insulation. This episode shows how ISL's flat steel is used by Home Impex to create T-channels, the structural components that support these ceiling systems. The process highlights the precision and quality that define ISL's products, ensuring they meet the demands of modern architectural design.

LOOKING AHEAD TO SEASON 2: A NEW CHAPTER IN INNOVATION

As ISL Steel Uncovered prepares to launch Season 2 in 2025, the series promises to continue its celebration of Pakistan's manufacturing ingenuity and the transformative power of steel. Building on the success of Season 1, the upcoming season will dive deeper into the innovative processes and partnerships that drive ISL's mission to empower excellence. From cutting-edge technologies to groundbreaking collaborations, Season 2 will showcase the creativity and precision that define Pakistan's industrial landscape.

To view episodes of ISL Steel Uncovered, visit:
https://www.youtube.com/@internationalsteelslimited4885/videos

ISL Expands Presence in the Saudi Arabia's Booming Construction Sector

During the year, ISL made significant strides in Saudi Arabia's construction sector, establishing itself as a key supplier of high-quality flat steel products. With successful appearances at some of Saudi Arabia's biggest construction shows including consecutive appearances at the Big 5 Construct Saudi Arabia and the Saudi Build, ISL has not only strengthened its presence in the region but also secured vendor registration for multiple high-profile Saudi Giga-Projects. With an unwavering commitment to quality and international certifications, ISL is set to play a pivotal role in the Kingdom's ambitious Vision 2030 transformation.

BREAKING INTO A COMPETITIVE MARKET

Saudi Arabia's construction industry follows some of the most rigorous regulations, making it a challenging market for foreign suppliers. Companies have to comply with strict quality control measures and require multiple certifications before being approved as vendors for large-scale projects. ISL successfully navigated these requirements, securing approvals and establishing itself as a trusted supplier of high-quality steel products.

ISL's reputation as a world-class flat steel supplier is backed by an impressive portfolio of international certifications, such as ISO 9001:2015 certification for quality management, ISO 14001:2015 for environmental responsibility, and CE and RoHS compliance for safety and reliability. Most notably, a key enabler of ISL's successful market entry has been its SASO Saudi Quality Mark certification, which has facilitated seamless integration into the Saudi construction supply chain.

BEYOND STEEL SUPPLY: OFFERING TAILORED SOLUTIONS

ISL is more than just a steel supplier; it's also an integrated mill. What this means is that it has its own state-of-the-art service center that offers ISL's customers value-added services like slitting and trimming coils, cutting them to length and profiling. We also have a dedicated FrameCAD machine helping ISL produce C-channels, and C&Z purlins, essential components in contemporary construction projects.

SUPPLYING SAUDI ARABIA'S GIGA-PROJECTS

ISL's presence in Saudi Arabia has positioned it as a supplier to several of the Kingdom's most ambitious Giga-Projects, including:

- **NEOM:** An ultra-modern smart city powered by renewable energy, featuring The Line, Oxagon, Trojena, and Sindalah.
- **Red Sea Global:** A 28,000 sq. km sustainable tourism development featuring luxury destinations and pristine ecosystems.
- **Qiddiya:** A 360 sq. km entertainment and leisure hub projected to contribute $36 billion to GDP and create 325,000 jobs.
- **ROSHN:** A housing initiative aimed at increasing Saudi homeownership through projects like SEDRA, WAREFA, and ALAROUS.
- **King Salman Park & Murabba:** Iconic urban expansion projects integrating green spaces with cutting-edge infrastructure.

These projects are central to Saudi Arabia's Vision 2030, and ISL's role as a supplier demonstrates its reliability, capacity, and competitiveness in the global marketplace.

STRENGTHENING PAKISTAN'S INDUSTRIAL REPUTATION

The longstanding bond and strategic partnership shared between Saudi Arabia and Pakistan is reflected in ISL's vendor approvals for Saudi Arabia's flagship Giga Projects. This achievement not only reflects the technical and operational excellence but also contributes to the broader economic collaboration between Pakistan and Saudi Arabia.

Exhibitions and Expos

International Exhibitions & Expos

PARTICIPATION AT THE BIG 5 SAUDI CONSTRUCT 2025

International Steels Limited proudly represented Pakistan at The Big 5 Saudi Construct 2025. The exhibition provided ISL with an important platform to showcase its flat steel innovations and engage with global industry leaders in the world's fastest-growing construction market.

ISL's presence at the event underscored its commitment to delivering high-quality steel solutions and strengthening Pakistan's industrial footprint on the international stage. By connecting with key stakeholders and industry professionals, the Company reinforced its role in shaping a stronger and more innovative future for the construction sector.

PARTICIPATION AT THE BIG 5 GLOBAL 2024

At The Big 5 Global 2024 in Dubai, International Steels Limited shared its vision for innovation, growth, and international collaboration. The exhibition served as a valuable platform for meaningful interactions with global industry stakeholders and the presentation of trailblazing solutions. ISL's participation highlighted its role in shaping the flat steel industry while proudly representing Pakistan on the world stage.
The exhibition was dedicated to connecting with industry leaders and exploring collaborative opportunities for a stronger tomorrow. ISL's team engaged in insightful discussions and showcased the Company's unwavering commitment to innovation and excellence in the steel industry.

PARTICIPATION AT SAUDI BUILD 2024

International Steels Limited made a strong presence at Saudi Build 2024, where the Company connected with industry leaders and explored new horizons in construction and infrastructure. Through its flat steel products and tailored solutions, ISL reinforced its position as a trusted partner for the region's growing development needs while proudly representing Pakistan on an international stage.

SMU STEEL SUMMIT – ATLANTA, USA

International Steels Limited had the privilege of participating in the SMU Steel Summit held in Atlanta, USA—a premier gathering of global steel industry leaders. The event provided a valuable platform to engage with industry pioneers, exchange insights on emerging trends, and explore innovative opportunities shaping the future of steel. Our presence at the summit reaffirmed ISL's

commitment to excellence, global collaboration, and staying at the forefront of advancements in the flat steel sector.

Domestic Exhibitions & Expos

PARTICIPATION AT THE 30TH PAKISTAN HVACR EXPO & CONFERENCE 2025

International Steels Limited participated in the 30th Pakistan HVACR Expo & Conference 2025, held from June 19–21 at the Lahore International Expo Centre. The event provided ISL with the opportunity to showcase its world-class flat steel solutions and engage with industry stakeholders in the HVACR sector.

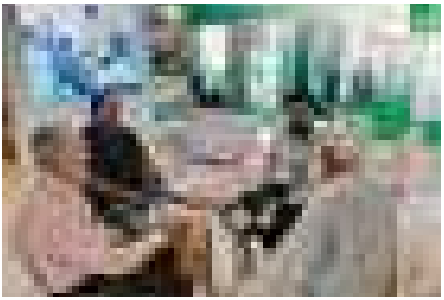
At the exhibition, ISL highlighted its premium hot dip galvanized steel, trusted for its superior strength, corrosion resistance, and durability. Widely used in HVACR and ducting systems, ISL's steel enables lasting performance, in every project.

The Company's presence underscored its commitment to powering Pakistan's future through sustainable, high-quality steel solutions.

ISL SHINES AT PAKISTAN AUTO SHOW (PAPS) 2025

International Steels Limited marked its presence at the Pakistan Auto Show (PAPS) 2025, held in October, making a significant impact at one of the country's premier automotive industry events.
The exhibition served as a dynamic platform for ISL to connect with industry stakeholders, showcase its advanced flat steel solutions, and highlight its role in supporting Pakistan's growing automotive and manufacturing sectors. Throughout the event, ISL's welcomed a steady stream of visitors, including manufacturers, suppliers, and enthusiasts eager to learn more about the company's high-quality steel products and services.

ISL's dedicated sales team engaged directly with attendees, answering questions, sharing technical insights, and discussing tailored solutions to meet diverse customer needs. The overwhelming interest and positive feedback underscored the strong relationships ISL continues to build within the industry.



Shareholders

At International Steels Limited, our goal has remained to be a model corporate citizen by upholding and creating substantial value for our shareholders. We have been dedicated to ensuring fair returns and maximizing shareholder value through diligent and strategic efforts across all teams and functions of the Company.

QUARTERLY AND ANNUAL REPORTS

In line with statutory requirements, ISL prepared and distributed periodic performance reports during the year. These reports provided shareholders with a comprehensive and transparent view of the Company's financial performance, challenges, and future outlook. To ensure accessibility, reports were made available electronically and could also be accessed through the Company's official website: *www.isl.com.pk.*

BOARD OF DIRECTORS

Elected in 2022, the Board of Directors at International Steels Limited comprised accomplished professionals from diverse backgrounds. Their collective expertise and strategic direction continued to play a pivotal role in guiding management and driving long-term value creation for shareholders.

Society and Community

COMMITMENT TO SOCIETY

At International Steels Limited, we remain committed to addressing the challenges faced by society. As a major industrial manufacturer, the Company continues to contribute to human development through its operations and active community engagement.

ISL's corporate culture reflects the values of its founder, Mr. Amir S. Chinoy, a staunch supporter of local community initiatives.

CORPORATE GIVING

ISL regularly makes contributions to charitable causes, either directly or through the Amir Sultan Chinoy Foundation (ASCF). Established in 1968 by Mr. Amir Sultan Chinoy under the name The Friendship Foundation—in honor of his father, Sir Sultan Mehrally Chinoy—the foundation was renamed the Amir Sultan Chinoy Foundation in 1980. The ASCF continues to operate in line with the vision of its founder, with a strong focus on the advancement of education, healthcare, and social uplift. Through these initiatives, ISL seeks to extend the impact of its business beyond industry, fostering meaningful change within the community.

DONATION POLICY

A) Community Development And Services

ISL donates at least 1.5% of its profit after tax, towards social uplift and community welfare activites every year.

FY 2024-25 Recipients	PKR
Amir Sultan Chinoy Foundation	16,000,000
Al Rehmat Benevolent Trust	2,000,000
Karwan-e-Hayat	2,000,000
The Citizen Foundation	1,600,000
NED University (Scholarship)	1,000,000
Total Donations	**22,600,000**

B) Education And Scholarship

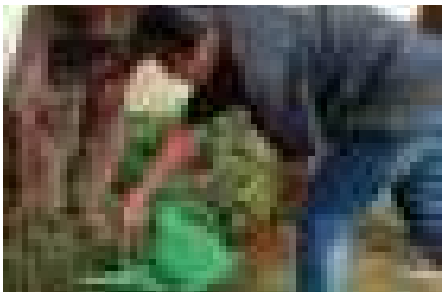
International Steels Limited provides scholarship programs after carefully considering the candidates' application, academic achievements and financial condition. Their Details are as follows:

Date	Year	Amount
24 Mar 23	First Year	1,060,000
6 Mar 24	Second Year	750,000
18 Mar 24	Third Year	1,000,000
Total		2,810,000

PLANTATION DRIVE
A PROMISE TO THE FUTURE

As part of its commitment to sustainability and responsible growth, International Steels Limited organized a **plantation drive,** reaffirming its promise to future generations and to the environment. The initiative brought together employees, partners, and community members, reflecting the spirit of collective responsibility.

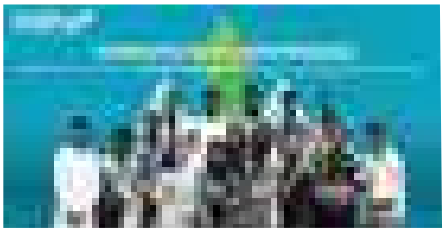
Through this effort, ISL underscores that meaningful change is possible when communities work together—growing stronger, greener, and more sustainable for the future.



EMERGE – EMPOWERING THE NEXT GENERATION

Introduced by the Amir Sultan Chinoy Foundation (ASCF), Emerge continued to grow louder and stronger in 2025 with the launch of Cohort III. The program focuses on training the next generation of skill-based entrepreneurs, equipping them with the knowledge and tools to lead, build, and transform the world around them.

Through Emerge, ASCF reinforces its mission of fostering innovation, self-reliance, and social impact by empowering youth to convert their potential into meaningful enterprise.



SUPPORTING SPORTS THROUGH THE AMIR S. CHINOY FOUNDATION

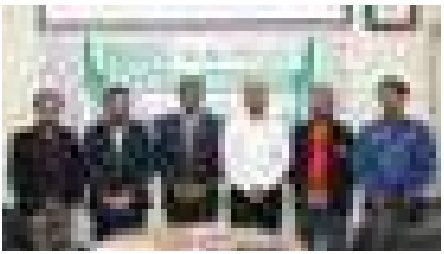
Through a multi-year sponsorship agreement under the Amir S. Chinoy Foundation, the ASC Group proudly supported Sana and Saif Bahader—two exceptionally talented athletes who continued to defy odds. Though classified as Persons with Disabilities, their resilience, skill, and passion positioned them as true symbols of Pakistan's unstoppable youth.

This initiative reflects the Group's commitment to empowering individuals and promoting inclusivity in sports. By supporting Sana and Saif, ASC aims to showcase their talent on the global stage while contributing to the revival of Pakistan's rich squash legacy.

PARTNERSHIP WITH CHINIOT GENERAL HOSPITAL

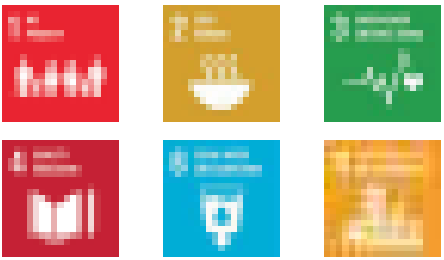
During the year, Chiniot General Hospital entered into a strategic partnership with International Steels Limited, through the signing of a Memorandum of Understanding. Both organizations committed to strengthening healthcare initiatives and creating a positive impact within the community.

This collaboration reflects ISL's dedication to social responsibility and its commitment to supporting quality healthcare services for all.



SUPPORTING EDUCATION FOR A BRIGHTER FUTURE

ISL, through the Amir Sultan Chinoy Foundation, supports The Citizens Foundation (TCF) Schools, providing underprivileged children with access to quality education. Currently, we are sponsoring two campuses – TCF IIL and TCF Chinoy Campus – enabling students from disadvantaged backgrounds to pursue learning and growth opportunities for a brighter future.



Environmental Responsibility

At International Steels Limited, we remain acutely aware of the potential impact our business activities could have on the environment. Recognizing that access to water and essential resources is a fundamental human right, the Company remains committed to taking meaningful measures to minimize its environmental footprint.

As Pakistan continues to face critical challenges related to energy and clean water scarcity, ISL acknowledges that its most direct and significant contributions stem from ongoing efforts to enhance environmental efficiencies. While the Company's primary raw materials—steel and zinc—do not directly harm the environment, ISL is steadfast in its commitment to minimizing any potential impact resulting from its operations.

ISL ensures that all technologies and equipment employed are environmentally safe and fully compliant with both international and national standards. Environmental considerations are integrated into every aspect of the business, from project costing to procurement processes. Furthermore, all future investments are preceded by thorough environmental impact assessments, ensuring sustainability remains at the forefront of decision-making.

Guided by its "Clean, Lean, and Green" approach, ISL continues to adopt environmentally friendly practices across its manufacturing processes. By embracing sustainable technologies, the Company focuses on reducing its environmental impact through effective resource utilization, waste reduction, and the recycling of materials wherever possible.

CLEAN WATER AND SANITATION

At ISL, we are deeply committed to minimizing our environmental footprint while ensuring responsible access to clean water and sanitation. We recognize that water is a precious resource and a fundamental human right, and we take our responsibility to safeguard it with utmost seriousness. To uphold these principles, ISL has implemented a series of sustainable water management initiatives:

EFFLUENT TREATMENT PLANT (ETP)

ISL operates a state-of-the-art effluent treatment plant with a capacity of 600 m^3/day. This facility collects, neutralizes, and filters solvent-based waste generated during manufacturing. The treated water is discharged strictly in compliance with the National Environmental Quality Standards (NEQS), ensuring that our operations do not compromise surrounding ecosystems.

SEWAGE TREATMENT PLANT (STP)

In addition, ISL has established a sewage treatment plant with a capacity of 90 m^3/day. All sewage generated by our operations is treated at this facility, with the reclaimed water repurposed for toilet flushing, landscape irrigation, and groundwater recharge. These initiatives are a vital part of ISL's broader commitment to sustainable water stewardship—ensuring that every drop is managed responsibly for the benefit of both people and the environment.

REVERSE OSMOSIS (RO) SYSTEMS

Our RO plants, with a combined capacity of 54 m^3/hour, ensure the removal of pollutants from well water, making it fully reusable within our facility.

To minimize waste, even the rejected water is treated by an additional RO unit (16 m^3/hour capacity) and purified for reuse. This reduces our dependence on the city's main water supply and reinforces our commitment to efficient water conservation.

ACID REGENERATION PLANT (ARP)

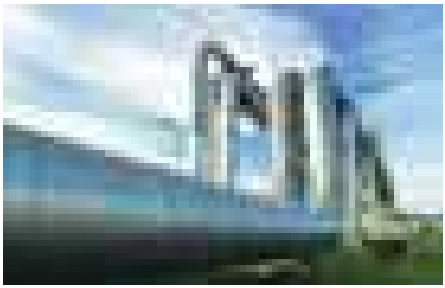
The ARP is designed to recycle and recondition 98% of the hydrochloric acid (HCl) used in the pickling process, drastically reducing the need for fresh acid and eliminating harmful disposal practices. By reusing resources effectively, we ensure cleaner operations and contribute to the **UN SDG goals on clean water and sanitation.**

HEAT ABSORPTION CHILLER

Our heat absorption chiller system captures waste heat and converts it into chilled water for air-conditioning. This innovative solution significantly reduces the energy demand for cooling, making our operations more efficient and environmentally friendly.

STEAM BOILER AND TURBINE

To maximize the use of waste heat, we operate a steam boiler that converts exhaust heat into steam, which is then used across various processes within our facility. In addition, our 1.2 MW steam turbine harnesses this steam to generate electricity—further strengthening our energy efficiency and lowering our carbon footprint.



RAINWATER HARVESTING PROGRAM

At International Steels Limited, the commitment to a sustainable future is further reinforced through our **Rainwater Harvesting Program.** By capturing and recharging groundwater with each rainfall, the initiative contributes to water conservation, supports the **United Nations Sustainable Development Goals (SDGs),** and reduces the Company's overall carbon footprint.

For ISL, every drop counts in its journey toward responsible and resilient operations, reflecting the Company's broader vision of embedding sustainability into industrial growth.

AFFORDABLE AND CLEAN ENERGY

At ISL, we are driving progress toward affordable and clean energy through smart, sustainable practices. By capturing and reusing waste heat from our operations, we not only enhance energy efficiency but also reduce our environmental footprint. This proactive approach reflects our commitment to innovation, responsible resource use, and a cleaner, more resilient future.

Advancing Sustainable Manufacturing: Commissioning of 6.4 MW Solar Project

During the year, International Steels Limited successfully commissioned its 6.4 megawatt (MW) solar power project, reinforcing the Company's commitment to long-term sustainability and operational efficiency. Launched in 2024 and executed within 12 months, the initiative began supplying clean, renewable electricity to ISL's production facilities.

The installation is designed to generate over 8 million kilowatt-hours (kWh) annually, reducing dependence on fossil fuels and strengthening ISL's energy independence. This generation capacity is equivalent to powering more than 3,000 average Pakistani households per year.

ENVIRONMENTAL IMPACT

By shifting a significant portion of its energy mix to solar, ISL is projected to cut thousands of metric tons of CO_2 emissions annually. This transition not only supports Pakistan's national climate objectives but also enhances resilience against fuel price volatility and grid instability.

SUPPORTING GLOBAL SUSTAINABILITY GOALS

The project contributes directly to the United Nations Sustainable Development Goals (SDGs):
Goal 7: Affordable and Clean Energy
Goal 9: Industry, Innovation, and Infrastructure
Goal 12: Responsible Consumption and Production
Goal 13: Climate Action

ESG IN PRACTICE

The solar initiative forms a core part of ISL's broader Environmental, Social, and Governance (ESG) strategy. By adopting clean energy solutions, the Company demonstrates that industrial growth can be both economically viable and environmentally responsible.

This milestone represents a significant step forward not only for ISL but also for Pakistan's industrial sector, showcasing how innovation and sustainability can drive long-term progress.

RESPONSIBLE CONSUMPTION AND PRODUCTION

At ISL, we are committed to creating long-term value for our shareholders while upholding the highest standards of transparency, accountability, and corporate governance. Integrity and openness remain at the core of all our operations.

PRICE TRANSPARENCY

We believe in fair and transparent business practices. To support this, ISL offers a single, comprehensive national price list that is shared with all customers, ensuring clarity, consistency, and fairness in pricing.

WORKPLACE SAFETY

Safety is a non-negotiable priority at ISL. We are dedicated to providing a safe, injury-free workplace for both employees and visitors. Our Health, Safety, and Environment (HSE) department, along with expert consultants, regularly assesses our facilities and fosters a proactive safety culture across teams.

- Regular safety awareness and training sessions instill a strong safety mindset at every level.
- Comprehensive HSE programs strengthen accountability for hazard-free operations.
- Sales and marketing collaterals also provide detailed product handling guidelines to minimize risks during transit.

CERTIFICATIONS & STANDARDS

Our practices are aligned with global standards of excellence, as reflected in our certifications:

ISL is certified by Lloyd's Register Quality Assurance Limited (LRQA) for:

ISO 9001:2015 - Quality Management System
ISO 14001:2015 – Environmental Management System
ISO 45001:2018 – Occupational Health & Safety
CE, RoHS, and REACH certifications, demonstrating our compliance with stringent EU quality and safety requirements.

SASO Saudi Quality Mark

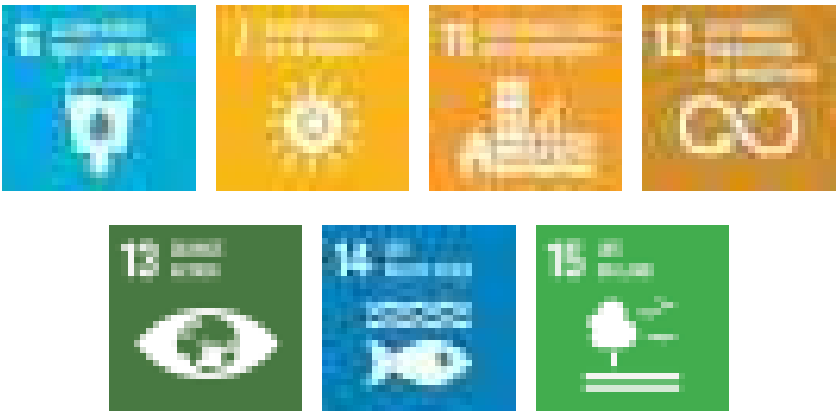
ROHS COMPLIANCE

At ISL, we comply with the Restriction of Hazardous Substances (RoHS) Directive, which restricts the use of specific hazardous materials in electrical and electronic equipment. This ensures our products are free from harmful substances, safeguarding both human health and the environment.

REACH COMPLIANCE

We are certified under the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) regulation, governed by the European Chemicals Agency (ECHA). This certification guarantees the safe use and management of chemicals within the European Union, reflecting our commitment to responsible chemical practices and global regulatory standards.
With these international certifications, ISL reinforces its dedication to:

- Delivering products that meet the highest standards of safety and environmental sustainability.
- Minimizing environmental impact through responsible material and chemical management.
- Providing customers with reliable, compliant, and sustainable steel solutions.
- At ISL, we continuously strive to uphold global best practices while promoting a cleaner and more sustainable future.



Awards

ISL HONORED WITH "EMPLOYER OF THE YEAR" AWARD

International Steels Limited was awarded the prestigious Employer of the Year accolade—an honor that recognizes our steadfast commitment to building a workplace defined by inclusivity, growth, and employee well-being. The award was presented by Sindh's Honorable Minister Shahid Abdul Salam Thahim.

This recognition reflects ISL's continuous investment in people through robust benefits, comprehensive health and wellness programs, and ample learning and development opportunities. Our dedication to fostering a culture of diversity, respect, and empowerment has played a pivotal role in shaping a vibrant and progressive work environment.

Winning this award marks a major milestone in ISL's journey toward organizational excellence. As we celebrate this achievement, we remain committed to nurturing a people-first culture that fuels innovation, collaboration, and long-term success.

ISL RECEIVED 7TH CSR AWARD 2024

ISL was honored with the 7th CSR Award 2024 by The Intellects Club, Religion for Peace, and Rotary Club — reaffirming ISL's dedication to community and environmental impact.

ISL WON MAP CORPORATE EXCELLENCE AWARD FOR THE 6TH CONSECUTIVE YEAR

International Steels Limited won the MAP Corporate Excellence Award in the Engineering Sector for the sixth consecutive year.

Our CEO, Mr. Samir M. Chinoy, received the award at the prestigious 39th Corporate Excellence Awards, which were graced by Chief Minister Sindh Syed Murad Ali Shah and Governor KPK Mr. Faisal Karim Kundi as chief guests, alongside Energy Minister Mr. Nasir Hussain Shah and esteemed Consul Generals as honorary guests.

This achievement stood as a testament to ISL's unwavering commitment to leadership, innovation, and corporate excellence in Pakistan.

A Legacy to Elevate

Corporate Governance

Board of Directors' Profile

Mr. Kamal A. Chinoy
Chairman (Non-Executive)
Since: September 3, 2007

Mr. Kamal A. Chinoy is a graduate of the Wharton School, University of Pennsylvania, USA. He is the Honorary Consul General of the Republic of Cyprus. Currently, he is Chairman of International Industries Limited, International Steels Limited, IIL Americas Inc., IIL Trading (Pvt) Ltd., and a Director of Pakistan Cables Ltd., IIL Australia Pty Ltd, and Chinoy Engineering & Construction (Pvt) Ltd.

He has served as Chairman of the Aga Khan Foundation (Pakistan) and Jubilee Life Insurance Co., and also as a Director of Pakistan Centre for Philanthropy, Atlas Insurance Limited, Pakistan Security Printing Corporation, NBP Fullerton Asset Management Limited, Atlas Battery Ltd, ICI Pakistan Limited, Askari Bank Limited, First International Investment Bank, Atlas Power Limited and Pakistan Business Council.

He also served as CEO of Pakistan Cables Ltd. for 27 years. He was an instrumental part of the team that negotiated the exit of BICC from the ownership of the Company in the early 1990's. Then in 2010 he lead the effort to attract General Cable, a Fortune 500 company, as an equity investor in PCL.

Mr. Kamal A. Chinoy is a member of the executive committee of the International Chamber of Commerce, Pakistan and is also a past President of the Management Association of Pakistan (MAP). He has also served on the Admissions Committee of Aga Khan University and the Alumni Admissions Committee for the University of Pennsylvania. He has also been a member of the Board of Governors of Army Burn Hall Institutions.

He has been a member of the Pakistan-UK Forum for Investment and Technology (under the Board of Investment, GoP) and the Experts Advisory Group for Engineering Goods for the Fifth Five-Year Plan for the Government of Pakistan.

Mr. Samir M. Chinoy
Chief Executive Officer
Since: October 1, 2024

Mr. Samir M. Chinoy has been appointed as Chief Executive Officer of International Steels Limited on October 1, 2024, Prior to this role, he has served in various positions in International Steels Limited, since September 7, 2009, the latest being Chief Operating Officer and Director on the Board of International Steels Limited. Prior to International Steels Limited, Mr. Chinoy worked at Pakistan Cables, Deloitte and Touché, New York and Foothill Capital (A Wells Fargo Company), Boston.

He is a graduate of Babson College, USA with a Bachelor of Science in Finance and Entrepreneurship and a minor in Human Communication. He also is a certified Director from Pakistan Institute of Corporate Governance.

Currently, Mr. Chinoy is the Chairman, of the Amir Sultan Chinoy Foundation and Beaumont Plaza Owners/Occupants Welfare Association, he also serves as a Director of Pakistan Business Council, Chinoy Engineering & Construction (Private) Limited, Pakgen Power Ltd., Intermark (Pvt) Ltd., Haball (Pvt) Ltd. and IIL Australia Pty Ltd.

Dr. Amjad Waheed, CFA
Independent Director
Since: September 25, 2019

Dr. Amjad Waheed holds a Doctorate in Business Administration with a major in Investments and Finance from Southern Illinois University, USA and is also a Chartered Financial Analyst (CFA). Since inception of the company (nineteen years ago), Dr. Amjad Waheed is the Chief Executive of NBP Fund Management Limited ('NBP Funds'), which is a subsidiary of National Bank of Pakistan and Baltoro Growth Fund as the other joint venture partner. NBP Funds is presently managing Rs.385 billion (as of July 03, 2024) of investors' money. NBP Funds is one of the largest and highest rated Asset Management Company in Pakistan.

Before joining NBP Funds, Dr. Amjad Waheed was Head of Equity Mutual Funds & Portfolios at Riyadh Bank, Saudi Arabia, for about five years where he was managing USD 7.5 billion invested in 22 mutual funds. Prior to that he was Head of Investments at NIT, and Chief Operation Officer of FC-ABN AMRO Equities for several years.

Before moving back to Pakistan, Dr. Amjad Waheed was Assistant Professor of Finance at Tennessee State University, USA and he has published several articles in top journals of the world such as Journal

of Banking & Finance and Financial Management.

Dr. Amjad Waheed has served or is serving on the boards of various companies including Siemens (Pakistan), Nishat Mills, PICIC, Askari Bank, Millat Tractors, Fauji Fertilizer, Pakistan Tobacco, Institute of Financial Markets of Pakistan (IFMP), Mehran Sugar, Gul Ahmed, Management Association of Pakistan (MAP), BankIslami, LRBT, Telenor Microfinance Bank, and International Steels. He has also served as the Chairman of Mutual Fund Association of Pakistan (MUFAP).

Mr. Haroun Rashid

Non-Executive Director
Since: April 5, 2021

Mr. Rashid is a Fellow Member of The Institute of Chartered Accountants in England and Wales, London. Besides holding this office, Mr. Rashid has also served in senior positions of several prestigious organizations. He has vast international and local experience in banking, investments and industrial ventures to his credit. His extensive portfolio includes being Managing Director for ANZ Securities Asia Limited, Hong Kong and Kashmir Edible Oils Limited, Pakistan as well as Assistant Director at Grindlays Brandts Limited, London. He has held the position of Director at Financial Executives Institute, Hong Kong, Union Bank Limited, Pakistan and was a Director of Pakistan Cables Limited for nearly three decades. He has also served as the Chairman of All Pakistan Solvent Extractors Association, Governor of Lahore General Hospital and on the Board of Public Procurement Regulatory Authority (PEPRA). Currently he is also serving as the Chairman of MCB Investment Management Ltd, one of Pakistan's leading asset management companies.

Mr. Kenichi Hotta

Non-Executive Director
Since: April 10, 2025

Mr. Kenichi Hotta is presently the General Manager, Global Steel Sheet Trade Business Department, Sumitomo Corporation Global Metals, Japan, he has completed his education from Keio University, Japan and has 29 years of experience of diversified experience of working in Metal Divisions.

Mr. Mustapha A. Chinoy

Non-Executive Director
Since: August 15, 2018

Mr. Mustapha A. Chinoy is a B.Sc. in Economics from Wharton School of Finance, University of Pennsylvania, USA with majors in Industrial Management and Marketing. Upon return from United States, he took up the position of Marketing Manager at International Industries Ltd. He is currently the Chairman of Pakistan Cables Ltd., Travel Solutions (Pvt) Ltd., Global E-Commerce Services (Pvt.) Ltd., Global Reservation (Pvt.) Ltd. and BinaryVibes (Pvt) Ltd. and a director of Chinoy Engineering & Construction (Pvt.) Ltd.. He is the Chief Executive of Intermark (Pvt.) Ltd. He has previously served on the Boards of Union Bank Ltd and Security Papers Ltd.

Ms. Nausheen Ahmad

Independent Director
Since: September 25, 2019

Nausheen Ahmad is a Barrister at Law and an Advocate of the Sindh High Court. She practices corporate and commercial law in Karachi. She retired as General Counsel of ICI Pakistan Limited. Having spent over three decades in the corporate sector, Nausheen brings with her a tremendous amount of experience and expertise in the legal field, as well as proven leadership skills. She held the position of Legal Counsel at Pakistan Petroleum Ltd, Unilever Pakistan Ltd, and spent 12 years at HBL as the Company Secretary and Head of Legal.

Nausheen has an LLM degree from the University of London, an LLB from Kings College London, and a degree in the Philosophy of Religion from Kings College London. She was called to the Bar from the Honourable Society of Gray's Inn, London and is registered as an Advocate of the Sindh High Court. Nausheen was also accredited as a mediator and master trainer by the Centre for Effective Dispute Resolution, UK, and recently completed a certificate in Negotiation and Conflict Resolution from Harvard Law School.

She is currently a Director on the Boards of 1 Link (Pvt.) Limited, Crescent Steel and Allied Products Limited, Descon Engineering Limited, Engro Powergen Qadirpur Ltd, International Steels Limited, Jubilee General Insurance Company Ltd, Meezan Bank Ltd.

Mr. Nihal Cassim
Independent Director
Since: September 25, 2019

Nihal is an MBA (Finance & MIS) from McGill University. He takes particular interest in facilitating the development of the capital market, governance of public companies and building shareholder value.

He is currently a Director on the Boards of Pakistan Stock Exchange Limited, International Steels Limited, Crescent Steel & Allied Products Limited, The Organic Meat Company Limited, Jinnah Foundation Limited (Trustee), National Clearing Company Limited, NIFT and Ubiquity Trading Limited. He has also served on the Boards of Pakistan Oilfields Limited (for 9 years) and Ferozsons Laboratories Limited (for 15 years). Nihal has served two terms as a director on the Board of the Mutual Funds Association of Pakistan (MUFAP).

Nihal's focus has expanded to philanthropic activities as a donor and as a member/trustee of The Citizens Foundation, the Patient Aid Foundation and The Jinnah Foundation.

Mr. Yousuf H. Mirza
Non-Executive Director
Since: October 16, 2024

Mr. Yousuf H. Mirza is the Chief Executive Officer of International Industries Limited (IIL) with over two decades of extensive experience in executive leadership, business strategy, and operational excellence within the steel and manufacturing industries.

Before joining IIL, Mr. Mirza served as the Chief Executive Officer of International Steels Limited (ISL) from 2015 to 2023, prior to becoming CEO, he served as the Chief Operating Officer of ISL from 2013.

Mr. Mirza's career spans senior management roles at Linde Pakistan Limited and its subsidiaries across the Philippines, Malaysia, and Southeast Asia, where he developed a deep understanding of complex, multinational operations and led initiatives to enhance performance across various business units.

He holds a Bachelor's degree in Mechanical Engineering from NED University of Engineering and Technology and an MBA from the prestigious Institute of Business Administration (IBA), Karachi. Committed to continuous learning, Mr. Mirza has attended leadership and management development programs at world-class institutions, including the Said Business School, University of Oxford, INSEAD, and Nanyang Technological University, Singapore.

In addition to his role at IIL, Mr. Mirza serves on the boards of several key organizations, including IIL Americas Inc., the German Pakistan Chamber of Commerce and Industry, the Employers Federation of Pakistan, the Pakistan Japan Business Forum, and the Engineering Development Board under the Ministry of Industries, Government of Pakistan.

List Of Other Directorships

Name	Other Business occupation and directorship (if any)
Mr. Kamal A. Chinoy	Chinoy Engineering & Construction (Private) Limited IIL Americas Inc. IIL Australia Pty Ltd. IIL Trading (Pvt) Ltd. International Industries Limited Pakistan Cables Ltd.
Dr. Amjad Waheed	Mutual Funds Association of Pakistan (MUFAP) NBP Fund Management Ltd. Telenor Microfinance Bank The Layton Rahmatulla Benevolent Trust (LRBT)
Mr. Haroun Rashid	MCB Investment Management Ltd.
Mr. Kenichi Hotta	-
Mr. Mustapha A. Chinoy	Binary Vibes (Pvt) Ltd. Bridge Vue Solutions DMCC Chinoy Engineering & Construction (Private) Limited Global e-Commerce Services (Pvt) Ltd. Global Reservation (Pvt) Ltd. Global Travel Services Ltd. BVI Intermark (Pvt) Ltd. International Industries Ltd. Pakistan Cables Ltd. Trav-Tech Solutions TSL (Pvt) Ltd. Ibex Enterprises Singapore Pte. Ltd.
Ms. Nausheen Ahmad	1 Link (Pvt.) Limited Crescent Steel and Allied Products Limited Descon Engineering Limited Engro Powergen Qadirpur Ltd Jubilee General Insurance Company Ltd. Meezan Bank Ltd.
Mr. Nihal Cassim	The Organic Meat Company Limited National Institutional Facilitation Technologies (Private) Limited Ubiquity Trading Limited Jinnah Foundation Limited (Trustee) Crescent Steel & Allied Products Limited National Clearing Company of Pakistan Limited Pakistan Stock Exchange Limited
Mr. Yousuf H. Mirza	IIL Americas Inc. IIL Trading (Pvt) Limited International Industries Limited Chinoy Engineering & Construction (Private) Limited Employers Federation of Pakistan Engineering Development Board Ministry of Industries, Govt. of Pakistan

Name	Other Business occupation and directorship (if any)
Mr. Samir M. Chinoy	Amir Sultan Chinoy Foundation Beaumont Plaza Owners/Occupants Welfare Association Chinoy Engineering & Construction (Private) Limited Haball (Pvt) Ltd. IIL Australia Pty Ltd. Intermark (Pvt) Ltd Pakgen Power Limited Pakistan Business Council

GOVERNANCE FRAMEWORK

The main philosophy of business followed by the sponsors of International Steels Limited for the last many decades has been to create value for all stakeholders through fair and sound business practices, which translates into policies approved by the Board and implemented throughout the company to enhance the economic and social values of all stakeholders of the company.

Our governance strategy is to ensure that the Company follows the direction defined by its core values, current regulatory framework, and global best practices. Our approach towards corporate governance ensures ethical behavior, transparency and accountability in all that we do and to attain a fair value for the shareholders.

COMPLIANCE STATEMENT

The Board of Directors has, throughout the year 2024-25, complied with the Companies Act, 2017, Code of Corporate Governance Regulation 2019, Rule Book of the Pakistan Stock Exchange Limited and the Corporate Financial Reporting Framework of Securities and Exchange Commission of Pakistan (SECP).

The Directors confirm that the following has been complied with:

a) Financial statements have been prepared which fairly represent the state of affairs of the company, the result of its operations, cash flows and changes in equity.

b) Proper books of accounts of the company have been maintained.

c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent business judgment.

d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements and any departures therefrom have been adequately disclosed and explained.

e) The system of internal control is sound in design and has been effectively implemented and monitored. The Internal Audit function is led by the Chief Internal Auditor supported by in-house staff.

f) There are no significant doubts about the company's ability to continue as a going concern.

g) There is no material departure from the best practices of Corporate Governance as per regulations.

THE BOARD OF DIRECTORS

The Board of Directors consists of qualified individuals possessing knowledge, experience, and skills in various professions, with leadership and vision to provide oversight to the company.

The Board is headed by Mr. Kamal A. Chinoy, a non-executive Chairman and out of the 8 elected Directors, 3 are Independent Directors including 1 female Director. The current Board composition reflects a good mix of experience and diversity in backgrounds, skills and qualifications. All Directors have years of experience and are fully aware of their duties and responsibilities under the Code of Corporate Governance. At present six (6) Directors have attended the formal Directors Training

Certificate programs while two Directors possess sufficient skills and experience of the Board room as described in the Code of Corporate Governance.

In compliance with Regulation 7 of the Companies (Code of Corporate Governance) Regulations, 2019 a female Director was elected at the last election of the Board of Directors at the 15th Annual General Meeting in September 2022.

A digital interface is being used to update the Board of Directors by providing the Companies Act, 2017, Companies (Code of Corporate Governance) Regulations, 2019, relevant portions of the PSX Rule Book, the Company's Memorandum & Articles of Association and various policies and procedures.

To further its role of providing oversight and strategic guidelines to the company, the Board has formulated a Board Charter to define its role of strategic leadership and provide oversight to the management. The Board has constituted an Audit Committee and Human Resources & Remuneration Committee. The composition, role and responsibilities of the Committees are clearly defined in their respective Terms of References.

ANNUAL CALENDAR AND AGENDA FOR MEETINGS

A meeting calendar is issued annually to reflect the dates planned for the Board, Audit and HR&R Committees. All the Board members are given appropriate documents through Diligent Board application in advance of each meeting which normally includes a detailed analysis of business and matters, where the Board will be required to make a decision or give its approval

During the year 2024-25, the Board had seven (7) meetings, out of which four (4) were held to review and approve the financial results, one (1) meeting was held to approve the budget for the ensuing year and two (2) meetings were held to discuss matters other than financial results. The average attendance of the Directors in Board meetings during the year was 87%.

CHANGES IN THE BOARD

At the 15th Annual General Meeting of the Company on September 29, 2022, eight (8) Directors were elected for a term of three (3) years. During the year 2023-24, a casual vacancy arose following the resignation of non-executive Director Mr. Shuji Tsubota, effective March 31, 2024, and Mr. Norihiro Mizota was appointed on April 08, 2024, to serve the remainder of the term. Subsequently, another casual vacancy arose, effective October 1, 2024, as executive Director Mr. Samir M. Chinoy was appointed as the CEO of the Company and it was filled by appointment of Mr. Yousuf H Mirza as non-executive Director on October 16, 2024, to serve the remainer of the term. Further, in the year 2024-25, Mr. Mizota also tendered his resignation, and Mr. Kenichi Hotta was appointed on April 10, 2025, to fill the resulting vacancy for the remainder of the term.

BOARD MEETINGS OUTSIDE PAKISTAN

During the year 2024-25, no Board meetings were held outside Pakistan.

ROLES AND RESPONSIBILITIES OF THE CHAIRMAN AND CHIEF EXECUTIVE

The Board of Directors provides the overall direction for the Company operations and provides oversight for various policies and monitors the management in the light of operational and financial plans. The roles of the Board and the Chief Executive Officer have been clearly defined where the Board is responsible for strategic guidance and providing directions for sustainable business.

The Chairman and the Chief Executive have separate and distinct roles. The Chairman has all the powers vested in him under the Listed Companies (Code of Corporate Governance) Regulations, 2019 and presides over all Board Meetings. The Chief Executive performs his duties under the powers vested by law and the Board. He recommends and implements the business plans and is responsible for the overall control and operation of the Company.

BUSINESS PHILOSOPHY & BEST CORPORATE PRACTICES

We believe in ethical practices, sustainable manufacturing processes, transparent reporting to the shareholders, and the best practices of

Corporate Governance to ensure success and better results for all stakeholders.

The Board Charter defines the scope of the Board's activities in setting the tone at the top, formulating strategies, and providing oversight to the management for sustainable growth of the business. The Board members actively participate in the meetings to guide the company's business activities, operational plans, review corporate operations and formulate and review all significant policies. The Board firmly adheres to the best ethical practices and fully recognizes its responsibilities for the protection and efficient utilization of company assets for legitimate business objectives and compliance with laws and regulations. The Chairman ensures that the discussions held during the Board meetings and the consequent decisions arising are duly recorded and circulated to all the Directors within fourteen (14) days. The CFO and the Company Secretary attended meetings of the Board as required by the Code of Corporate Governance.

All periodic financial statements and other working papers for the consideration of the Board/Committees are circulated to the Directors well in advance of meetings to allow them sufficient time to make informed decisions. This year, the Board held seven (7) meetings, the agendas of which were duly circulated through the Diligent Board application at least one week in advance of the meetings, except for one emergent meeting that was held during the year for which the notice period was waived by the Board.

TIMELY COMMUNICATION OF FINANCIAL RESULTS

The quarterly unaudited financial statements and the half yearly financial statements (with limited review by the Auditors) were duly circulated within thirty (30) days and sixty (60) days respectively along with the Directors' Report. Annual financial statements were authorized by the Board of Directors and communicated to the Pakistan Stock Exchange within fifty-three (52) days from the close of the financial year. Additionally, all important disclosures, including the financial statement, were also made available on the Company's website to keep the stakeholders duly informed.

BOARD EVALUATION

The Board of Directors has formulated a policy to evaluate its own performance. The salient features of which are as follows:

1. The Board Evaluation Methodology to be adopted as a self-evaluation of the Board as a whole through an agreed questionnaire.
2. The evaluation exercise is to be carried out every year.
3. The evaluation system is designed to address areas of critical importance and should include, but not limited to, the following:

a. Appraising the basic organization of the Board of Directors.

b. The effectiveness and efficiency of the operation of the Board and its sub-committees.

c. Assess the Board's overall scope of responsibilities.

d. Evaluate the flow of information; and

e. Validate the support and information provided by management.

4. The Board would review the results and suggest measures to improve the areas identified for improvement. The Board is continuing its self-evaluation since many years and has identified areas for further improvement in line with global best practices. The focus remained on strategic growth, business opportunities, risk management, Board composition and providing oversight to the management.

DIRECTORS REMUNERATION POLICY

A formal policy to review and approve the remuneration of non-executive directors is well in place. The Company believes in remunerating its non-executive directors and Chairman adequately to justify their continued quality guidance and contributions to the Company's objectives, good corporate governance, and sustained long-term value creation for shareholders while maintaining their independent status.

RISK MANAGEMENT

Risk management is critical to any business, which includes identification and assessment of various risks and their mitigation to control and minimize the impact of such risks and maximize the realization of opportunities. The management has developed a dynamic risk register covering financial and operational risks and their mitigation plans which are subject to periodical review. A dedicated Board Audit Committee meeting was held during the year for a detailed discussion on business, financial and operational risks.

INTERNAL CONTROL FRAMEWORK

The Company maintains an established control framework comprising clear structures, authority limits, accountabilities, well understood policies and procedures. All policies and control procedures are documented in manuals. The Board establishes corporate strategy and the Company's business objectives.

The Board Audit Committee has been entrusted with the main responsibility of Internal Controls. The Audit Committee reviews the audit reports from the Internal and External Auditors, and after detailed deliberations, these periodic reports are submitted to the Board of Directors. The Company places a high value on transparency, both internally and externally, in its corporate management. It continually focuses on the implementation of efficient management practices.

The Head of Internal Audit is being assisted by in-house executives. The Management has placed an explicit internal control framework with clear structures, authority limits, accountabilities, well defined policies, and detailed procedures, enabling the Audit Committee and the Board to have a clear understanding of risk areas and to place effective controls to mitigate these risks.

DISCLOSURE OF CONFLICT OF INTEREST

The Company has taken measures to prevent conflict of interests between directors, employees, and the Company. In this regard, a clear policy on conflict of interests is contained in the Code of Conduct duly approved by the Board of Directors which is placed on Page No. 36

As per the Code of Corporate Governance, the Company annually circulates the Code of Conduct and takes appropriate steps to disseminate it across all ranks in the Company. Further, the Directors and key employees are reminded to abstain from insider trading of shares and to refrain from dealing in shares during the closed period.

Every director is required to bring to the attention of the Board, complete details regarding any material transaction, which has a conflict of interest, for prior approval of the Board. The interested Directors neither participate in discussions nor vote on such matters.

The complete details of all transactions with related parties are submitted to the Audit Committee which recommends them to the Board for approval in each quarter. These transactions are also fully disclosed in the published financial statement of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company has implemented comprehensive policies on "Occupational health, Safety & Environment" and "Corporate Social Responsibility and Sustainable Development" to meet its Corporate Social Responsibilities. Social and environmental responsibility reflects the company's recognition that there is a strong positive correlation between financial performance and corporate, social, and environmental responsibility. Social and environmental responsibility include the following:

1. Community investment and welfare schemes
2. Environmental protection measures
3. Occupational health and safety
4. Business ethics and anti-corruption measures
5. Energy conservation
6. Industrial relations
7. National cause donations

Our role as a corporate citizen is as important to us as the satisfaction of our customers and earning a fair return for our shareholders. We are committed to working for the betterment and prosperity of our stakeholders. Management has endeavored to provide a safe and healthy work atmosphere by adopting practices and creating working conditions that are safe and healthy for our employees, vendors, contractors, suppliers, and customers.

We are committed to providing better education and health facilities to the less fortunate people, especially to our stakeholders.

In line with our philosophy of CSR, we regularly maintain and support TCF school - Amir Sultan Chinoy Campus in the vicinity of Landhi along with offering need-based scholarships to NED University students for a better tomorrow of our younger generation. We also support NGOs like Karwan-e-Hayat, Al Rehmat Benevolent Trust and Amir Sultan Chinoy Foundation to help deserving patients for their treatment.

SUSTAINABILITY MEASURES

All aspects of sustainability including efficient operational procedures, effective internal controls, ethical behavior, and energy conservation are an integral part of our business model. We also believe that employees are most critical in the progress, growth, and sustainability of any organization.

For more details, please refer to our "Sustainability Report" which is available on our website (www.isl.com.pk).

ENGAGING STAKEHOLDERS & TRANSPARENCY

The development of stakeholders' relationships is of significant importance for the company. Building "stakeholder's engagement" and compliance with regulatory requirements and terms and conditions are some of the main business principles by which we abide.

To bring an accurate understanding of the company's management policies and business activities to all its stakeholders, it strives to make full disclosure of all material information to all stakeholders through various announcements on its website, to the Stock Exchange, and other sources available to help investors to make informed decisions. It encourages full participation of the members in the General Meetings by sending corporate results and sufficient information following the prescribed timeline to enable the shareholders to participate on an informed basis.

While increasing management transparency, it aims to strengthen its relationships and trust with shareholders and investors. Our stakeholders include but are not limited to customers, employees, government, shareholders, suppliers, local communities, and bankers.

CORPORATE BRIEFING SESSION

In compliance with the listing regulations of the Pakistan Stock Exchange, Company arranges corporate briefing session(s) annually to answer queries of the various stakeholders including investors and financial analysts. A Corporate Briefing Session of the Company was held on Tuesday, September 24, 2024 at 3:00 P.M at the Jasmine Hall, Beach Luxury Hotel, Off: M.T. Khan Road, Karachi, and through video conferencing to brief the investors/ analysts/shareholders about the financial performance and future outlook of the Company.

POLICY FOR INVESTOR GRIEVANCES

The Company has an "Investor Relation Policy" that sets out the principles in providing the shareholders and prospective investors with the necessary information to make well-informed investment decisions and to ensure a level playing field. Investor grievances and complaints are very important and are properly reviewed to minimize the recurrence of similar issues in the future. The following principles are adhered to with regard to investor grievances:

1. Investors are always treated fairly.
2. Complaints raised are dealt with in a courteous and timely manner.
3. Various modes of communication like email, telephone, meetings, and raising matters at the Annual General Meeting are available to investors to raise grievances.
4. Queries and complaints are treated fairly and efficiently.
5. Employees work in good faith and without prejudice towards the interests of the creditors.
6. Detailed company information regarding financial highlights, investor information, and other requisite information specified under the relevant regulations has been placed on the corporate website of the company which is updated on a regular basis.

SAFETY OF COMPANY RECORDS

The company has a firm "Document & Record Control Policy" for establishing, approving,

reviewing, changing, maintaining, replacing, retrieving, retaining, distributing, and administering control of all documents and data that relate to the Company and has taken the following concrete measures to ensure safety/security of the records and creating a paperless environment.

- All important documents such as minutes and proceedings of the Board & its sub-committees, Annual General Meetings, statutory certificates, title documents of the Company properties and all other important communications and records are digitally scanned and archived on secured Company servers.
- All important original documents are placed in a neutral, secured, and well-known vault.
- Record keeping of accounting books is at a separate secured location.

HUMAN RESOURCE MANAGEMENT POLICIES AND SUCCESSION PLANNING

TA comprehensive set of policies has been well implemented to cover all aspects related to HR. The policies focus on training, motivating, and retaining valuable human assets for the future growth of the company. To maintain the continuity of business operations, particularly at senior management and key managerial levels, a well-defined succession planning framework is in place.

INFORMATION TECHNOLOGY POLICY

A comprehensive Information Technology (IT) Policy is in place to ensure the effective and efficient use of IT resources. It provides strategic direction, sets priorities, enhances productivity, and ensures delivery of the right services to users across the organization.

The IT Steering Committee, comprising the CEO, CFO, CIO, Heads of Manufacturing, Sales & Marketing, and HR & Admin, is responsible for all major IT-related decisions. The CIO is also accountable for communicating IT security policies to all users. The Internal Audit department independently monitors compliance with these policies.

The IT Policy focuses on information security, access control, system acquisition, development, and maintenance, as well as business continuity, incident management, the company's website, and the ERP system.

WHISTLEBLOWING POLICY

We are committed to creating an atmosphere in which our people can freely communicate their concerns to their supervisors and functional Heads. The Company also has a Whistleblowing Policy in place which provides an additional avenue to employees to report any corrupt or unethical behavior.

THE POLICY OF SECURITY CLEARANCE OF FOREIGN DIRECTORS

Committed to the well-being of our Board, the Company has in place various protocols and procedures to ensure the safety and security of its Board including foreign Directors.

ISSUES RAISED AT LAST AGM

In the 17th Annual General Meeting of the Company held on September 24, 2024, general clarifications were sought by shareholders on the company's published financial statements, and no significant issues were raised.

DIVIDEND TO SHAREHOLDERS

he Board of Directors has recommended a final dividend of 25% per share, making a total of 25% in respect of the financial year ended June 30, 2025 which is subject to shareholders approval.

PATTERN OF SHAREHOLDING

A statement on the pattern of shareholding along with categories of shareholders, where disclosure is required under the reporting framework and the statement of shares held by the directors and executives as of June 30, 2025 is placed on Page no. 189.

Samir M. Chinoy
Chief Executive Officer

Kamal A. Chinoy
Chairman

IT Governance and Cybersecurity

DESIGN ARCHITECTURE FOR MANAGEMENT SYSTEMS INTEGRATION

ISL utilizes a robust, industry-standard ERP application to seamlessly manage and integrate core business functions, including finance, sales, production, supply chain, and inventory management, into a unified system. The ERP application is designed with a unified data model that ensures data consistency and accuracy across interconnected modules, facilitating smooth data flow and comprehensive reporting. Automated features for routine tasks such as invoice processing, sales order processing and sales invoicing help reduce manual effort and minimize errors, thereby enhancing operational efficiency and compliance.

EXPERT SUPPORT FOR ADVANCEMENTS & UPDATES

ISL's management demonstrates unwavering support for the effective implementation and continuous updating of our ERP system. This includes allocating necessary resources, providing ongoing training, and promoting a culture of continuous improvement. The management ensures that the ERP system aligns with our strategic objectives and business processes through regular reviews and updates, keeping the system current with the latest industry standards and technological advancements. This commitment enhances operational efficiency and supports overall business growth.

ERP SOFTWARE USER TRAININGS

ISL emphasizes thorough user training to maximize the effective use of the ERP software. New users receive role-specific training, hands-on workshops, and an introduction to the system's features. Ongoing learning includes regular refresher courses, training sessions, and access to online resources. We provide support through a dedicated help desk, user manuals, and community forums. Management supports the training process by allocating necessary resources and fostering an environment of continuous feedback and improvement.

ERP PROJECTS RISK MANAGEMENT

ISL addresses ERP project risks through planning, governance, and change management. Risks are identified early, and clear project objectives are set with stakeholder engagement. Technical safeguards, including data security measures and extensive system testing, are in place to protect and validate the ERP system. Continuous monitoring, regular audits, and user feedback contribute to proactive risk management. Contingency plans, including backup and recovery strategies, further ensure the success and ongoing efficiency of our ERP system.

REGULAR SYSTEM SECURITY ASSESSMENTS

ISL enforces system security and access control through regular security audits and role-based access controls. Users have access only to the data necessary for their roles, and periodic reviews of access permissions help maintain segregation of duties. Automated controls in the ERP system enforce these practices, safeguarding sensitive data and ensuring operational integrity.

ISL's LEGAL EVALUATION STATEMENT

ISL's management evaluates and enforces the legal and regulatory implications of cyber risks, ensuring compliance with cybersecurity laws and regulations. This involves developing policies, assessing regulatory impacts, and coordinating breach responses.

IT & CYBERSECURITY STRATEGY DISCLOSURE

The company has implemented a comprehensive IT governance and cybersecurity framework, incorporating well-defined programs, policies, and procedures to safeguard information assets and ensure compliance with industry-specific requirements. Our cybersecurity program includes risk management, access controls, incident response, and continuous monitoring to protect against threats, adhering to industry standards. We regularly update our policies to address evolving threats and regulatory changes, maintaining a robust strategy to manage current and emerging risks.

The CIO oversees the establishment and communication of incident management procedures, while the Information Technology/ Information Security team maintains a central log of cybersecurity incidents, develops detection procedures. Clear reporting standards are in place to monitor compliance and effectively address incidents.

CYBERSECURITY RISK DISCLOSURE

Cybersecurity is central to the company's risk oversight function, with management actively involved in shaping and monitoring the cybersecurity strategy. Management receives regular updates on cybersecurity risks, including threat assessments, incident reports, and mitigation efforts. Through structured meetings and discussions with the CIO and other key executives, management ensures that cybersecurity risks are effectively addressed and aligned with the company's risk management objectives.

ISL management integrates cybersecurity into its oversight through a structured four-phase framework. This includes defining the governance system through optimizing performance and managing IT resources, addressing stakeholder reporting requirements and communication strategies, and obtaining leadership

approval for the governance plan. Throughout these phases, management ensures alignment with strategic objectives, compliance, and effective risk management, with clear reporting standards established to track progress and address issues efficiently.

CYBERSECURITY RISK ASSESSMENT DISCLOSURE

The company has established a Management Committee and an IT Steering Committee to oversee IT governance and cybersecurity matters. The Management Committee is responsible for guiding the company's IT risk management strategies, including cybersecurity policies and incident response plans. It ensures that IT risks are managed effectively through regular reviews of risk assessments, monitoring of security measures, and evaluation of IT controls.

The IT Steering Committee supports this effort by overseeing major IT projects and technology decisions, ensuring alignment with business objectives, and assisting the Management Committee in monitoring and managing cybersecurity risks. This committee also provides advice to senior IT management and ensures that reporting standards effectively track and communicate IT risk management, aligning efforts with the company's strategic goals.

EARLY WARNING SYSTEM DISCLOSURE

The company adheres to a policy of conducting independent, comprehensive security assessments of its technology environment, including third-party risks, on a regular basis. This approach ensures that vulnerabilities are identified and addressed proactively. Assessment involves thorough evaluations of both internal systems and third-party integrations. Assessment results inform our security strategy and drive ongoing improvements to safeguard our technology infrastructure.

Additionally, ISL has established an "early warning system" to manage cybersecurity risks and incidents effectively. The Head of IT ensures that incident management responsibilities are clearly defined and communicated. The Information Technology team maintains a central log of incidents, develops procedures for timely detection, and serves as the main contact for reporting issues. This team also liaises with relevant authorities and forums. Documented incident management objectives ensure comprehensive handling and timely disclosure of risks to management, supported by reporting standards that provide timely updates and accurate information about cybersecurity incidents.

INDEPENDENT SECURITY ASSESSMENTS DISCLOSURE

ISL has a policy for conducting independent, comprehensive security assessments of our technology environment, including third-party risks. We maintain a risk register to monitor and report high-risk activities, updating it annually or as needed. This includes developing IT risk reporting methodologies and considering risk events, regulatory requirements, and audit observations. We evaluate risk processes through testing and reviews, and provide reports to key internal stakeholders detailing major cybersecurity risks, threats, incidents, and the status of our information security program.

DISASTER RECOVERY PLAN DISCLOSURE

ISL has established a robust contingency and disaster recovery plan to address potential IT failures or cyber breaches effectively. Our company's Disaster and Recovery Plan outlines detailed processes for recovering, backing up, retrieving, and protecting critical data and systems in the event of an IT failure or cyber breach. The plan includes designated points of contact for disaster and crisis management to ensure effective coordination and response. Reporting standards ensure that all recovery activities and Service Level Agreements are documented and communicated to relevant stakeholders.

ADVANCED DIGITAL TRANSFORMATION DISCLOSURE

ISL's focus on digital transformation by adopting key technologies such as process automation and cloud computing. These innovations have improved transparency, reporting, and governance. Key trends shaping our approach include the move to cloud computing, integration, advanced security measures, and analytics. These advancements boost operational efficiency, enhance security, and support data-driven decision-making. Reporting standards help us communicate the impact of these technologies to stakeholders.

RISK MITIGATION TRAINING & EDUCATION DISCLOSURE

ISL offers comprehensive education and training to mitigate cybersecurity risks, including regular sessions, trainings, and updates on best practices. New employees receive initial training, with ongoing education reinforced through updates and refresher trainings.

Enterprise Risk Management

The Company's Board of Directors (BOD) holds the responsibility for our risk management framework, recognizing its critical role in safeguarding and enhancing shareholder value. This vital duty is formally delegated to the Board Audit Committee, which provides strategic guidance on our risk management policies and methodology. The Committee's mandate has evolved to meet the demands of our dynamic operating environment. It conducts a quarterly review of our risk register, focusing on a deeper analysis of new and emerging threats. This proactive approach includes a critical evaluation of each risk's potential financial impact and the progress of our mitigation strategies.

Our Enterprise Risk Management (ERM) methodology provides a structured, company-wide approach to this. We perform a comprehensive analysis of all internal, external, and industry-specific risks, categorizing them into four key areas:

- Strategic: Risks originating from external factors, such as geopolitical shifts or market disruptions.
- Operational: Risks associated with our day-to-day business activities.
- Financial: Risks related to market volatility, liquidity, and credit.
- Compliance: Risks tied to legal and regulatory frameworks.

This integrated approach allows us to make risk-informed decisions that build long-term value and ensure our continued success.

ERM methodology follows a disciplined, four-step process to ensure we consistently identify, evaluate, and respond to potential threats and opportunities. This framework is a core part of our strategic decision-making.

STEP	ACTIVITIES/ GUIDELINES
Identify	Proactively identify risks by focusing on our most critical business objectives. This process uses both a top-down and bottom-up approach, combining insights from executive leadership with input from teams across the organization. Regular internal meetings ensure a continuous flow of information to capture emerging risks.
Assess (calculate)	Once identified, we quantify each risk's potential impact. Our assessment goes beyond simple probability; we use an impact and probabilit y matrix to evaluate the severity of each risk. We also determine the inherent, residual, and target risk levels to understand our risk exposure before and after mitigation efforts.
Respond	Our goal is to bring our residual risk exposure to a tolerable level. We achieve this by developing and implementing clear management action plans with specific timelines. These plans are owned by the relevant departments, and progress updates are presented to the Management Committee for review.
Monitor	Risk management is an ongoing process. The Management Committee periodically reviews the status of all identified risks and the effectiveness of our mitigation strategies. This constant oversight ensures our framework remains relevant and responsive to the evolving business landscape.

Following are the major risks which may affect our business operations along with management's assessment of probability, impact and the mitigating plan in place:

Risk Description	Risk Type	Probability	Impact	Mitigation plan
Contraction in GDP and increased influx of imports.	Strategic	Probable	**Major**	• Anti-dumping duties are in place for CR & GP. • Advocacy with EDP for level playing field. • Exploring new export and domestic markets/ segments.
Volatility in global steel prices	Strategic	Probable	**Major**	• Weekly steel purchase committee meeting. • Leverage volumes for competitive offers for HRC. • Operate at optimum inventory levels. • Maintain larger vendor base.
Volatility in interest rates	Financial	Likely	**Major**	• Operate at optimum inventory levels. • Capital expenditure restricted to business-critical needs.
Volatility in exchange rates	Financial	Likely	**Major**	• Increase exports to reduce foreign exchange exposure. • Minimum payment days for imports. • Advance payment against LCs or FE loans.
Interruptions to critical business operations due to disruptions or disasters.	Operational	Likely	**Major**	• Business Continuity Plan. • Disaster recovery drills. • Regular IT audits. • Vulnerability assessment and penetration testing. • On-going employee awareness. • Data center controls and back-ups.

Board Committees

The Board is assisted by the following two committees to support its decision-making in their respective domains:

A. Board Audit Committee (BAC) and

B. Human Resource & Remuneration Committee (HR&RC):

A. BOARD AUDIT COMMITTEE

The Board Audit Committee comprises of the following:

1) Mr. Nihal Cassim	Chairman	Independent Director
2) Mr. Haroun Rashid	Member	Non-Executive Director
3) Dr. Amjad Waheed	Member	Independent Director
4) Mr. Mustapha A. Chinoy	Member	Non-Executive Director
5) Mr. Zaib Zaman	Secretary	Chief Internal Auditor

The BAC comprises of four (4) Directors including two (2) Independent Directors. The Chief Financial Officer and the Chief Internal Auditor attend the BAC meetings, while the Chief Executive Officer is invited to attend the meetings.

The BAC also separately meets the Internal Audit team and external auditors at least once a year without the presence of the Management. Meetings of the BAC are held at least once every quarter. During the year 2024-25, the BAC held five (5) meetings. The BAC held four meetings to review and recommend to the Board the quarterly, half yearly and annual financial statements. There was one meeting held in May 2025 specifically to review in detail the risks associated with the business and the mitigating steps that the Management has taken to address them. The Chief Internal Auditor is the Secretary of the BAC. The minutes of the meetings of the BAC were circulated to all Directors, and the Chief Financial Officer.

TERMS OF REFERENCE OF THE BOARD AUDIT COMMITTEE

The BAC is mainly responsible for reviewing financial statements, ensuring adequacy of internal controls to align operations in accordance with the mission, vision & business plans, and monitoring compliance with all applicable laws and accounting / financial reporting standards.

The salient features of terms of reference of the BAC are as follows:

1. Recommending to the Board the appointment of external auditors.
2. Consideration of questions regarding resignation or removal of external auditors, audit fees and provision by the external auditors of any services to the Company in addition to the audit of financial statements.
3. Determination of appropriate measures to safeguard the Company's assets.
4. Review the Enterprise Risk Management system and assess the adequacy and monitoring by the Management.
5. Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board, focusing on major judgement areas, significant adjustments resulting from the audit, any changes in accounting policies and practices, and compliance with applicable accounting standards, listing regulations and other statutory requirements.

6. Facilitating the external audit and discussion with external auditors on major observations arising from audit and any matter that the auditors may wish to highlight (in the absence of the Management, where necessary).
7. Review of the Management Letter issued by external auditors and the Management's response thereto.
8. Review of the scope and extent of Internal Audit and ensuring that the Internal Audit function is adequately resourced and placed within the organization.
9. Consideration of major findings of internal investigations and the Management's response thereto.
10. Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective.
11. Review of Company's statement on internal control systems prior to endorsement by the Board.
12. Monitoring compliance with statutory requirements.

B) HUMAN RESOURCES & REMUNERATION COMMITTEE

1) Ms. Nausheen Ahmad	Chairperson	Independent Director
2) Mr. Kamal A. Chinoy	Member	Non-Executive Director
3) Mr. Mustapha A. Chinoy	Member	Non-Executive Director
4) Dr. Amjad Waheed	Member	Independent Director
5) Mr. Samir M. Chinoy	Ex-Officio-Member	Chief Executive Officer
6) Mr. Muhammad Bilal	Secretary	HOD Human Resources

The Committee comprises five (5) members. The Chairperson is an independent director. Meetings are conducted at least twice a year or at such other frequency as the Chairperson may determine. Head of Human Resources is the Secretary of the Committee. The minutes of the HR&RC meetings are provided to all members and Directors. The Committee held two (2) meetings during the year.

TERMS OF REFERENCE OF HUMAN RESOURCES & REMUNERATION COMMITTEE

The Committee defines the HR policy framework and makes recommendations to the Board in the evaluation and approval of employee benefit plans and succession planning.

The salient features of the Terms of Reference of HR&RC are as follows:

1. Major HR Policy / frameworks including compensation.
2. Overall organizational structure.
3. Organization model and periodically seek the assessment of the same.
4. Succession planning for key executives, including the CEO.
5. Recommend to the Board, the selection, remuneration, development and evaluation of the CEO, CFO, Chief Internal Auditor, and the Company Secretary.
6. Consider and approve, on recommendations of the CEO, the evaluation, development and compensation of key management positions who report directly to the CEO.
7. The CEO, being a member of the HR&RC shall not be a part of Committee meetings if his/her compensation / performance is being discussed /evaluated.
8. Compensation of the non-executive directors.
9. Board Remuneration Policy & Procedure.
10. Board Evaluation Policy and Procedure for the Board as a whole and for the Individual Directors.

Directors' Participation in Board and Sub Committee Meetings

Board/Sub Committee	Board Meetings	Board Audit Committee Meetings	Human Resource & Remuneration Committee meetings
Meetings held during 2024-2025	7	**5**	**2**
Mr. Kamal A. Chinoy	7/7	-	2/2
Dr. Amjad Waheed	5/7	4/5	1/2
Mr. Haroun Rashid	6/7	5/5	-
Mr. Kenichi Hotta*	2/2	-	-
Mr. Mustapha A. Chinoy	7/7	5/5	1/2
Ms. Nausheen Ahmad	7/7	-	2/2
Mr. Nihal Cassim	6/7	5/5	-
Mr. Norihiro Mizota*	2/5	-	-
Mr. Yousuf H. Mirza	6/7	-	1/1
Mr. Samir M. Chinoy	6/7	-	1/1

*__Mr. Norihiro Mizota__ ceased to be Director and **Mr. Kenichi Hotta** was appointed in his place for the remainder term.

Management Team

Good corporate governance is the basis of our decision making & control process. The management's decision making is based on long term strategic objectives in which the board, provides strategic oversight and guidance to the management and monitors the performance of the company regarding business objectives, shareholders' interests and regulatory compliance.

The management committee is headed by the Chief Executive Officer and the committee members are:

1) **Mr. Samir M. Chinoy** — Chief Executive Officer
2) **Mr. Usman Ahmed** — Chief Financial Officer
3) **Mr. Muhammad Bilal** — Head of Human Resources
4) **Mr. Zafar Majeed** — Head of Manufacturing
5) **Mr. Ibrahim Memon** — Head of Information Technology
6) **Mr. Mustafa Khan** — Head of Sales & Marketing
7) **Mr. Yasir Sohail** — General Manager Production
8) **Mr. M. Faheem** — General Manager Service Center
9) **Mr. Zohaib Raza Merchant** — Company Secretary & Head of Legal

Report of the Board Audit Committee on Adherence to the Code Of Corporate Governance

The Board Audit Committee has concluded its annual review of the conduct and operations of the Company for the year ended June 30, 2025 and reports that:

1. The Company has adhered in full, without any material departure, with both the mandatory and voluntary provisions of the listing regulations of the Pakistan Stock Exchange, Code of Corporate Governance, the Company's Code of Conduct and the international best practices of governance throughout the year.
2. The Company has issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed by the auditors of the Company.
3. Appropriate accounting policies have been consistently applied. Applicable accounting standards were followed in the preparation of the financial statements of the Company on a going concern basis for the year ended June 30, 2025, which fairly present the state of affairs, results of operations, profits, cash flows, and changes in equity of the Company for the year under review.
4. The Chief Executive Officer and the Chief Financial Officer have reviewed the financial statements of the Company along with Chairman and Directors' Reports. They acknowledge their responsibility for a true and fair presentation of the financial statements, the accuracy of reporting, compliance with regulations and applicable accounting standards, establishment and maintenance of internal controls system of the Company.
5. Accounting estimates are based on reasonable and prudent judgment. Proper, accurate, and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017.
6. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and applicable International Accounting Standards and International Financial Reporting Standards notified by the SECP.
7. Following trading in Company's shares was carried out by Directors and Executives or their spouses during the year.

Name of the person	Designation	Date of Transaction	Nature	No. of Shares	Rate
Mr. Samir M. Chinoy	Executive Director	September 30, 2024	Gift	4,500,000	n/a

INTERNAL AUDIT FUNCTION

1. The Company's Internal Audit function is being led by the Chief Internal Auditor in compliance with the Code of Corporate Governance, who is assisted by in-house staff. The Chief Internal Auditor reports directly to the Chairman of the Board Audit Committee.
2. The Company's system of internal control is sound in design and has been continually evaluated for effectiveness.
3. The Board Audit Committee has ensured the achievement of operational, compliance & financial reporting objectives and safeguarding of the assets of the Company and shareholders' wealth through effective controls and risk management at all levels within the Company.
4. Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including reliability of financial reporting system and compliance with laws and regulations.

EXTERNAL AUDITORS

1. The statutory auditors of the Company, A.F. Ferguson & Co., Chartered Accountants, have completed their audit of the Company's financial statements and the Statement of Compliance with the Code of Corporate Governance for the year ended June 30, 2025 and shall retire at the conclusion of the 18th Annual General Meeting.

2. The Management Letter is required to be submitted within forty-five (45) days of the date of the Auditors' Report on the financial statements under the Listing Regulations & the Listed Companies (Code of Corporate Governance) Regulations 2019 and shall therefore accordingly be discussed in the next Board Audit Committee meeting.
3. The audit firm has been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The auditors have indicated their willingness to continue as auditors.
4. Being eligible for reappointment under the Listing Regulations & the Listed Companies (Code of Corporate Governance) Regulations 2019, the Board Audit Committee recommends their reappointment for the year ending June 30, 2026 on terms and conditions to be negotiated by the Chief Executive Officer.

Nihal Cassim
Chairman- Board Audit Committee

Karachi
August 15, 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF INTERNATIONAL STEELS LIMITED

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of International Steels Limited (the Company) for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

A.F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: September 2, 2025

UDIN: CR202510073Gd5PLuXr3

Statement Of Compliance

With Listed Companies (Code Of Corporate Governance) Regulations, 2019

INTERNATIONAL STEELS LIMITED FOR THE YEAR ENDED JUNE 30, 2025

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are nine (9) as per the following:

A	Male	Eight (8)
B	Female	One (1)

2. The composition of Board is as follow:

Category	Name (s)
Independent Directors	Dr. Amjad Waheed Mr. Nihal Cassim
Female Director (Independent Director)	Ms. Nausheen Ahmad
Non-Executive Directors	Mr. Kamal A. Chinoy Mr. Mustapha A. Chinoy Mr. Haroun Rashid Mr. Kenichi Hotta* Mr. Yousuf H. Mirza
Executive Directors	Mr. Samir M. Chinoy**

* Mr. Kenichi Hotta was appointed as a Director of the Company to fill the casual vacancy created due to resignation of Mr. Norihiro Mizota.

** Mr. Samir M. Chinoy was appointed as the Chief Executive Officer of the Company to fill the casual vacancy created due to resignation of Mr. Yousuf H. Mirza.

Mr. Samir M. Chinoy, the Chief Executive Officer of the Company, is a deemed director as defined in Section 188(3) of the Companies Act, 2017.

3. The directors have confirmed that none of them are serving as a director in more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act 2017 (“Act”) and these Regulations;
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations;
9. The directors were apprised of their duties and responsibilities from time to time. The directors either have already attended directors' training as required in previous years or are exempted from the requirements of the Directors' Training Program. In case of one foreign director, the Company is in the process of obtaining confirmation from Securities and Exchange Commission of Pakistan regarding the equivalency of his training from institution outside Pakistan;
10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed the following committees comprising of the following members:

A. BOARD AUDIT COMMITTEE

1) Mr. Nihal Cassim	Chairman	Independent Director
2) Mr. Mustapha A. Chinoy	Member	Non-Executive Director
3) Mr. Haroun Rashid	Member	Non-Executive Director
4) Dr. Amjad Waheed	Member	Independent Director

B) HUMAN RESOURCES & REMUNERATION COMMITTEE

1) Ms. Nausheen Ahmad	Chairperson	Independent Director
2) Mr. Kamal A. Chinoy	Member	Non-Executive Director
3) Dr. Amjad Waheed	Member	Independent Director
4) Mr. Mustapha A. Chinoy	Member	Non-Executive Director
5) Mr. Samir M. Chinoy	Ex-Officio-Member	Chief Executive Officer

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committees for compliance;
14. The frequency of meetings of the committees were as follows:

i. **Board Audit Committee :** At least quarterly

ii. **HR and Remuneration Committee :** Quarterly or as and when needed

15. The Board has set up an effective Internal Audit function experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except

in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 (non-mandatory requirements) are below:

S.No.	Requirement	Explanation	Reg. No.
1	All directors of a company shall attend its general meeting(s), (ordinary & extra- ordinary unless precluded from doing so due to any reasonable cause.	Eight (8) directors of the Board attended the 17th Annual General Meeting. Mr. Haroun Rashid was granted leave of absence. Eight (8) directors of the Board attended the Extra Ordinary General Meeting. Mr. Norihiro Mizota was granted leave of absence.	10
2	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the nomination committee are being addressed at Board level as and when needed so a separate committee is not considered to be necessary.	29
3	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has tasked the Board Audit Committee to oversee risk management related matters of the Company.	30
4	The company may post on its website key elements of its significant policies including but not limited to the following: (i) communication and disclosure policy; (ii) risk management policy; (iii) internal control policy; (iv) whistle blowing policy; (v) corporate social responsibility/sustainability/ environmental, social and governance related policy. (vi) DE&I Policy and Protection against harassment at workplace	As the regulation provides concession with respect to disclosure of key elements of significant policies on the website, only those policies which are considered necessary, have been posted.	35(1)

S.No.	Requirement	Explanation	Reg. No.
5	The Board shall ensure that complete record of particulars of the significant policies along with their dates of approval or updating is maintained by the company. The significant policies may include anti-harassment policy to safeguard the rights and well-being of employees, incorporating the mechanism as prescribed under the Protection Against Harassment of Women at the Workplace Act 2010 and the respective provincial laws on the protection against harassment of women at workplace for the time being in force.	The Company does not have a separate anti-harassment policy. It is incorporated in the Gender Diversity Procedure. We recommend the company to form an anti-harassment policy.	10(4)
6	Role of the Board and its member to address sustainability risk and opportunities. The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term Corporate value. The Board may establish a dedicated sustainability committee.	The Board is currently managing the sustainability aspect. A separate committee is currently not in place but the Board has agreed in principle that the committee will be formed in due course.	10(A)

ON BEHALF OF THE BOARD

Samir M. Chinoy
Chief Executive Officer
International Steels Limited

Kamal A. Chinoy
Chairman
International Steels Limited

International Steels Limited

Gender pay gap statement under circular 10 of 2024

The following is the gender pay gap calculated for the year ended June 30, 2025.

i. Mean Gender Pay Gap: 2.26
ii. Median Gender Pay Gap: 17.38
iii. Any other details as deemed relevant:

International Steels Limited is committed to fostering a workplace where diversity, equity, and inclusion are at the core of everything we do. We are putting efforts into promoting gender diversity with an environment where all employees can thrive, contribute, and reach their full potential.

Samir M. Chinoy
CEO – International Steels Limited

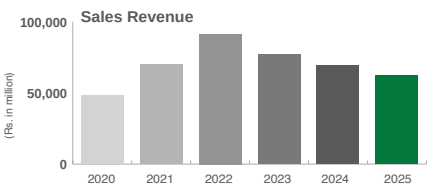
A Legacy to Cherish

Financial Highlights

FINANCIAL HIGHLIGHTS

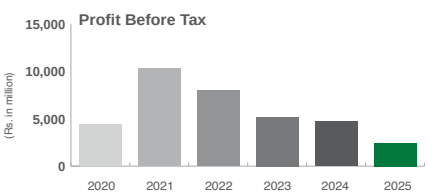
	2025	2024	%	
	(Rs. in '000)			
Sales	62,310,883	69,299,633	10.1	-
Gross profit	5,344,244	8,573,192	37.7	-
Operating profit	3,317,893	6,009,979	44.8	-
Profit before tax	2,449,609	4,698,345	47.9	-
Profit after tax	1,559,261	3,654,814	57.3	-
Earning per shares - Basic & Diluted (Rupees)	3.58	8.40	57.3	-
Sharesholders equity	25,110,622	23,197,430	8.2	+
Property,Plant & Equipment	21,170,633	20,016,449	5.8	+
Book Value per share (Rupees)	57.73	53.33	8.2	+

Business Growth



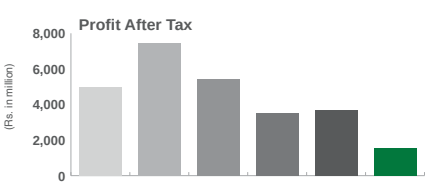
Sales Revenue Growth

-10.08% Over 2024 5.32% Cagr Over 5 Years



Profit Before Tax

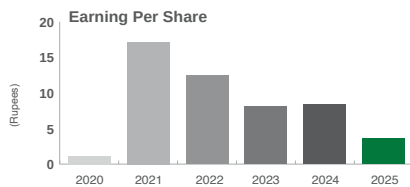
-47.86% Over 2024 40.83% Cagr Over 5 Years



Profit After Tax

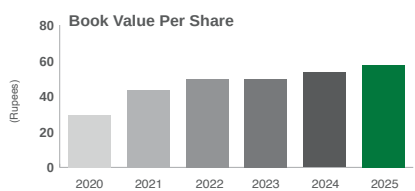
-57.34% Over 2024 25.80% Cagr Over 5 Years

Shareholder Value Accretion



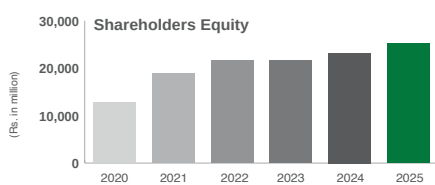
Earning Per Share Growth

-57.34% Over 2024 25.75% Cagr Over 5 Years



Book Value Per Share

8.25% Over 2024 14.56% Cagr Over 5 Years



Shareholders Equity Growth

8.25% Over 2024 14.56% Cagr Over 5 Years

ANALYSIS OF FINANCIAL STATEMENTS

Statement of Financial Position

	2025	2024	2023	2022	2021	2020
	(Rs. in '000)					
Property, plant and equipment	21,170,633	20,016,449	20,304,569	20,749,605	19,179,617	20,638,354
Right-of-use assets	17,803	23,846	43,839	63,725	19,318	49,377
Intangible Assets	329,540	408,853	309,580	176,866	885	1,197
Investment in an associate	87,945	-	-	-	-	-
Other non current assets	100	100	100	100	100	100
Current assets	28,461,498	24,240,532	21,733,494	34,914,760	22,519,623	22,172,184
Total assets	**50,067,519**	**44,689,780**	**42,391,582**	**55,905,056**	**41,719,543**	**42,861,212**
Shareholders' equity	25,110,622	23,197,430	21,683,880	21,596,089	18,887,640	12,725,815
Non current liabilities	2,642,713	2,759,337	3,301,090	5,095,864	6,474,761	6,568,651
Current portion of long term financing	199,282	344,944	377,378	1,419,495	1,462,435	1,487,634
Short term borrowings	4,549,118	3,560,288	3,334,225	17,359,553	6,796,345	11,520,404
Other current liabilities	17,565,784	14,827,781	13,695,009	10,434,055	8,098,362	10,558,708
Total equity and liabilities	**50,067,519**	**44,689,780**	**42,391,582**	**55,905,056**	**41,719,543**	**42,861,212**

Vertical Analysis

	Percentage					
Property, plant and equipment	42.3	44.8	47.9	37.1	46.0	48.2
Right-of-use assets	0.04	0.1	0.1	0.1	0.0	0.1
Intangible Assets	0.7	0.9	0.7	0.3	0.0	0.0
Investment in an associate	0.2	-	-	-	-	-
Other non current assets	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	56.8	54.2	51.3	62.5	54.0	51.7
Total assets	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Shareholders' equity	50.2	51.9	51.2	38.6	45.3	29.7
Non current liabilities	5.3	6.2	7.8	9.1	15.5	15.3
Current portion of long term financing	0.4	0.8	0.9	2.5	3.5	3.5
Short term borrowings	9.1	8.0	7.9	31.1	16.3	26.9
Other current liabilities	35.1	33.2	32.3	18.7	19.4	24.6
Total equity and liabilities	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Horizontal Analysis

	Percentage					
Property, plant and equipment	5.8	(1.4)	(2.1)	8.2	(7.1)	3.9
Right-of-use assets	(25.3)	(45.6)	(31.2)	229.9	(60.9)	-
Intangible Assets	(19.4)	32.1	75.0	19,884.9	(26.1)	(56.3)
Investment in an associate	-	-	-	-	-	-
Other non current assets	-	-	-	-	-	-
Current assets	17.4	11.5	(37.8)	55.0	1.6	11.4
Total assets	**12.0**	**5.4**	**(24.2)**	**34.0**	**(2.7)**	**7.8**
Shareholders' equity	8.2	7.0	0.4	14.3	48.4	(1.2)
Non current liabilities	(4.2)	(16.4)	(35.2)	(21.3)	(1.4)	(23.6)
Current portion of long term financing	(42.2)	(8.6)	(73.4)	(2.9)	(1.7)	63.5
Short term borrowings	27.8	6.8	(80.8)	155.4	(41.0)	13.0
Other current liabilities	18.5	8.3	31.3	28.8	(23.3)	47.0
Total equity and liabilities	**12.0**	**5.4**	**(24.2)**	**34.0**	**(2.7)**	**7.8**

ANALYSIS OF FINANCIAL STATEMENTS

Statement of Profit and Loss

	2025	2024	2023	2022	2021	2020
	(Rs. in '000)					
Sales - Net	62,310,883	69,299,633	76,753,334	91,423,698	69,796,240	48,081,937
Cost of sales	(56,966,639)	(60,726,441)	(66,145,658)	(79,042,389)	(56,304,367)	(43,869,080)
Gross profit	**5,344,244**	**8,573,192**	**10,607,676**	**12,381,309**	**13,491,873**	**4,212,857**
Administrative, Selling and Distribution expenses	(2,026,351)	(2,563,213)	(1,386,281)	(1,902,937)	(1,424,515)	(1,157,145)
Operating Profit	**3,317,893**	**6,009,979**	**9,221,395**	**10,478,372**	**12,067,358**	**3,055,712**
Other expenses	(366,557)	(588,930)	(1,921,613)	(1,356,009)	(1,276,659)	(334,257)
Other income	258,923	133,384	155,796	200,971	315,833	35,523
Share of net income of associate	44,921	-	-	-	-	-
Finance costs	(805,571)	(856,088)	(2,264,167)	(1,322,584)	(811,931)	(2,314,807)
Profit before taxation	**2,449,609**	**4,698,345**	**5,191,411**	**8,000,750**	**10,294,601**	**442,171**
Taxation	(890,348)	(1,043,531)	(1,672,621)	(2,588,560)	(2,828,270)	52,680
Profit after taxation	**1,559,261**	**3,654,814**	**3,518,790**	**5,412,190**	**7,466,331**	**494,851**

Vertical Analysis

	Percentage					
Sales - Net	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(91.4)	(87.6)	(86.2)	(86.5)	(80.7)	(91.2)
Gross profit	**8.6**	**12.4**	**13.8**	**13.5**	**19.3**	**8.8**
Administrative, Selling and Distribution expenses	(3.3)	(3.7)	(1.8)	(2.1)	(2.0)	(2.4)
Other operating expenses	(0.6)	(0.8)	(2.5)	(1.5)	(1.8)	(0.7)
Other operating income incluidng income from associate	0.5	0.2	0.2	0.2	0.5	0.1
Profit before finance costs	**5.2**	**8.0**	**9.7**	**10.2**	**15.9**	**5.7**
Finance costs	(1.3)	(1.2)	(2.9)	(1.4)	(1.2)	(4.8)
Profit before taxation	**3.9**	**6.8**	**6.8**	**8.8**	**14.7**	**0.9**
Taxation	(1.4)	(1.5)	(2.2)	(2.8)	(4.1)	0.1
Profit after taxation	**2.5**	**5.3**	**4.6**	**5.9**	**10.7**	**1.0**

Horizontal Analysis

	Percentage					
Sales - Net	(10.1)	(9.7)	(16.0)	31.0	45.2	(16.4)
Cost of sales	(6.2)	(8.2)	(16.3)	40.4	28.3	(14.0)
Gross profit	**(37.7)**	**(19.2)**	**(14.3)**	**(8.2)**	**220.3**	**(34.7)**
Administrative, Selling and Distribution expenses	(20.9)	84.9	(27.2)	33.6	23.1	17.3
Other operating expenses	(37.8)	(69.4)	41.7	6.2	281.9	(37.4)
Other operating income incluidng income from associate	94.1	(14.4)	(22.5)	(36.4)	789.1	(9.9)
Operating Profit before finance costs	(41.4)	(25.5)	(20.0)	(16.1)	302.9	(44.5)
Finance costs	(5.9)	(62.2)	71.2	62.9	(64.9)	79.5
Profit before taxation	**(47.9)**	**(9.5)**	**(35.1)**	**(22.3)**	**2,228.2**	**(88.0)**
Taxation	(14.7)	(37.6)	(35.4)	(8.5)	(5,468.8)	(105.2)
Profit after taxation	**(57.3)**	**3.9**	**(35.0)**	**(27.5)**	**1,408.8**	**(81.4)**

ANALYSIS OF FINANCIAL STATEMENTS

Statement of Cash Flows

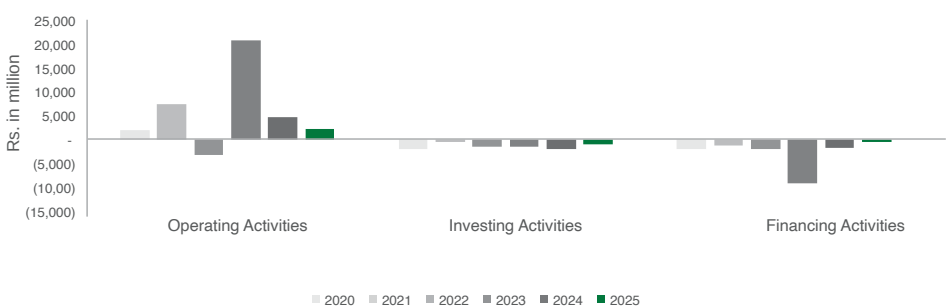
	2025	2024	2023	2022	2021	2020
	(Rs. in '000)					
Net cash generated / (used in) from operating activities	2,301,158	4,978,716	22,361,723	(3,453,241)	8,043,275	1,976,287
Net cash used in investing activities	(1,182,625)	(2,077,199)	(1,740,795)	(1,711,067)	(483,513)	(2,180,932)
Net cash used in financing activities	(689,898)	(2,024,326)	(9,993,707)	(2,082,025)	(1,275,015)	(2,132,037)
Net increase / (decrease) in cash and cash equivalents	**428,635**	**877,191**	**10,627,221**	**(7,246,333)**	**6,284,747**	**(2,336,682)**

Vertical Analysis

	Percentage					
Net cash generated / (used in) from operating activities	536.9	567.6	210.4	(47.7)	128.0	84.6
Net cash used in from investing activities	(275.9)	(236.8)	(16.4)	(23.6)	(7.7)	(93.3)
Net cash (used in) / generated from financing activities	(161.0)	(230.8)	(94.0)	(28.7)	(20.3)	(91.2)
Net increase / (decrease) in cash and cash equivalents	**100.0**	**100.0**	**100.0**	**(100.0)**	**100.0**	**(100.0)**

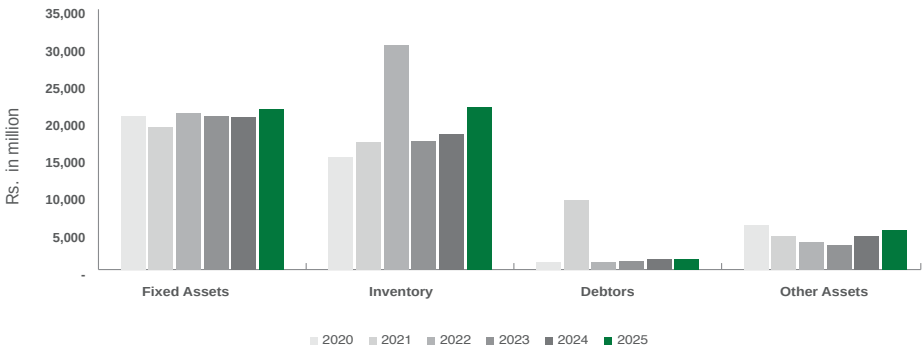
Horizontal Analysis

	Percentage					
Net cash generated / (used in) from operating activities	53.8	(77.7)	747.6	(142.9)	307.0	(43.3)
Net cash generated / (used in) from investing activities	43.1	(19.3)	(1.7)	(253.9)	77.8	3.4
Net cash (used in) / generated from financing activities	65.9	79.7	(380.0)	(63.3)	40.2	10.6
Net increase / (decrease) in cash and cash equivalents	**(51.1)**	**(91.7)**	**246.7**	**(215.3)**	**369.0**	**(102.1)**

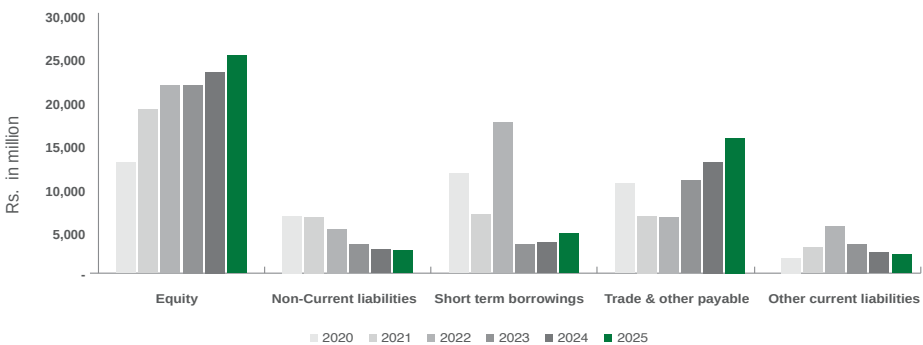


ANALYSIS OF FINANCIAL STATEMENTS

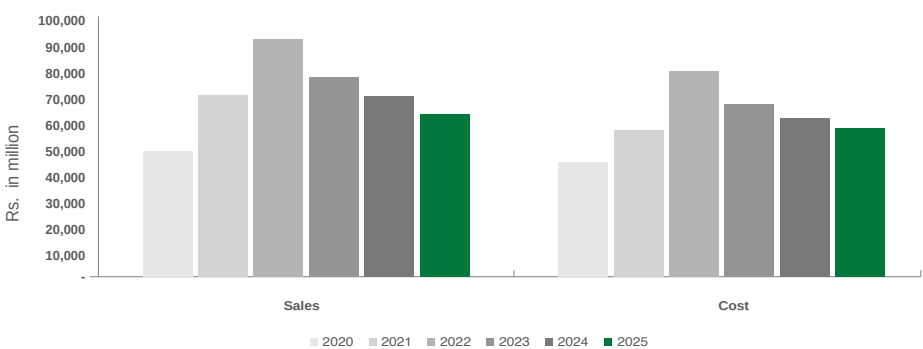
Assets



Equity & Liabilities

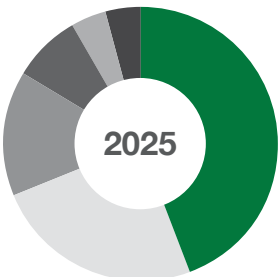


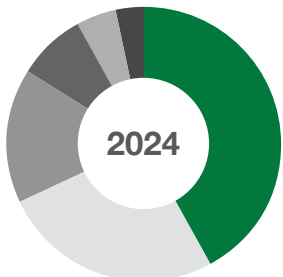
Sales and Cost of Sales



KEY FINANCIAL INDICATORS

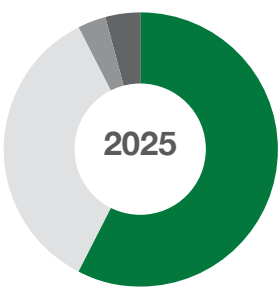
Conversion Cost

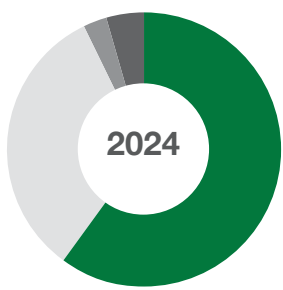




	2025	2024
	(Rs. in million)	
Electricity, gas and water	2,857	2,481
Depreciation and amortisation	1,576	1,531
Salaries, wages and benefits	962	944
Other Factory Overheads	506	476
Store and spares consumed with provision	272	269
Repairs and maintenance	261	190
Total	**6,434**	**5,891**

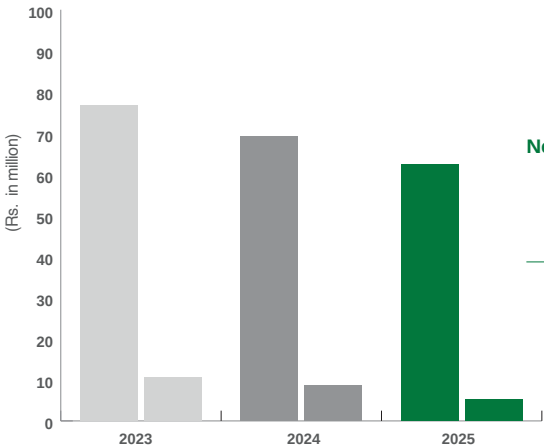
Product Wise Sales Break Up





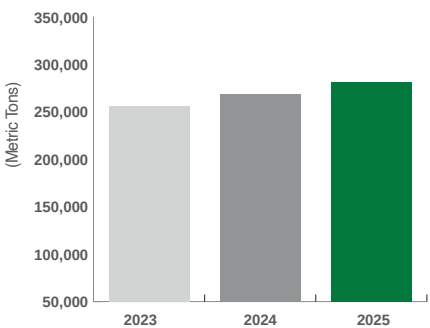
	2025	2024
	(Rs. in million)	
Galvanized Coils	35,927	41,726
Cold rolled Coils	21,799	22,630
Colored Coils	2,032	2,020
Bi-Products	2,553	2,924
Total	**62,311**	**69,300**

KEY FINANCIAL INDICATORS



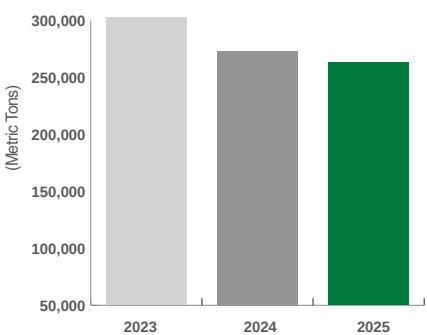
Net Sales / Gross Profit

	2023	2024	2025
	Rs in million		
Net Sales	76,753	69,300	62,311
Gross Profit	10,608	8,573	5,344



Raw material purchases

	2023	2024	2025
Metric Tons	256,099	268,311	280,714



Production

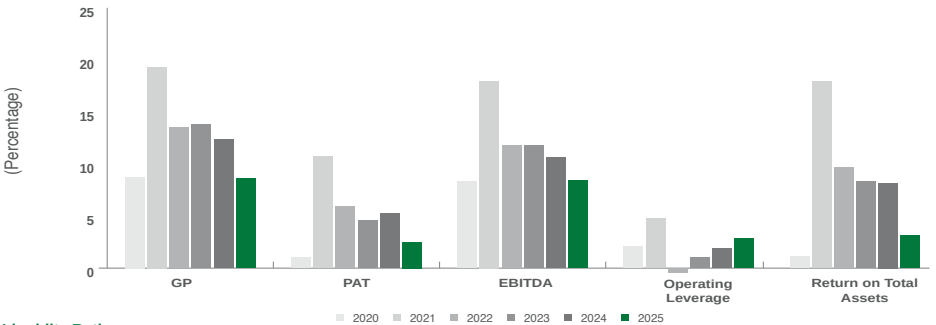
	2023	2024	2025
Metric Tons	303,544	273,862	264,038

ANALYSIS OF FINANCIAL RATIOS

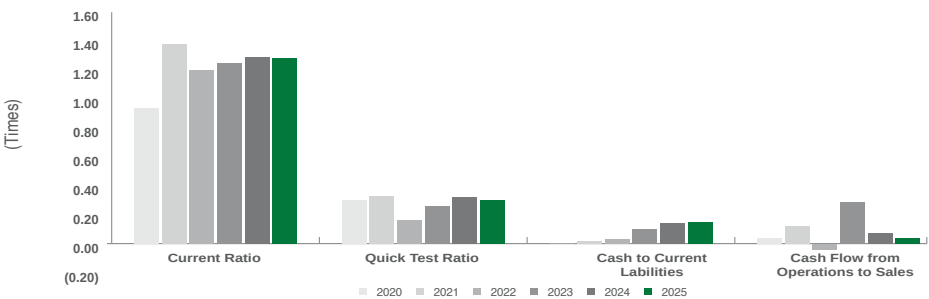
KEY INDICATORS		2025	2024	2023	2022	2021	2020
Profitability Ratios							
Gross profit ratio	%	8.58	12.37	13.82	13.54	19.33	8.76
Profit before tax to sales	%	3.93	6.78	6.76	8.75	14.75	0.92
Profit after tax to sales	%	2.50	5.27	4.58	5.92	10.70	1.03
EBITDA Margin to Sales	%	8.44	10.65	11.79	11.77	17.96	8.31
Operating Leverage	%	2.85	1.90	0.99	(0.46)	4.74	2.06
Return on Shareholders' Equity	%	6.21	15.76	16.23	25.06	39.53	3.89
Operating profit on Capital Employed	%	11.95	23.15	36.91	39.07	47.58	15.84
Return on Total Assets	%	3.11	8.18	8.30	9.68	17.90	1.15
Liquidity Ratios							
Current ratio	Times	1.28	1.29	1.25	1.20	1.38	0.94
Quick / Acid test ratio	Times	0.30	0.32	0.26	0.16	0.33	0.30
Cash to Current Liabilities		0.15	0.14	0.10	0.03	0.02	0.005
Cash flow from Operations to Sales		0.04	0.07	0.29	(0.04)	0.12	0.04
Cash flow from operation to capital expenditures		2.21	2.75	15.85	(1.88)	15.62	0.89
Free cash flow to the firm	Rs.millions	2,662	4,980	22,907	(5,222)	6,247	3,230
Free cash flow to the equity holders	Rs.millions	1,799	4,060	18,526	(6,826)	4,246	(188)
Turnover Ratios							
Inventory turnover ratio	Times	2.61	3.33	3.83	2.62	3.30	2.90
Debtor turnover ratio	Times	44.92	53.89	70.32	92.63	71.37	51.04
Creditor turnover ratio	Times	8.22	12.26	28.32	67.59	15.88	11.38
Total assets turnover ratio	Times	1.24	1.55	1.81	1.64	1.67	1.12
Fixed assets turnover ratio	Times	2.88	3.39	3.72	4.36	3.64	2.32
Capital employed turnover ratio	Times	2.25	2.67	3.07	3.43	2.75	2.49
Operating Cycle							
Inventory turnover	Days	140	110	95	139	111	126
Debtor turnover	Days	8	7	5	4	5	7
Creditor turnover	Days	44	30	13	5	23	32
Operating cycle	Days	103	87	88	138	93	101
Investment / Market Ratios							
Earnings per share - basic and diluted	Rs.	3.58	8.40	8.09	12.44	17.16	1.14
Price earning ratio	Times	25.86	10.06	5.01	4.77	5.44	45.31
Market value per share at the end of the year	Rs.	92.70	84.55	40.53	59.36	93.41	51.65
Market value per share high during the year	Rs.	107.89	89.79	62.70	103.25	102.50	62.28
Market value per share low during the year	Rs.	60.00	41.50	36.71	53.10	51.95	27.61
Break-up value per share - Including Revaluation Surplus	Rs.	57.73	53.33	49.85	49.65	43.42	29.25
Break-up value per share - Excluding Revaluation Surplus	Rs.	49.35	48.47	44.82	44.10	40.62	26.37
Price to book ratio	Times	1.61	1.59	0.81	1.20	2.15	1.77
Cash Dividend	%	25.00	55.00	55.00	65.00	100.00	-
Dividend Yield ratio	%	2.70	6.51	13.57	10.95	10.71	-
Dividend Cover	Times	1.43	1.53	1.47	1.91	1.72	-
Dividend Payout	%	69.74	65.46	67.99	52.25	58.28	-
Dividend per share	Rs.	2.50	5.50	5.50	6.50	10.00	-
Capital Structure Ratios							
Financial leverage ratio	%	0.92	0.85	0.86	1.51	1.10	2.25
Total Debt : Equity ratio		18:84	17:83	19:81	50:50	39:61	59:41
Interest cover	Times	4.33	7.43	3.43	7.44	14.79	1.21
Employee Productivity ratios							
Production per Employee	Metric Ton	390	402	441	584	718	588
Revenue per Employee	Rs.millions	92	102	112	130	102	68

SIX YEARS AT A GLANCE

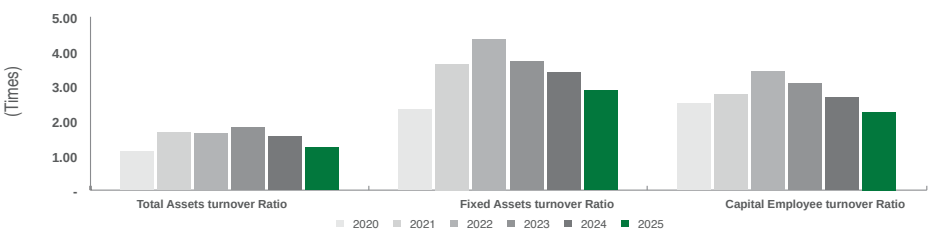
Profitability Ratios



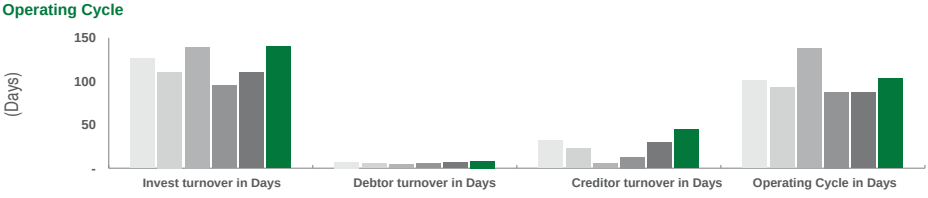
Liquidity Ratios



Turnover Ratios

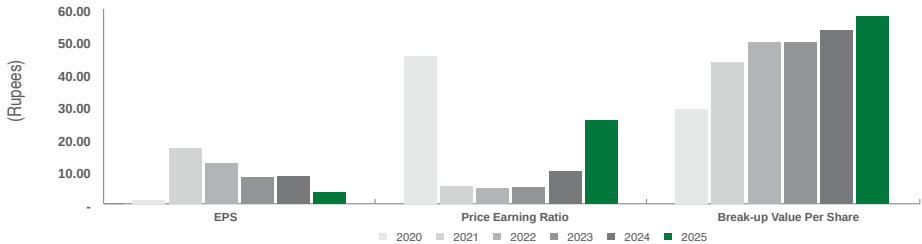


Operating Cycle

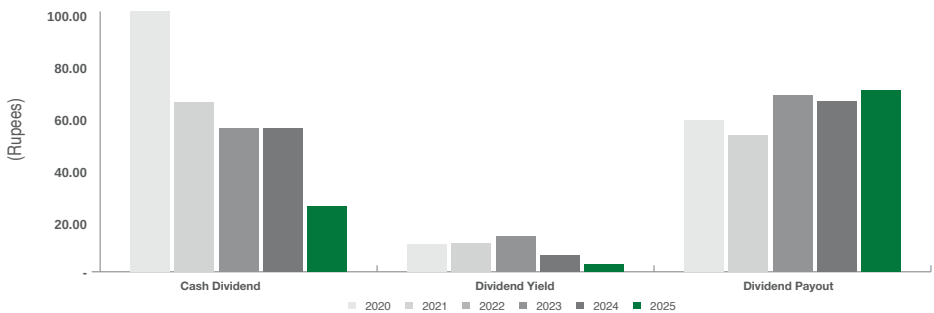


SIX YEARS AT A GLANCE

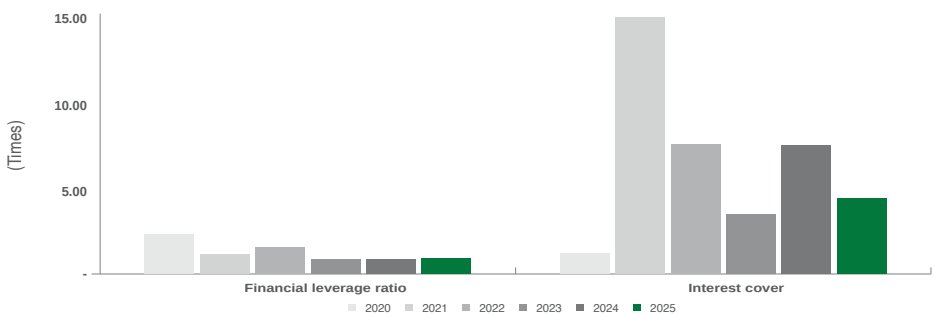
Investment Ratios



Dividend Ratios

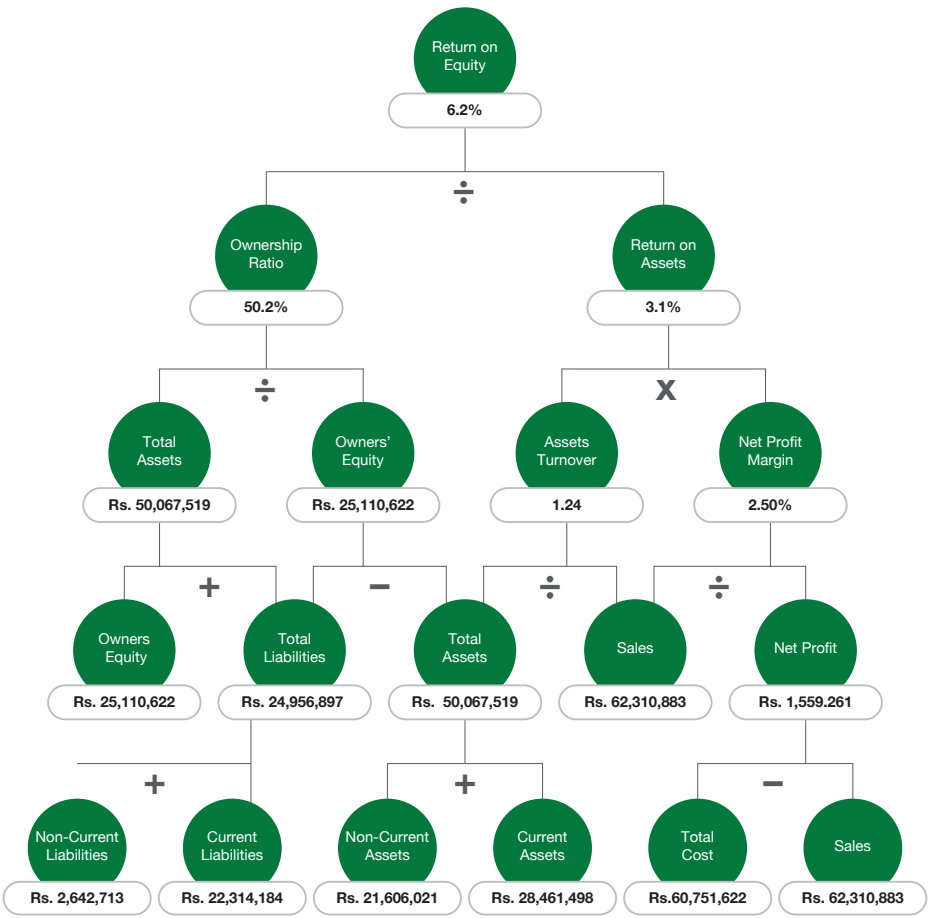


Capital Structure Ratios



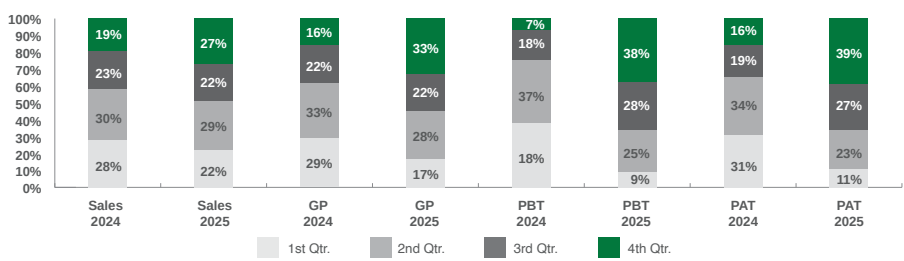
DUPONT ANALYSIS

(Rupees in '000)

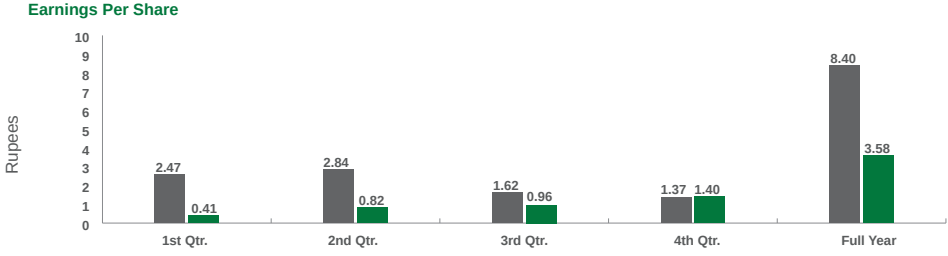


QUARTERLY PERFORMANCE

	2025									
	1st Qtr.		2nd Qtr.		3rd Qtr.		4th Qtr.		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	Rs. in million									
Revenue	13,490	100.00	18,313	100.00	13,872	100.00	16,636	100.00	62,311	100.00
Cost of sales	(12,585)	(93.29)	(16,838)	(91.95)	(12,684)	(91.44)	(14,860)	(89.32)	(56,967)	(91.42)
Gross Profit	**905**	**6.71**	**1,475**	**8.05**	**1,188**	**8.56**	**1,776**	**10.68**	**5,344**	**8.58**
Selling and distribution cost	(385)	(2.85)	(443)	(2.42)	(213)	(1.54)	(526)	(3.16)	(1,567)	(2.51)
Administration cost	(114)	(0.85)	(116)	(0.63)	(116)	(0.84)	(113)	(0.68)	(459)	(0.74)
Operating Profit	**406**	**3.01**	**916**	**5.00**	**859**	**6.19**	**1,137**	**6.83**	**3,318**	**5.32**
Other expenses	(42)	(0.31)	(52)	(0.28)	(143)	(1.03)	(130)	(0.78)	(367)	(0.59)
Share of net income of associate	-	-	-	-	-	-	45	0.27	45	0.07
Other income	150	1.11	(22)	(0.12)	96	0.69	35	0.21	259	0.42
EBIT	**514**	**3.81**	**842**	**4.60**	**812**	**5.85**	**1,087**	**6.54**	**3,255**	**5.22**
Finance cost	(304)	(2.25)	(226)	(1.23)	(126)	(0.91)	(150)	(0.90)	(806)	(1.29)
PBT	**210**	**1.56**	**616**	**3.36**	**686**	**4.95**	**938**	**5.64**	**2,450**	**3.93**
Taxation	(31)	(0.23)	(261)	(1.43)	(269)	(1.94)	(329)	(1.98)	(890)	(1.43)
PAT	**179**	**1.33**	**355**	**1.94**	**417**	**3.01**	**608**	**3.66**	**1,559**	**2.50**
EPS	**0.41**		**0.82**		**0.96**		**1.40**		**3.58**	

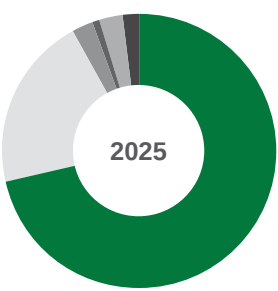


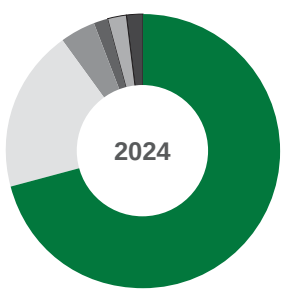
Earnings Per Share



STATEMENT OF VALUE ADDITION

	2025		2024	
	Rs. in '000	%	Rs. in '000	%
Wealth Generated:				
Sales including sales tax	71,443,272	99.6	79,051,836	99.8
Other operating income	303,844	0.4	133,384	0.2
	71,747,116	100	79,185,220	100
Wealth Distributed:				
Cost of material & Services	51,331,977	71.5	56,306,966	71.1
To Employees				
Salaries & other related cost	1,377,129	1.9	1,422,471	1.8
To Government				
Taxes and others	14,514,198	20.2	14,749,000	18.6
Worker Profit Participation Fund	131,977	0.2	252,348	0.3
Workers Walfare Fund	56,873	0.1	94,945	0.1
	14,703,048	20.5	15,096,293	19.1
To Providers of Capital				
Dividend to Shareholders	1,087,500	1.5	2,392,500	3.0
Finance cost	818,750	1.1	856,088	1.1
	1,906,250	2.7	3,248,588	4.1
To Society				
Donation	22,600	0.0	52,350	0.1
Retained in the business				
For replacement of fixed assets				
Depreciation & Amortization	1,956,951	2.7	1,848,588	2.3
To provide for growth: Retained profit	471,761	0.7	1,262,314	1.6
	2,428,712	3.4	3,110,902	3.9
	71,747,116	100.0	79,185,220	100.0





	2025	2024
	%	
Cost of material & Services	71.5	71.1
To Government	20.5	19.1
To Providers of Capital	2.7	4.1
Retained profit	0.7	1.6
Depreciation & Amortization	2.7	2.3
To Employees	1.9	1.8
To Society	0.0	0.1

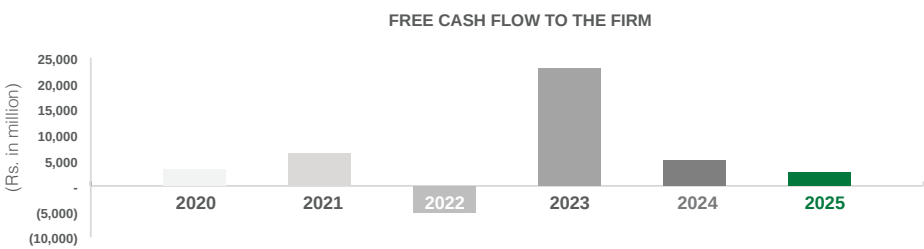
STATEMENT OF CASH FLOWS - DIRECT METHOD

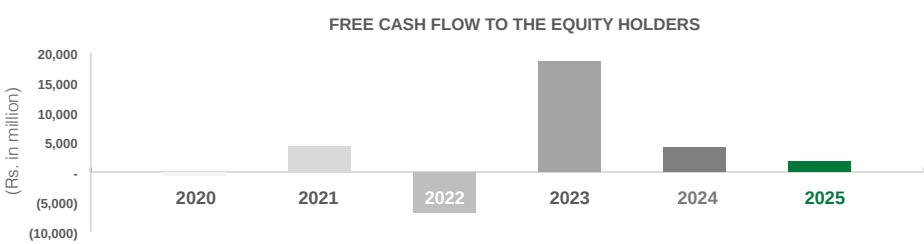
For the year ended June 30, 2025

	2025	2024
	(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	**71,350,530**	79,061,447
Cash paid to suppliers / service providers and employees	**(66,463,366)**	(70,625,779)
Workers fund	**(466,375)**	(383,596)
Sales tax refund / (payment)	**272,186**	(99,342)
Finance cost paid	**(818,750)**	(897,959)
Income on bank deposits received	**229,009**	282,846
Staff gratuity paid	**-**	(39,304)
Compensated absences paid	**(20,619)**	(9,269)
Income tax paid	**(1,781,457)**	(2,310,328)
Net cash generated from operating activities	**2,301,158**	4,978,716
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property, plant and equipment	**(1,040,588)**	(1,809,201)
Proceeds from disposal of property, plant and equipment	**148,314**	82,002
Investment in Pakistan Investment Bonds	**(13,440,886)**	-
Proceeds from disposal of Pakistan Investment Bonds	**13,493,559**	-
Investment in Associate	**(48,450)**	-
Investments in Term Deposit Receipt	**(300,000)**	(350,000)
Dividend received	**5,426**	-
Net cash used in investing activities	**(1,182,625)**	(2,077,199)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term finance	**-**	150,000
Repayment of long term finance	**(342,032)**	(371,598)
Proceeds short term borrowings - net	**988,830**	400,000
Lease liability	**(27,124)**	(25,213)
Dividend paid	**(1,309,572)**	(2,177,515)
Net cash used in financing activities	**(689,898)**	(2,024,326)
Net increase in cash and cash equivalents	**428,635**	877,191
Cash and cash equivalents at beginning of the year	**1,974,102**	1,096,911
Cash and cash equivalents at end of the year	**2,402,737**	1,974,102
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Cash and bank balances	**2,402,737**	1,974,102
Short term borrowings - running finance (secured)	**-**	-
	2,402,737	**1,974,102**

FREE CASH FLOW

Free cash flow to the firm	2025	2024	2023	2022	2021	2020
	(Rs. in million)					
Profit before taxation	2,450	4,698	5,191	8,001	10,295	442
Finance cost	806	856	2,264	1,323	812	2,315
Earning before interest & tax	3,255	5,554	7,456	9,323	11,107	2,757
Effective tax rate	**36.33%**	**22.22%**	**32.23%**	**32.36%**	**27.47%**	**-11.91%**
Net operating profit after tax	2,072	4,320	5,053	6,306	8,055	3,085
Depreciation and Amortization	1,956	1,848	1,697	1,516	1,538	1,403
Capital expenditure incurred	(1,041)	(1,809)	(1,411)	(1,832)	(515)	(2,210)
Changes in working capital	(325)	621	17,568	(11,212)	(2,831)	952
Free cash flow to the firm	**2,662**	**4,980**	**22,907**	**(5,222)**	**6,247**	**3,230**
Free cash flow to the Equity holders						
Free cash flow to the firm	2,662	4,980	22,907	(5,222)	6,247	3,230
Net borrowing - (repaid) / raised	(342)	(222)	(2,825)	(860)	(1,324)	(747)
Interest payment - net of tax	(521)	(698)	(1,556)	(745)	(677)	(2,671)
Free cash flow to the Equity holders	**1,799**	**4,060**	**18,526**	**(6,827)**	**4,246**	**(188)**





A Legacy to Protect

Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the members of International Steels Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of International Steels Limited (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	**Revenue from contracts with customers** (Refer note 3.11 and note 24 to the financial statements) The Company recognises revenue from the sale of cold rolled, galvanized and colour coated steel coils and sheets to domestic as well as export customers when the performance obligation is satisfied by transferring control of a promised good to the customer. During the year, net sales to the domestic customers have decreased by 1.09% and net sales to export customers have decreased by 38.49%. As part of our overall response to the audit risks when identifying and assessing the risk in revenue recognition, we considered that there is an inherent risk that revenue may be overstated as it is a key performance measure, which could create an incentive or pressure. Further, we have focused our audit activities over the revenue recognised near to the year end as there was a high risk that the revenue is recorded before the control of goods is transferred to the customer and in an incorrect accounting period. Based on the above and considering that the revenue recognition is a high-risk area, we considered this as a key audit matter.	Our audit procedures amongst others included the following: - obtained an understanding of the Company's process with respect to revenue recognition and tested design and operating effectiveness of controls relevant to such process; - understood and evaluated the accounting policy with respect to revenue recognition; - performed testing of revenue on a sample basis with underlying documentation including dispatch documents and sales invoices; - performed cut-off procedures on sample basis to ensure sales has been recorded in the correct period; - verified that sales prices are and approved by appropriate authority; - recalculated the commission as per Company's policy and verified related distribution expenses; and - ensured that presentation and disclosures related to revenue are being addressed appropriately.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

A.F. Ferguson & Co.
Chartered Accountants
Karachi.

Date: September 2, 2025

UDIN: AR202510073C7Q49ad1O

STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	Note	2025	2024
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**21,170,633**	20,016,449
Right-of-use assets	5.1	**17,803**	23,846
Intangible assets	6	**329,540**	408,853
Investment in an associate	7	**87,945**	-
Long term deposit with Central Depository Company of Pakistan Limited		**100**	100
		21,606,021	20,449,248
CURRENT ASSETS			
Stores and spares	8	**887,739**	902,140
Stock-in-trade	9	**21,803,321**	18,259,002
Trade debts	10	**1,350,948**	1,423,286
Receivable from K-Electric Limited (KE)		**4,541**	25,537
Advances, trade deposits and prepayments	11	**68,877**	140,894
Staff retirement benefits	12	**101,605**	55,521
Sales tax receivable		**308,110**	580,296
Taxation - net	13	**499,620**	145,754
Cash and bank balances	14	**3,436,737**	2,708,102
		28,461,498	24,240,532
TOTAL ASSETS		**50,067,519**	44,689,780
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital	15	**4,350,000**	4,350,000
Revenue reserve			
Unappropriated profit		**17,115,900**	16,735,347
Capital reserve			
Revaluation surplus on property, plant and equipment	16	**3,644,722**	2,112,083
TOTAL SHAREHOLDERS' EQUITY		**25,110,622**	23,197,430
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	17	**673,942**	845,316
Deferred income - government grant	18	**73,248**	98,244
Deferred taxation - net	19	**1,878,464**	1,811,362
Lease liabilities	5.2.1	**17,059**	4,415
		2,642,713	2,759,337
CURRENT LIABILITIES			
Trade and other payables	20	**15,580,507**	12,822,416
Contract liabilities	21	**1,884,713**	1,834,506
Short term borrowings - secured	22	**4,549,118**	3,560,288
Unpaid dividend		**477**	430
Unclaimed dividend		**2,460**	7,079
Current portion of long term financing - secured	17	**199,282**	344,944
Current portion of lease liabilities	5.2.1	**4,028**	24,886
Accrued mark-up		**93,599**	138,464
		22,314,184	18,733,013
TOTAL LIABILITIES		**24,956,897**	21,492,350
CONTINGENCY AND COMMITMENTS	23		
TOTAL EQUITY AND LIABILITIES		**50,067,519**	44,689,780

The annexed notes from 1 to 46 form an integral part of these financial statements.

Nihal Cassim
Director & Chairman
Board Audit Committee

Usman Ahmed
Chief Financial
Officer

Samir M. Chinoy
Chief Executive
Officer

STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2025

	Note	2025	2024
		(Rupees in '000)	
Revenue from contracts with customers	24	**62,310,883**	69,299,633
Cost of sales	25	**(56,966,639)**	(60,726,441)
Gross profit		**5,344,244**	8,573,192
Selling and distribution expenses	26	**(1,567,016)**	(2,090,474)
Administrative expenses	27	**(459,335)**	(472,739)
Operating profit		**3,317,893**	6,009,979
Finance cost	28	**(805,571)**	(856,088)
Other expenses	29	**(366,557)**	(588,930)
Other income	30	**258,923**	133,384
"Share of net income of associate accounted for using the equity method"	7	**44,921**	-
Profit before levies and income tax		**2,449,609**	4,698,345
Levies	31	**-**	(223,913)
Profit before income tax		**2,449,609**	4,474,432
Income tax expense	32	**(890,348)**	(819,618)
Profit for the year		**1,559,261**	3,654,814
		(Rupees)	
Earnings per share - basic and diluted	33	**3.58**	8.40

The annexed notes from 1 to 46 form an integral part of these financial statements.

Nihal Cassim
Director & Chairman
Board Audit Committee

Usman Ahmed
Chief Financial
Officer

Samir M. Chinoy
Chief Executive
Officer

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2025

	Note	2025	2024
		(Rupees in '000)	
Profit for the year		**1,559,261**	3,654,814
Other comprehensive income for the year			
Items that will not be subsequently reclassified to statement of profit or loss			
Remeasurements of staff retirement benefits	12.2.10	**83,437**	55,305
Revaluation of property, plant and equipment		**2,179,839**	-
Related deferred tax charge for the year		**(604,345)**	(21,569)
Other comprehensive income for the year - net of tax		**1,658,931**	33,736
Total comprehensive income for the year		**3,218,192**	3,688,550

The annexed notes from 1 to 46 form an integral part of these financial statements.

Nihal Cassim
Director & Chairman
Board Audit Committee

Usman Ahmed
Chief Financial
Officer

Samir M. Chinoy
Chief Executive
Officer

STATEMENT OF CASH FLOWS

For the year ended June 30, 2025

	Note	2025	2024
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34	**4,692,975**	7,942,887
Finance cost paid		**(818,750)**	(897,959)
Income on bank deposits received - Conventional		**213,798**	282,846
Income on bank deposits received - Islamic		**15,211**	9,843
Staff retirement benefits paid	12.2.9	**-**	(39,304)
Payment on account of compensated absences		**(20,619)**	(9,269)
Income tax and levies paid	13	**(1,781,457)**	(2,310,328)
		(2,391,817)	(2,964,171)
Net cash generated from operating activities		**2,301,158**	4,978,716
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment		**(911,227)**	(1,708,323)
Payment for acquisition of intangible asset		**(129,361)**	(100,878)
Proceeds from disposal of property, plant and equipment		**148,314**	82,002
Investment in Pakistan Investment Bonds		**(13,440,886)**	-
Proceeds from disposal of Pakistan Investment Bonds		**13,493,559**	-
Investment in Associate		**(48,450)**	-
Investments in Term Deposit Receipt		**(300,000)**	(350,000)
Dividend received		**5,426**	-
Net cash used in investing activities		**(1,182,625)**	(2,077,199)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		**-**	150,000
Repayment of long term financing		**(342,032)**	(371,598)
Short term borrowings - net		**988,830**	400,000
Lease rentals paid	5.2.1	**(27,124)**	(25,213)
Dividend paid		**(1,309,572)**	(2,177,515)
Net cash used in financing activities		**(689,898)**	(2,024,326)
Net increase in cash and cash equivalents		**428,635**	877,191
Cash and cash equivalents at beginning of the year		**1,974,102**	1,096,911
Cash and cash equivalents at end of the year	35	**2,402,737**	1,974,102

The annexed notes from 1 to 46 form an integral part of these financial statements.t

Nihal Cassim
Director & Chairman
Board Audit Committee

Usman Ahmed
Chief Financial
Officer

Samir M. Chinoy
Chief Executive
Officer

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2025

	Issued, subscribed & paid-up capital	Revenue reserve- unappropriated profit	Capital reserve- Revaluation surplus on property, plant and equipment	Total
	(Rupees in '000)			
Balance as at July 01, 2023	4,350,000	15,146,402	2,187,478	21,683,880
Profit for the year	-	3,654,814	-	3,654,814
Other comprehensive income for the year	-	33,736	-	33,736
Total comprehensive income for the year	-	3,688,550	-	3,688,550
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	75,395	(75,395)	-
Transactions with owners in their capacity as owners recorded directly in equity - distributions				
Dividend:				
- Final Dividend @ 25% (Rs. 2.50 per share) for the year ended June 30, 2023	-	(1,087,500)	-	(1,087,500)
- Interim Dividend @ 25% (Rs. 2.50 per share) for the year ended June 30, 2024	-	(1,087,500)	-	(1,087,500)
	-	(2,175,000)	-	(2,175,000)
Balance as at June 30, 2024	**4,350,000**	**16,735,347**	**2,112,083**	**23,197,430**
Profit for the year	**-**	**1,559,261**	**-**	**1,559,261**
Other comprehensive income for the year	**-**	**50,897**	**1,608,034**	**1,658,931**
Total comprehensive income for the year	**-**	**1,610,158**	**1,608,034**	**3,218,192**
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	**-**	**75,395**	**(75,395)**	**-**
Transactions with owners in their capacity as owners recorded directly in equity - distributions				
Dividend:				
- Final Dividend @ 30% (Rs. 3 per share) for the year ended June 30, 2024	**-**	**(1,305,000)**	**-**	**(1,305,000)**
Balances as at June 30, 2025	**4,350,000**	**17,115,900**	**3,644,722**	**25,110,622**

The annexed notes from 1 to 46 form an integral part of these financial statements.

Nihal Cassim
Director & Chairman
Board Audit Committee

Usman Ahmed
Chief Financial
Officer

Samir M. Chinoy
Chief Executive
Officer

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2025

1. STATUS AND NATURE OF BUSINESS

1.1 International Steels Limited (the Company) was incorporated on September 03, 2007 as a public unlisted company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is domiciled in the province of Sindh. The Company was listed on the Pakistan Stock Exchange Limited on June 01, 2011. The Company is subsidiary of International Industries Limited (the Holding Company) which holds 245,055,543 (2024: 245,055,543) shares of the Company as at June 30, 2025 representing 56.3% (2024: 56.3%) of the shareholding of the Company.

The net assets of the Steel Project Undertaking of International Industries Limited (the Holding Company), amounting to Rs. 4,177.17 million determined as at August 23, 2010 (day immediately preceding the completion date) in accordance with the Scheme of Arrangement, were transferred to the Company on August 24, 2010. In consideration of transferring to and vesting the Steel Project Undertaking in the Company, 417,716,700 fully paid-up ordinary shares were issued at par value to the Holding Company.

The primary activity of the Company is the business of manufacturing of cold rolled, galvanized and colour coated steel coils and sheets. The Company commenced commercial operations on January 01, 2011.

1.2 The geographical location and addresses of business units are as under:

Location	Address
Head office	101, Beaumont Plaza, 10 Beaumont Road, Civil Lines, Karachi - 75530.
Manufacturing facilities	- 399-405, Rehri Road, Landhi Industrial Area; and
	- Plot No. LE-73-79, 102-103, 112-118, 125-129, Survey No. NC.98, near Arabian Country Club, National Industrial Parks (NIP), Bin Qasim Industrial Park, Karachi.
Sales offices	- Chinoy House, 6-Bank Square, Lahore - 54000;
	- Office No. 303-A, 3rd Floor, Evacuee Trust Complex Sector F-5/1 Agha Khan Road, Islamabad; and
	- Office No. 708-A, United Mall, Plot No.74, Abdali Road, Multan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (gratuity) that is determined based on the present value of defined benefit obligation less fair value of plan assets, freehold land and buildings thereon that are stated at fair values determined by an independent valuer.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest thousand, unless otherwise indicated.

2.4 Use of significant estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of assets and liabilities in future periods are described in the following notes:

- Property, plant and equipment (note 3.1)
- Lease liability and Right-of-use assets (note 3.2)
- Trade debts, advances and other receivables (note 3.4.2.1 and note 3.14))
- Stock-in-trade (note 3.7)
- Taxation (note 3.8)
- Staff retirement benefits (note 3.9)
- Provisions (note 3.15)
- Contingent liabilities (note 3.16)

2.5 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company’s financial reporting and, therefore, have not been disclosed in these financial statements except as for:

Amendment to IAS 1 - Non - current liabilities with covenants:

An amendment to IAS 1 'Presentation of Financial Statements' (IAS-1) was introduced addressing the classification of non-current liabilities subject to covenants. This amendment clarifies that liabilities should be classified as either current or non-current based on the rights available at the end of the reporting period, without consideration of future expectations or events occurring after this date. The amendment also mandates specific disclosures if a liability is classified as non-current but is subject to covenants that must be complied with within twelve months of the reporting date.

b) Standards and amendments to approved accounting standards that are not yet effective

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2025. The following amendments and standard have not been early adopted by the Company:

"Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective January 1, 2026):

These amendments

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of Environment, Social and Governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) (effective January 1, 2027):

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The management is in process of assessing the impact of above changes.

Other than above, there are standards and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on July 01, 2025. Such standards and amendments are not expected to have any significant impact in the Company's financial reporting and, therefore, have not been presented in these financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The summary of material accounting policies and methods of computations adopted in the preparation of these financial statements are same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2024. The new additional policy applied during the year ended June 30, 2025:

Investment in an associate

The Company has investment in associated company as disclosed in note 7. The investment in associated Company is accounted for using equity method of accounting in which It is initially recognised at cost and adjusted thereafter to recognise the Company's share in its associate's post-acquisition profits or losses and other comprehensive income are respectively recognised in the statement of profit or loss and statement of comprehensive income. Dividends received or receivable from associated company are recognised as a reduction in the carrying amount of the investment.

The carrying amount of investment in associated company is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the investment in associated company's recoverable amount is estimated, which is higher of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount.

Impairment losses are recognised in statement of profit or loss. An impairment loss is reversed if there has been a change in estimate used to determine the recoverable amount but limited to the extent of the initial cost of investment in associated company. A reversal of impairment loss is recongised in the statement of profit or loss.

3.1 Property, plant and equipment

3.1.1 Operating assets and depreciation

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably.

Recognition of the cost in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Measurement

Property, plant and equipment (except freehold land and buildings) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land are stated at revalued amounts and buildings on freehold land are stated at revalued amounts less accumulated depreciation and accumulated impairment, if any. The costs of property, plant and equipment include:

(a) its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates;

(b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and

(c) Borrowing costs, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

Expenditure incurred to replace a significant component of an item of property, plant and equipment is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items can be measured reliably. All other expenditure (including repairs and normal maintenance) is recognised in the statement of profit or loss as an expense when it is incurred.

Depreciation

Depreciation on all items except for freehold land is charged on straight line method at the rates specified in note 4.1 to the financial statements and is generally recognised in statement of profit or loss.

Depreciation on addition is charged from the month the asset is available for use up to the month prior to disposal.

Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Revaluation surplus

Revaluation of freehold land and buildings on freehold land is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value at the reporting date. Any revaluation increase in the carrying amount of freehold land and buildings on freehold land is recognized, net of tax, in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognised in the statement of profit or loss, in which case the increase is first recognized in the statement of profit or loss to the extent of the decrease previously charged.

Any decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset, all other decreases are charged to statement of profit or loss. The revaluation reserve is not available for distribution to the Company's shareholders. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus to unappropriated profit as incremental depreciation.

The fair value of the Company's freehold land and building on free hold land is determined after a period of three years by an independent professionally qualified valuer. However, fair value is re-assessed on yearly basis to check for any material impact. During the year, the fair value was re-assessed and the change in value is incorporated in the financial statements.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the statement of profit or loss, and the related surplus on revaluation of property, plant and equipment, if any, is transferred directly to retained earnings.

3.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing costs, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

Advances paid to suppliers for acquisition of property, plant and equipment including land and building is also classified under capital work-in-progress.

3.2 Lease liability and Right-of-use assets

The Company, as a lessee, has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At inception of a contract, the Company assesses whether a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company mainly leases properties for its operations. The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The Company has various lease agreements for head office and sales offices which were previously classified by the Company based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for all the leases - i.e. these leases are on statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the entity's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Dismantling costs and restoration costs.

The company has not elected to recognise right-of-use assets and lease liabilities for short-term leases of properties that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.3 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Costs directly associated with identifiable software that will have probable economic benefits exceeding one year, are recognised as an intangible asset.

Indefinite Intangible assets

These are stated at cost less impairment, if any.

Definite Intangible assets

a) These are stated at cost less accumulated amortisation and impairment, if any.

b) These are amortised on straight line basis over its estimated useful life(s) of these assets (refer note 6).

c) Amortisation on additions during the year is charged from month in which the asset is intended to use, whereas no amortisation is charged from the month the asset is disposed-off.

3.4 Financial instruments

3.4.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss.

Financial assets at FVTPL cost

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in statement of profit or loss.

Financial assets measured at amortised

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains and losses and impairment, if any, are recognised in the statement of profit or loss.

3.4.2 Financial assets

All financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and include trade debts, deposits, advances and cash and cash equivalents. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

3.4.2.1 Trade debts, advances and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

3.4.2.2 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.4.3 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings, unclaimed / unpaid dividend, accrued mark-up, lease liability and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liabilities other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

3.4.3.1 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest rate method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

3.4.3.2 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised cost.

3.4.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

3.5 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

3.6 Stores and spares

Stores and spares are stated at lower of weighted average cost and net realisable value, less provision for impairment, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Provision is made for obsolete and slow moving stores and spares and is recognised in the statement of profit or loss.

3.7 Stock-in-trade

These are valued at lower of cost and net realisable value. Cost is determined under the weighted average basis. Cost comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Raw material in transit comprise of invoice value and other charges thereon. Net realisable value signifies the estimated selling price in the ordinary course of the business less net estimated cost of completion and selling expenses. Scrap and by-product is valued at estimated realisable value.

3.8 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

3.8.1 Current tax

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability.

3.8.2 Deferred tax

Deferred tax is recognised using balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.8.3 Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37.

Tax on dividend from subsidiaries, associates and joint ventures are not considered as levy as these dividends are specifically covered by IAS 12.

3.9 Staff retirement benefits

3.9.1 Defined benefit plan

The Company provides gratuity benefits to all its permanent employees who have completed their minimum qualifying period of service i.e. three years (except in case of workers where minimum qualifying period of service is six months). For executives and officers having total service of over twenty years, the benefit is available at one month's basic salary (eligible salary) for each completed year of service. For executives and officers having total service of less than twenty years, the benefit is available at half month's basic salary (eligible salary) for each completed year of service.

For workers, the benefit is available at one month's gross salary less conditional allowances (eligible salary) for each completed year of service. The Company's obligation is determined through actuarial valuations carried out under the 'Projected Unit Credit Method'. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income.

The Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contribution and benefit payments. Net interest expense and current service cost are recognised in statement of profit or loss. The latest actuarial valuation was conducted at the reporting date by a qualified professional firm of actuaries.

The actual return on plan assets represent the difference between the fair value of plan assets at the beginning and end of the year and adjusted for contributions and benefits paid.

3.9.2 Defined contribution plan

The Company provides provident fund benefits to all its officers. Equal contributions are made, both by the Company and the employees, at the rate of 8.33% of basic salary and cost of living allowance and the same is charged to the statement of profit or loss.

3.9.3 Compensated absences

The liability for accumulated compensated absences of employees is recognised in the period in which employees render service that increases their entitlement to future compensated absences.

3.10 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pakistan Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange ruling on the reporting date. Exchange differences are included in the statement of profit or loss

3.11 Revenue recognition

- Domestic sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides with delivery, as this is the point in time that the consideration becomes unconditional, because only the passage of time is required before the payment is due.
- Export sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides either with the date of bill of lading or upon delivery to customer or its representative, based on terms of arrangement.

  No element of financing is deemed present as the sales are made with a credit term of up to 120 days, which is consistent with the market practice.

3.12 Income from power generation

Revenue from power generation plant on account of sales of surplus electricity is recognised on transmission of electricity to K-Electric Limited.

3.13 Income on bank deposits and finance cost

The Company's finance income and finance cost includes income on bank deposits and finance cost. Income or expense is recognised using the effective interest rate method.

3.14 Impairment

3.14.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowances for trade debts are always measured at an amount equal to lifetime ECLs.

The expected loss rates are based on the payment profiles of sales over a period of 36 - 60 months before June 30, 2025 or July 1, 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the debts. The Company has identified the Gross Domestic Product (GDP) and the unemployment rate of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovery of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

A financial asset is considered irrecoverable (default event) when the counterparty fails to make contractual payments within one year of when they fall due.

3.14.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stores and spares ,stock in trade and deferred tax are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

3.15 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate reflecting current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.16 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.17 Segment reporting

Segment results that are reported to the Company’s Chief Executive Officer (CEO) - the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items, if any, comprise mainly corporate assets, head office expenses, and tax assets and liabilities. Management has determined that the Company has a single reportable segment and therefore it has only presented entity wide disclosures.

The Company does not consider sale of electricity to K-Electric Limited (KE) as separate reportable segment as the power plant of the Company is installed primarily to supply power to its production facilities and currently any excess electricity is sold to KE.

3.18 Dividend and appropriations to / from reserves

Dividend distribution to the Company's shareholders and appropriations to / from reserves are recognised as a liability in the period in which these are approved. However, if these are approved after the reporting period but before the financial statements are authorised to issue, they are disclosed in the notes to the financial statements.

3.19 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, nationalor international.

The Company recognises government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with Grants.

Government grants are recognised at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

3.20 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4 PROPERTY, PLANT AND EQUIPMENT

	Note	2025	2024
		(Rupees in '000)	
Operating assets	4.1	**20,584,321**	18,374,041
Capital work-in-progress	4.2	**37,880**	1,034,742
Stores and spares held for capital expenditure	4.3	**548,432**	607,666
		21,170,633	20,016,449

4.1 Operating assets

	Freehold Land - revalued - notes 4.1.2 & 4.1.3	Buildings on freehold land - revalued - notes 4.1.2 & 4.1.3	Plant and machinery	Furniture, fixtures and office equipment	Vehicles	Total
	(Rupees in '000)					
Balance as at July 1, 2024						
Cost / revalued amount	2,816,203	3,849,804	22,455,283	249,184	477,571	29,848,045
Accumulated depreciation*	-	(539,561)	(10,632,877)	(153,572)	(147,994)	(11,474,004)
Accumulated impairment	-	-	-	-	-	-
Net book value (NBV)	2,816,203	3,310,243	11,822,406	95,612	329,577	18,374,041
Additions / adjustments / transfers from capital work in progress	-	545,121	1,010,539	269,443	225,915	2,051,018
Disposals Note 4.1.4						
- Cost	-	-	(43,840)	(5,522)	(159,966)	(209,328)
- Accumulated depreciation / Accumulated impairment	-	-	39,264	5,139	75,241	119,644
	-	-	(4,576)	(383)	(84,725)	(89,684)
Depreciation charge - Note 4.1.1	-	(312,562)	(1,468,689)	(36,234)	(113,408)	(1,930,893)
Revaluation surplus - Note 16	-					-
Cost	713,672	614,044	-	-	-	1,327,716
- Accumulated depreciation	-	852,123	-	-	-	852,123
	713,672	1,466,167	-	-	-	2,179,839
Balance as at June 30, 2025 (NBV)	3,529,875	5,008,969	11,359,680	328,438	357,359	20,584,321
Gross carrying value as at June 30, 2025						
Cost / revalued amount	3,529,875	5,008,969	23,421,982	513,105	543,520	33,017,451
Accumulated depreciation*	-	-	(12,062,302)	(184,667)	(186,161)	(12,433,130)
Net book value	3,529,875	5,008,969	11,359,680	328,438	357,359	20,584,321
Depreciation rates (% per annum)	-	3 - 10	3 - 50	5 - 50	20	
Balance as at July 1, 2023						
Cost / revalued amount	2,816,203	3,789,920	21,706,143	205,753	317,412	28,835,431
Accumulated depreciation	-	(267,260)	(9,278,608)	(125,998)	(110,898)	(9,782,764)
Accumulated impairment	-	-	-	-	-	-
Net book value (NBV)	2,816,203	3,522,660	12,427,535	79,755	206,514	19,052,667
Additions / transfer from capital work in progress	-	59,884	871,235	46,330	236,063	1,213,512
Disposals Note 4.1.4						
- Cost	-	-	(122,095)	(2,899)	(75,904)	(200,898)
- Accumulated depreciation / Accumulated impairment	-	-	84,061	2,708	48,981	135,750
	-	-	(38,034)	(191)	(26,923)	(65,148)
Depreciation charge - Note 4.1.1	-	(272,301)	(1,438,330)	(30,282)	(86,077)	(1,826,990)
Balance as at June 30, 2024 (NBV)	2,816,203	3,310,243	11,822,406	95,612	329,577	18,374,041
Gross carrying value as at June 30, 2024						
Cost / revalued amount	2,816,203	3,849,804	22,455,283	249,184	477,571	29,848,045
- Accumulated depreciation / Accumulated impairment	-	(539,561)	(10,632,877)	(153,572)	(147,994)	(11,474,004)
Net book value	2,816,203	3,310,243	11,822,406	95,612	329,577	18,374,041
Depreciation rates (% per annum)	-	3 - 10	3 - 50	5 - 50	20	

Accumulated depreciation of buildings has been adjusted against the gross carrying amount of the assets using the elimination approach to incorporate the revaluation impact.

Operating assets include fully depreciated assets having cost of Rs. 2,907.72 million (2024: Rs. 2,177.79 million).

4.1.1 The depreciation charge for the year has been allocated as follows:

	Note	2025	2024
		(Rupees in '000)	
Cost of sales	25	**1,570,601**	1,530,085
Selling and distribution expenses	26	**19,450**	18,195
Administrative expenses	27	**41,074**	25,037
Income from power generation	30.1	**299,768**	253,673
		1,930,893	1,826,990

4.1.2 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Particulars	Location	Total area	Forced sales value (Rupees in '000)
Manufacturing plant	399-405, Rehri Road, Landhi Town, City District Government, Karachi.	157,058 Sq. Yd.	5,176,109
	Plot No. LE-73-79, 102-103, 112-118, 125-129 Survey # NC. 98, near Arabian Country Club, NIP, Bin Qasim Industrial Park, Karachi.	653,400 Sq. Ft.	1,529,357
Office premises	Office No. 203, 2nd Floor, Beaumont Plaza, 10 Beaumont Road, Karachi.	1,794 Sq. Ft.	28,710
Multan Plot	Khewat No. (B) 38, 114, 302, Khatooni No. 127,475, 1,114, Mouza Laar, Bahawalpur Road, Multan.	372,711 Sq. Ft.	96,900

4.1.3 The revaluation of freehold land and buildings thereon including Multan plot and manufacturing facility of National Industrial Park, Bin Qasim Industrial Park Karachi was carried out as of June 30, 2025 by MYK Associates (Private) Limited (an independent valuer who is located in Karachi) on the basis of their professional assessment of present market values based on their methodology for estimating the cost of land of similar nature, size and location including consideration of cost of acquisition or construction net of diminution owing to depreciation, keeping in view the current condition. The revaluation resulted in a surplus on revaluation amounting to Rs. 2,179.84 million which was incorporated in the books of the Company as at June 30, 2025.

The Company commissioned independent valuation of freehold land and buildings thereon after every three years, during the years ended June 30, 2013, June 30, 2016, June 30, 2019, June 30, 2022 and June 30, 2025.

The carrying amount of the aforementioned assets as at June 30, 2025, if the said assets had been carried at historical cost, would have been as follows:

	Cost	Accumulated depreciation	Net book value
	(Rupees in '000)		
Freehold land	**1,455,541**	**-**	**1,455,541**
Buildings on freehold land	**3,766,326**	**(1,344,590)**	**2,421,736**
As at June 30, 2025	**5,221,867**	**(1,344,590)**	**3,877,277**
As at June 30, 2024	4,676,746	(1,155,627)	3,521,119

4.1.4 Details of property, plant and equipment disposed off, having net book value in excess of five hundred thousand rupees or more each are as follows:

	Original cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss) on disposal	Mode of disposal	Particulars of buyer	Relationship with buyer
	(Rupees in '000)							
Vehicles								
Toyota Land Cruiser	51,988	11,264	40,724	38,000	(2,724)	Negotiation	International Industries Ltd.	Holding Company
Kia Stonic	6,062	1,313	4,749	4,800	51	Negotiation	Itehad Motors	Third Party
Honda City 1.2 Cvt	4,958	1,157	3,801	4,050	249	Negotiation	Yaseen Motors	Third Party
Audi E-Tron 50 Quattro	17,215	13,485	3,730	11,494	7,764	As per policy	Mr. Samir M. Chinoy	Employee
Toyota Yaris Ativ Manual	3,781	1,197	2,584	3,800	1,216	Negotiation	Yaseen Motors	Third Party
Toyota Yaris Ativ Automatic	3,941	1,445	2,496	3,512	1,016	As per policy	Mr. Khurram Javed	Employee
Suzuki Alto Vxl	2,935	587	2,348	2,598	250	As per policy	Mr. Shuja Ur Rahim Khan	Employee
Suzuki Alto Vxr	2,935	832	2,103	2,347	244	As per policy	Mr. Wali Ur Rashid	Employee
Suzuki Alto Vxr	2,935	832	2,103	2,426	323	As per policy	Mr. Khursheed Ahmed	Employee
Kia Sorento	6,842	4,789	2,053	6,900	4,847	Negotiation	International Industries Ltd.	Holding Company
Kia Picanto 1.0	3,237	1,241	1,996	2,361	365	As per policy	Mr. Usman Younis	Employee
Kia Sportage	5,656	3,676	1,980	4,798	2,818	As per policy	Mr. Mujtaba Hussain	Employee
Suzuki Cultus Vxl	3,234	1,563	1,671	2,650	979	As per policy	Syed Uzair Riaz Gillani	Employee
Kia Sportage Alpha	4,300	2,938	1,362	3,712	2,350	As per policy	Mr. Usman Ahmed	Employee
Honda City 1.2 Cvt	2,817	1,643	1,174	3,074	1,900	As per policy	Mr. Yousuf Moin	Employee
Toyota Corolla Altis	3,255	2,116	1,139	4,800	3,661	As per policy	Mr. Sanaullah	Employee
Toyota Yaris Ativ Automatic	2,905	1,791	1,114	3,145	2,031	As per policy	Syed Faraz Shafiq	Employee
Honda Civic Oriel	3,632	2,663	969	3,107	2,138	As per policy	Syed Hasan Irshad Rizvi	Employee
Suzuki Cultus Vxr	1,655	910	745	2,156	1,411	As per policy	Mr. Moaz Ali	Employee
Suzuki Cultus Vxl	1,830	1,129	701	2,210	1,509	As per policy	Mr. Muhammad Naveed	Employee
Suzuki Cultus Vxr	1,655	993	662	2,125	1,463	As per policy	Mr. Hassan Arif	Employee
Toyota Corolla Altis	2,585	1,939	646	2,558	1,912	As per policy	Mr. Ammar Akram Bajwa	Employee
Suzuki Alto Vxl	1,521	913	608	2,061	1,453	As per policy	Mr. Majid Iqbal	Employee
Motor Cars	1,335	801	534	2,075	1,541	Negotiation	Itehad Traders	Third Party
Suzuki Alto Vxr	1,335	801	534	1,750	1,216	As per policy	Ms. Madiha Habib	Employee
Suzuki Alto Vxr	1,335	823	512	1,970	1,458	As per policy	Yaseen Motors	Third Party
Suzuki Alto Vxr	1,335	823	512	2,100	1,588	Insurance Claim	Jubilee General Insurance	Third Party
	147,214	**63,664**	**83,550**	**126,579**	**43,029**			
Plant and machinery								
Steam Boilers	11,087	10,065	1,022	4,852	3,830	Negotiation	DDFC pvt.Ltd	Third Party
Refractory Items - ARP-II	2,065	1,136	929	176	(753)	Negotiation	Yasir Shah Traders	Third Party
Acid Storage Tank	3,500	2,596	904	4,440	3,536	Negotiation	Fiber Craft Industries	Third Party
	16,652	**13,797**	**2,855**	**9,468**	**6,613**			
Total	**163,866**	**77,461**	**86,405**	**136,047**	**49,643**			

4.2 Capital work-in-progress

	2025				2024			
	Cost As at July 01, 2024	Additions	(Transfers) / Adjustments	As at June 30, 2025	Cost As at July 01, 2023	Additions	(Transfers) / Adjustments	As at June 30, 2024
	(Rupees in '000)							
Buildings on freehold land	**335,795**	**209,326**	**(545,121)**	**-**	20,511	375,168	(59,884)	335,795
Plant and machinery	**676,571**	**371,062**	**(1,010,539)**	**37,094**	615,325	932,481	(871,235)	676,571
Furniture, fixture, computer and office equipment	**22,218**	**44,316**	**(65,748)**	**786**	26,201	42,347	(46,330)	22,218
Vehicles	**158**	**225,757**	**(225,915)**	**-**	41,678	194,543	(236,063)	158
	1,034,742	**850,461**	**(1,847,323)**	**37,880**	703,715	1,544,539	(1,213,512)	1,034,742

4.3 Stores and spares held for capital expenditure

	Note	2025	2024
		(Rupees in '000)	
Balance at beginning of the year		**607,666**	548,187
Additions during the year		**263,664**	200,724
Transfers / adjustments made during the year		**(202,898)**	(36,937)
Provision for obsolescence against capital spares		**(120,000)**	(104,308)
Balance at end of the year		**548,432**	607,666

5. LEASES

5.1 Right-of-use assets

		2025	2024
		(Rupees in '000)	
Balance at beginning of the year		**23,846**	43,839
Addition		**15,036**	-
Depreciation charge during the year	5.1.1	**(21,079)**	(19,993)
Balance at end of the year		**17,803**	23,846

5.1.1 The depreciation charge on right-of-use assets for the year has been allocated as follows:

	Note	2025	2024
		(Rupees in '000)	
Selling and distribution expenses	26	**17,586**	16,500
Administrative expenses	27	**3,493**	3,493
		21,079	19,993

5.2 Lease liabilities

Rental contracts are made for a fixed period subject to renewal upon mutual consent of Company and lessor. Wherever practicable, the Company seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Finance charge of 15% (2024: 15%) per annum have been used as discounting factor.

5.2.1 Set out below the carrying amount of lease liabilities and the movements during the year:

	Note	2025	2024
		(Rupees in '000)	
Balance at beginning of the year		**29,301**	49,285
Additions		**15,036**	-
Interest expense	28	**3,874**	5,229
Payments		**(27,124)**	(25,213)
Balance at end of the year		**21,087**	29,301
Current portion		**4,028**	24,886
Non-current portion		**17,059**	4,415
		21,087	29,301

5.2.2 Lease liabilities payable are as follows:

	2025			2024		
	Minimum lease payments	Interest	Present value of minimum lease payments	Minimum lease payments	Interest	Present value of minimum lease payments
	(Rupees in '000)					
Less than one year	**6,463**	**(2,435)**	**4,028**	27,265	(2,379)	24,886
Between one and five years	**22,234**	**(5,175)**	**17,059**	4,484	(69)	4,415
	28,697	**(7,610)**	**21,087**	31,749	(2,448)	29,301

6. INTANGIBLE ASSETS

	Note	2025	2024
		(Rupees in '000)	
Operating intangible assets		**329,540**	6,876
Capital work in progress (CWIP)	6.2	**-**	401,977
		329,540	408,853
Operating intangible assets			
Net book value at beginning of the year		**6,876**	547
Addition		**327,643**	7,934
Amortization	6.3	**(4,979)**	(1,605)
Net book value at end of the year		**329,540**	6,876
Gross carrying value as at 30 June			
Cost		**31,545**	*23,611*
Addition		**327,643**	7,934
Accumulated amortisation		**(29,648)**	(24,669)
Net book value		**329,540**	6,876
Amortisation rate (per annum)		**10% - 33.33%**	20% - 33.33%

6.1 Intangible assets comprise of Advanced Supply Chain Software, Delmia Quintiq solutions and computer software

6.2 This includes Advanced Supply Chain Software, Delmia Quintiq solutions, amounting to Nil (2024: Rs. 396.84 million)

6.3 Total amount of amortisation has been charged to cost of sales in these financial statements.

7. INVESTMENT IN AN ASSOCIATE

	2025	2024
	(Rupees in '000)	
Chinoy Engineering & Construction (Private) Limited (CECL) - 4,845,000 (June 30, 2024: Nil) fully paid ordinary shares of Rs. 10 each - note 7.1	**87,945**	-

7.1 The Board of Directors in their meeting held on July 18, 2024 approved to make investment in Chinoy Engineering & Construction (Private) Limited (CECL) to the extent of 17% of its share capital. The said decision was approved by the members of the Company in an Extraordinary General Meeting held on August 13, 2024. Based on the members approval, the Company made investment in CECL on September 20, 2024, amounting to Rs. 48.45 million. The remaining shareholding of CECL is owned by International Industries Limited (17%), Pakistan Cables Limited (17%) and ASCG Engineering (49%).

The Company has a significant influence over the board composition of CECL and also holds 17% (June 30, 2024: Nil) of the total equity. Accordingly, the Company has accounted this as investment in associate. The above amount represents proportionate carrying value of the associate's net assets - refer note 7.2 based on unaudited financial statements of CECL for the nine months period ended March 31, 2025. The associate has share capital consisting solely of ordinary shares, which are held directly by the Company.

The registered office of the associate is at 101, Beaumont Plaza, 10 Beaumont Road, Civil Lines, Karachi, Pakistan. The country of incorporation or registration is also its principal place of business.

The principal activity of the associate is to engage in the business of construction industry, encompassing a range of activities including design, construction, demolition and infrastructure development.

	2025	2024
	(Rupees in '000)	
Balance at beginning of the year	-	-
Investment acquired during the year	48,450	-
"Share of net income of associate accounted for using the equity method"	44,921	-
Dividend received	(5,426)	-
Balance at end of the year	87,945	-

7.2 Set out below is the summarised financial information for Chinoy Engineering & Construction (Private) Limited (CECL) which is accounted for using the equity method.

	2025	2024
	(Rupees in '000)	
Revenue	623,720	-
Profit after taxation	264,240	-
Non-current assets	131,499	-
Current assets	5,556,192	-
Non-current liabilities	-	-
Current liabilities	(5,170,370)	-
Net assets	517,321	-
Carrying value	87,945	-

7.3 During the year, the Company provided the following corporate guarantees in favor of Habib Bank Limited on behalf of Chinoy Engineering & Construction (Private) Limited (CECL), an associated undertaking:

- A Corporate Guarantee securing financing facilities of up to Rs. 1,500 million, granted to CECL.
- A Performance Guarantee to assure CECL's fulfillment of contractual obligations under its agreement with Reko Diq Mining Company Limited (RDMC). This obligation carries joint and several liability alongside associated entities International Industries Limited and Pakistan Cables Limited.

These guarantees have been issued in alignment with the Company's strategic support framework for its associated undertakings and represent potential contingent liabilities to the extent of the guaranteed amounts, subject to CECL's compliance and performance under the stated obligations.

8. STORES AND SPARES

	2025	2024
	(Rupees in '000)	
Stores	**1,108,528**	1,105,470
Spares	**133,451**	101,589
Loose tools	**17,947**	14,803
	1,259,926	1,221,862
Less: Provision for net realizable value written down	**(372,187)**	(319,722)
	887,739	902,140

9. STOCK-IN-TRADE

	2025	2024
	(Rupees in '000)	
Raw material - in hand	**3,769,382**	3,818,766
- in transit	**9,456,220**	4,918,138
	13,225,602	8,736,904
Work-in-process	**2,535,840**	1,560,840
Finished goods	**5,967,071**	7,926,094
Scrap material	**63,641**	32,190
By-products	**11,167**	2,974
	21,803,321	18,259,002

10. TRADE DEBTS - CONSIDERED GOOD

	Note	2025	2024
		(Rupees in '000)	
- Secured	10.1 & 10.2	**932,223**	262,534
- Unsecured	10.2	**418,725**	1,160,752
		1,350,948	1,423,286

10.1 These include trade debts arising on account of export sales of Rs. 831.89 million (2024: Rs. 221.12 million) which are secured by way of Export Letters of Credit and Rs. 100.32 million (2024: Rs. 41.40 million) arising on account of domestic sales which are secured by way of Inland Letters of Credit.

10.2 These also include receivable from IIL Australia PTY Limited and IIL Americas Inc.- related parties amounting to Nil (2024: Rs. 227.56 million) and Nil (2024: Rs. 157.71 million) respectively and Sumitomo Corporation - an associated company amounting to Rs. 367.31 million (2024: Rs. 153.19 million) which is not past due as at year end.

10.2.1 The maximum aggregate amount due from the related parties at the end of any month during the year is Rs. 713.54 million (2024: Rs. 1,092.76 million).

10.3 The ageing of trade debts receivable from other than related parties as at the reporting date is as under:

	2025	2024
	(Rupees in '000)	
Not yet due	**825,887**	869,064
Past due 1-60 days	**157,749**	15,749
	983,636	884,813

11. ADVANCES, TRADE DEPOSITS AND PREPAYMENTS

	Note	2025	2024
		(Rupees in '000)	
Advances to suppliers - considered good	11.1	**31,813**	101,215
Trade deposits & other receivable	11.1	**16,347**	15,414
Prepayments		**20,717**	24,265
		68,877	140,894

11.1 These advances and trade deposits are non-interest bearing.

12. STAFF RETIREMENT BENEFITS

12.1 Defined contribution plan

Staff Provident Fund

All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

12.2 Defined benefit scheme

Staff Gratuity Fund

12.2.1 As stated in note 3.9 the company operates approved funded defined benefit gratuity plan for all permanent employees meeting the specified criteria and defined contribution plan for all active employees subject to minimum service of prescribed period as per the respective trust deeds. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2025.

12.2.2 Plan assets held in trust are governed by local regulations which mainly include Sindh Trusts Act, 2020; the Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the respective trust deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Company appoints the trustees among its employees.

12.2.3 Risks on account of defined benefit plan

The Company faces the following risks on account of defined benefit plan:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility - Most assets are invested in risk free investments of 6 months, 3, 5 or 10 years Regular Income Certificates, Defence Savings Certificates, Treasury Bills and Government Bonds. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the market price.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to market yields on government bonds. A decrease in market yields on government bonds will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary.

12.2.4 Funding

The gratuity plan is fully funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions used in determining defined benefit liability. Employees are not required to contribute to the plan.

12.2.5 The actuarial valuation of gratuity was carried out at June 30 by an independent actuary under projected unit credit method using the following assumptions:

	2025	2024
Financial assumptions		
Discount rate	**12.25%**	14.50%
Expected rate of salary increase	**11.25%**	13.50%
Demographic assumptions		
Mortality rate	**SLIC 2001-2005**	SLIC 2001-2005
Rates of employee turnover	**Moderate**	Moderate
Retirement assumption	**Age 60 years**	Age 60 years

12.2.6 The amounts recognized in statement of financial position are as follows:

	2025	2024
	(Rupees in '000)	
Present value of defined benefit obligation	**503,375**	446,428
Fair value of plan assets	**(604,980)**	(501,949)
Asset as at 30 June	**(101,605)**	(55,521)

12.2.7 Movements in the present value of defined benefit obligation

	2025	2024
	(Rupees in '000)	
Present value of defined benefit obligation - beginning of the year	**446,428**	369,504
Current service cost	**46,729**	42,183
Interest cost	**61,772**	57,120
Remeasurements: Actuarial losses on obligation	**(10,723)**	(8,707)
Benefits paid	**(40,831)**	(13,672)
Present value of defined benefit obligation	**503,375**	446,428

12.2.8 Movements in the fair value of plan assets

	2025	2024
	(Rupees in '000)	
Fair value of plan assets - beginning of the year	**501,949**	369,504
Interest income on plan assets	**71,148**	60,215
Return on plan assets, excluding interest income	**72,714**	46,598
Benefits paid	**(40,831)**	(13,672)
Contribution to fund	**-**	39,304
Fair value of plan assets - end of the year	**604,980**	501,949

12.2.9 Movement in net defined benefit liability

	2025	2024
	(Rupees in '000)	
Balance at beginning of the year	**(55,521)**	-
Re-measurements recognized in other comprehensive income during the year	**(83,437)**	(55,305)
Expense chargeable to statement of profit or loss	**37,353**	39,088
Contribution paid during the year	**-**	(39,304)
Balance at end of the year	**(101,605)**	(55,521)

12.2.10 Amount recognized in total comprehensive income

The following amounts have been charged in respect of these benefits to statement of profit or loss and other comprehensive income:

	2025	2024
	(Rupees in '000)	
Component of defined benefit costs recognized in statement of profit or loss		
Current service cost	**46,729**	42,183
Net interest cost		
- Interest cost on defined benefit obligation	**61,772**	57,120
- Return on plan assets	**(71,148)**	(60,215)
	37,353	39,088
Component of defined benefit costs (re-measurement) recognized in other comprehensive income		
Re-measurements: Actuarial gain on obligation		
- Gain due to change in experience adjustments	**(10,723)**	(8,707)
- Return on plan assets	**(72,714)**	(46,598)
Net re-measurement recognized in other comprehensive income	**(83,437)**	(55,305)
Total defined benefit cost recognized in statement of profit or loss and other comprehensive income	**(46,084)**	(16,217)

12.2.11 Components of defined benefit cost for the next year

	2025	2024
	(Rupees in '000)	
Current service cost	**47,873**	46,729
Interest expense on defined benefit obligation	**60,361**	62,844
Return on plan assets	**(72,808)**	(74,673)
Net interest cost	**(12,447)**	(11,829)
Cost for the next year to be recognized in statement of profit or loss	**35,426**	34,900

The Company contributes to the gratuity fund on the advice of the fund's actuary. The contribution in relation to gratuity benefit for the year ending June 30, 2026 is expected to be same as the expense.

12.2.12 Composition of fair value of plan assets

	2025		2024	
	Fair value (Rupees in '000)	Percentage	Fair value (Rupees in '000)	Percentage
Government securities	**412,134**	**68.13**	332,088	66.16
Shares - Listed	**169,484**	**28.01**	127,010	25.30
Bank deposits	**23,362**	**3.86**	42,852	8.54
Fair value of plan assets	**604,980**	**100.00**	501,950	100.00

12.2.13 The Company ensures asset / liability matching by investing in government securities, bank deposits and equity securities and does not use derivatives to manage its risk.

12.2.14 Maturity profile of the defined benefit obligation

	2025	2024
	(Rupees in '000)	
Distribution of timing of benefit payments		
One year	**21,266**	26,045
Two years	**27,086**	20,980
Three years	**26,957**	80,159
Four years	**29,496**	27,057
Five years	**82,722**	30,142
Six years and onwards	**8,769,847**	12,555,439

12.2.15 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2025	2024
	(Rupees in '000)	
Actuarial liability		
Discount rate + 1%	**453,108**	405,150
Discount rate - 1%	**562,133**	494,641
Salary increase + 1%	**562,880**	495,273
Salary increase - 1%	**451,606**	403,912
	(Number in years)	
Weighted average duration of the defined benefit obligation	**11**	10

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

13. TAXATION - NET

	Note	2025	2024
		(Rupees in '000)	
Tax payable at beginning of the year		**145,754**	(920,894)
Tax payments / adjustments made during the year		**1,781,457**	2,310,328
		1,927,211	1,389,434
Less: Provision for tax - current	32	**(1,427,591)**	(1,243,680)
Tax receivable at end of the year		**499,620**	145,754

14. CASH AND BANK BALANCES

	Note	2025	2024
		(Rupees in '000)	
Cash at bank			
Conventional			
In current accounts in local currency		**1,219,418**	1,266,783
In current accounts in foreign currency		**879,065**	541,184
Term deposit receipt	14.1	**1,034,000**	734,000
		3,132,483	2,541,967
Islamic			
In current account in local currency		**171,874**	109,826
In current account in foreign currency		**129,297**	54,836
		301,171	164,662
Cash in hand		**3,083**	1,473
		3,436,737	2,708,102

14.1 Term Deposit Receipt include:

14.1.1 Investment in Term Deposit Receipt (TDR) amounting to Rs. 384 million (June 30, 2024: Rs. 384 million) having mark-up of 7.50% (2024 : 18.15%). The TDR was placed against a bank guarantee submitted to the Nazir of Sindh High Court in relation to petition filed by the Company in the Court against chargeability of Super Tax.

14.1.2 Investment in Term Deposit Receipt (TDR) amounting to Rs. 150 million (June 30, 2024: Rs. 50 million) having mark-up of 7.50% (2024: 18.50%). The TDR was placed against a bank guarantee submitted to the ETO.

14.1.3 Investment in Term Deposit Receipt (TDR) amounting to Rs. 500 million (June 30, 2024: 150 million) having mark-up of 10.55% (2024: 19.30%).

14.1.4 Investment in Term Deposit Receipt (TDR) amounting to Nil (June 30, 2024: Rs. 150 million) having mark-up of Nil (2024 :18.50%).

15. SHARE CAPITAL

Authorized share capital

2025	2024		2025	2024
(Number of shares)			(Rupees in '000)	
500,000,000	500,000,000	Ordinary shares of Rs. 10 each	**5,000,000**	5,000,000

Issued, subscribed and paid-up capital

2025	2024		2025	2024
(Number of shares)			(Rupees in '000)	
30,000	30,000	Fully paid ordinary shares of Rs. 10 each issued for cash	**300**	300
417,716,700	417,716,700	Fully paid ordinary shares of Rs. 10 each issued against transfer of net assets	**4,177,167**	4,177,167
17,253,300	17,253,300	Fully paid ordinary shares of Rs. 10 each issued as right shares	**172,533**	172,533
435,000,000	435,000,000		**4,350,000**	4,350,000

15.1 As at June 30, 2025, the Holding Company and Sumitomo Corporation (an associated company) held 245,055,543 (2024: 245,055,543) and 39,477,657 (2024: 39,477,657) ordinary shares respectively of Rs. 10 each.

16. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

	Note	2025	2024
		(Rupees in '000)	
Freehold land			
Revalued amount as at June 30		**1,360,663**	1,360,663
Revaluation during the year		**713,672**	-
Balance as at June 30		**2,074,335**	1,360,663
Buildings on freehold land			
Balance at beginning of the year		**1,231,836**	1,355,434
Revaluation during the year		**1,466,167**	-
Transferred to retained earnings in respect of incremental depreciation charged during the year		**(123,598)**	(123,598)
Balance at end of the year		**2,574,405**	1,231,836
Related deferred tax liability	16.2	**(1,004,018)**	(480,416)
Balance at end of the year - net of deferred tax		**3,644,722**	2,112,083

16.1 The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to the shareholders of the Company in accordance with section 241 of the Companies Act, 2017.

16.2 Movement in related deferred tax liability

	2025	2024
	(Rupees in '000)	
Balance at beginning of the year	**480,416**	528,619
Tax effect on incremental depreciation transferred to retained earnings	**(48,203)**	(48,203)
Tax effect on revaluation surplus	**571,805**	-
Balance at end of the year	**1,004,018**	480,416

17 LONG TERM FINANCING - Secured

	Note	2025	2024
		(Rupees in '000)	
Conventional			
Long Term Finance Facility (LTFF)	17.1	**186,398**	405,685
Temporary Economic Refinance Facility (TERF)	17.2	**369,752**	431,377
Renewable Energy Financing Facility (REFF)	17.3	**150,000**	150,000
		706,150	987,062
Islamic			
Islamic Long Term Finance Facility (ILTFF)	17.4	**265,434**	329,37
Less: Deferred Income - Government grant	18	**(98,360)**	(126,172)
Less: Current portion of long term loan:			
Conventional			
Long Term Finance Facility (LTFF)		**(39,500)**	(219,383)
Termporary Economic Refinance Facility (TERF)		**(61,625)**	(61,625)
Renewable Energy Financing Facility (REFF)		**(37,500)**	-
Islamic			
Islamic Long Term Finance Facility (ILTFF)		**(60,657)**	(63,936)
		(199,282)	(344,944)
		673,942	845,316

17.1 This represents finance facility loan obtained from different banks under the State Bank of Pakistan (SBP) Long Term Finance Facility for Plant and Machinery in respect of export-oriented projects from different banks.

17.2 This represents finance facility loan obtained from conventional banks under the SBP's Temporary Economic Refinance Facility available to the Company at below-market interest rate for setting up of new industrial units.

17.3 This represents finance facility loan obtained from different banks under the SBP's Renewable Energy Financing Facility available to the Company at below-market interest rate for setting up of Solar power project

17.4 This represents finance facility loan obtained from different banks under the SBP's Islamic Long Term Finance Facility for Plant and Machinery in respect of export-oriented projects from different banks.

17.5 Long term finances utilized under mark-up arrangements

	Sale price	Purchase price	Number of installments and commencement date	Date of maturity / repayment	Rate of mark-up per annum	Carrying amount 2025	Carrying amount 2024
	(Rupees in '000)					(Rupees in '000)	
Conventional							
i) LTFF							
Bank Al Habib Limited Assistance for plant and machinery	1,000,000	2,501,562	16 half yearly installments 12-Dec-16	30-May-26	1.00% over SBP Refinance rate	**2,426**	115,430
United Bank Limited Assistance for plant and machinery	1,000,000	4,675,000	32 quarterly installments 16-Oct-16	15-July-26	1.00% over SBP Refinance rate	**13,023**	94,885
Allied Bank Limited Assistance for plant and machinery	500,000	578,167	16 half yearly installments 20-Jan-22	20-Jan-32	0.50% over SBP Refinance rate	**170,949**	195,370
ii) REFF							
Bank Alfalah Limited	100,000	163,868	16 quarterly installments 29-May-24	29-May-29	3.00% over SBP Refinance rate	**100,000**	100,000
Allied Bank Limited	50,000	96,232	16 quarterly installments 28-Jun-24	28-Jun-29	3.00% over SBP Refinance rate	**50,000**	50,000
iii) TERF							
National Bank of Pakistan Assistance for plant and machinery	500,000	1,188,140	16 half yearly installments 06-Apr-21	06-Apr-31	1.25% over SBP Refinance rate	**369,752**	431,377
						706,150	987,062
Islamic							
i) ILTFF							
Meezan Bank Limited Assistance for plant and machinery	700,000	792,312	32 quarterly installments 17-Oct-20	13-Mar-30	3.00% over SBP Refinance rate	**265,434**	329,370
						971,584	1,316,432

17.5.1 The above loans are secured against pari passu charge over fixed assets of the Company (such as land, building, plant and machinery etc.) with aggregate carrying amount of Rs.16,937 million.

17.5.2 In relation to above borrowings, the Company needs to observe certain financial covenants (such as debt servicing ratio, current ratio, debt equity ratio etc.) and other non financial covenants as specified in the agreement with respective lenders which are complied with as of the reporting date.

17.5.3 During the year, mark-up paid on conventional long term finance is Rs.34.00 million (2024: Rs. 38.64 million) whereas profit paid on Islamic long term finance is Rs.19.33 million (2024: Rs.22.13 million).

18. DEFERRED INCOME - GOVERNMENT GRANT

	Note	2025	2024
		(Rupees in '000)	
Balance at beginning of the year		**126,172**	155,372
Government grant recognized in income	30	**(27,812)**	(29,200)
Balance at end of the year		**98,360**	126,172
Less: current portion of deferred income - Government grant		**(25,112)**	(27,928)
		73,248	98,244

19. DEFERRED TAXATION- NET

Deferred tax liability comprises (deductible) / taxable temporary differences in respect of the following:

	Accelerated tax depreciation	Revaluation surplus on buildings	Provision for compensated absences	Unrealized exchange gain	Staff retirement benefit	Provision for Infrastructure Cess	Provision for Government levies	Provision for obsolescene against stores and spares	Provision for lease liabilities	Gas Infrastructure Development Cess	Share of profit from Associated Company	Total
	(Rupees in '000)											
Balance at July 1, 2024	**2,953,529**	**480,416**	**(6,097)**	**13,016**	**21,569**	**(1,498,918)**	**(1,528)**	**(125,133)**	**(8,061)**	**(17,431)**	**-**	**1,811,362**
Charge / (credit) to profit or loss and for the year	**(154,054)**	**(48,202)**	**3,287**	**(14,810)**	**(14,483)**	**(327,310)**	**(977)**	**(20,018)**	**6,490**	**17,431**	**15,403**	**(537,243)**
Charge / (credit) to other comprehensive income for the year	**-**	**571,805**	**-**	**-**	**32,540**	**-**	**-**	**-**	**-**	**-**	**-**	**604,345**
Balance at June 30, 2025	**2,799,475**	**1,004,019**	**(2,810)**	**(1,794)**	**39,626**	**(1,826,228)**	**(2,505)**	**(145,151)**	**(1,571)**	**-**	**15,403**	**1,878,464**
Balance at July 1, 2023	2,562,038	528,619	(4,612)	(21,000)	-	(1,001,868)	(746)	(53,091)	(4,786)	(14,607)	-	1,989,947
Charge / (credit) to profit or loss and for the year	391,491	(48,203)	(1,485)	34,016	-	(497,050)	(782)	(72,042)	(3,275)	(2,824)	-	(200,154)
Charge / (credit) to other comprehensive income for the year	-	-	-	-	21,569	-	-	-	-	-		21,569
Balance at June 30, 2024	2,953,529	480,416	(6,097)	13,016	21,569	(1,498,918)	(1,528)	(125,133)	(8,061)	(17,431)	-	1,811,362

19.1 The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position.

19.2 Deferred tax asset / (liability) is recorded at 100% (2024:100%) of the total deferred tax liability based on the changes in Finance Act 2024, according to which export sales will not be treated as Final Tax Regime, instead the export sales will now fall under Minimum Tax Regime.

19.3 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2022, companies operating in certain sectors, including steel, are liable to pay super tax at 10% for tax year 2022 and upto 4% for tax year 2023 and onwards. However Finance Act, 2023 has introduced progressive rate on high earning persons ranging from 1% to 10% whereas on companies having income in excess of Rs. 500 million 10% super tax will be applicable. Such higher rate of tax has been made perpetual thus substantially increasing the overall tax costs for the businesses. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate.

20. TRADE AND OTHER PAYABLES

	Note	2025	2024
		(Rupees in '000)	
Trade creditors	20.1	**8,197,329**	5,670,585
Accrued expenses	20.2	**2,406,913**	2,689,112
Provision for Infrastructure Cess	20.3.1	**4,682,645**	3,853,646
Workers' Welfare Fund	20.4	**199,238**	241,391
Workers' Profit Participation Fund	20.5	**18,060**	252,342
Deferred income - Government grant	18	**25,112**	27,928
Provision for Government levies	20.6	**6,423**	4,717
Short term compensated absences		**7,204**	18,823
Others		**37,583**	63,872
		15,580,507	12,822,416

20.1 These include payable to Sumitomo Corporation, related party of the Company, amounting to Rs. 4,374.76 million (2024: Rs. 4,831 million).

20.2 This include current portion of provision for Gas Infrastructure Development Cess amounting to Rs. 1,255.02 million (2024: Rs. 1,248.22 million) and provision against revision of gas tariff by Oil and Gas Regulation Authority amounting to Rs. 544.96 million (2024: Rs. 544.96 million).

20.2.1 In the prior year, the Honorable Supreme Court of Pakistan (SCP) has decided the Appeal against consumers upholding the vires of GIDC Act, 2015 through its judgement dated August 13, 2020. The Supreme court on November 02, 2020 ordered that their decision of August 13, 2020 has validated the GIDC Act, 2015 in complete sense and the benefits allowed under its Section 8(2) to the industrial sector is also available. Further, payment of due GIDC was allowed in 48 installments instead of 24 installments.

The Company has also filed a civil suit before the Honourable High Court of Sindh (SHC) on the ground that the Company has not passed on the burden of Cess. Stay order was granted in the aforesaid suit, which has been operative till the next date of hearing.

The Company has recognised GIDC payable with respect to its captive power plant used for self consumption.This payable has been revalued and recorded at its present value by discounting the future cash flows using three year PKRV rate and has booked (loss) / income of Nill (2024: Rs. (5.49) million), which has been recorded as other income. The unwinding of the GIDC during the year amounts to Rs. 6.80 million (2024: Rs. 48.31 million).

The Company has not recognized GIDC amounting to Rs. 769 million (2024: Rs. 769 million) pertaining to period from 01 July 2011 to 31 Jul 2020 with respect to its captive power plant from which power generation is supplied to K-Electric Limited. Management considers that, in the event such levy is imposed, it shall recover GIDC from K-Electric Limited through fuel adjustments after getting requisite approval from National Electric Power Regulatory Authority (NEPRA).

Despite the speaking order dated August 13, 2020 by the Supreme court, the Federal Government did not initiate the gas project within six months, therefore,the Company filed a petition in the SHC challenging the decision of the Supreme court.

Following is the carrying amount of provision for GIDC and the movement during the year:

	Note	2025	2024
		(Rupees in '000)	
Current portion	20.2	**1,255,018**	1,248,215
Non current portion		**-**	-
Total		**1,255,018**	1,248,215
Balance as at July 01		**1,248,215**	1,194,403
Remeasurement		**-**	5,493
Recognised during the year	28	**6,803**	48,319
Payments		**-**	-
Balance as at June 30		**1,255,018**	1,248,215

20.3 The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC), passed an interim order directing that every company subsequent to December 27, 2006 is required to clear the goods on paying 50% of the Cess amount involved and furnishing a bank guarantee / security for the remaining amount of 50%. Subsequently, through Sindh Finance Act 2015 and 2016, the legislation has increased the rate to 1.25%.From 01 July 2024, the rate has been further increased to 1.85% through Sindh Finance Act, 2024.

The case was decided on June 04, 2021 by the SHC. The SHC declared first four versions of the law unconstitutional and the release of bank guarantees were ordered. However, the Sindh Infrastructure Development Cess Act, 2017 was declared constitutional with retrospective effect from 1994. The operation of the order remained suspended till September 03, 2021. The Company was not satisfied with the above orders and filed an appeal with the Supreme Court of Pakistan.

On September 1, 2021, the Supreme Court granted a stay order and suspended the recovery of levy and operation of judgement of SHC dated June 4, 2021, that the bank guarantees already submitted by the Company in pursuant to the order of High Court is valid and enforceable. The court further ordered that imports should be released on submission of fresh bank guarantees equivalent to 100% of the fee amount under the Act.

Bank guarantees issued as per the above mentioned orders amounting to Rs.4,732.5 million (2024: Rs.4,032.5 million) have been provided to the Excise and Taxation Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Company on prudent basis.

20.3.1 Provision for Infrastructure Cess

This represents provision against 100% amount guaranteed to Excise and Taxation Officer (refer 20.3 note).

	2025	2024
	(Rupees in '000)	
Balance at beginning of the year	**3,853,646**	3,212,439
Provided during the year	**828,999**	641,207
Balance at end of the year	**4,682,645**	3,853,646

20.4 Workers' Welfare Fund

	2025	2024
	(Rupees in '000)	
Balance at beginning of the year	**241,391**	251,386
Charge on workers' welfare fund	**56,873**	94,945
Payment during the year	**(99,026)**	(104,940)
Balance at end of the year	**199,238**	241,391

20.4.1 The Company filed a constitutional petition in the SHC against notice to the Company for payment of Sindh Workers Welfare Fund under the Sindh Workers Welfare Fund Act, 2014. Stay was obtained on the ground that the Company is a trans-provincial establishment operating industrial and commercial activities across Pakistan and is liable to pay Workers Welfare Fund under Federal Workers Welfare Fund Ordinance, 1971.

20.5 Workers' Profit Participation Fund

	Note	2025	2024
		(Rupees in '000)	
Balance at beginning of the year		**252,342**	277,331
Allocation for the year	29	**131,977**	252,348
Interest on workers' profit participation fund		**1,090**	1,319
		385,409	530,998
Payment during the year		**(367,349)**	(278,656)
Balance at end of the year		**18,060**	252,342

20.6 Provision for Government levies - stamp duty

	2025	2024
	(Rupees in '000)	
Balance at beginning of the year	**4,717**	3,094
Provided during the year	**3,600**	3,600
Payment during the year	**(1,894)**	(1,977)
Balance at end of the year	**6,423**	4,717

21. CONTRACT LIABILITIES

	Note	2025	2024
		(Rupees in '000)	
Sales commission payable		**19,910**	29,253
Advances from customers - unsecured	21.2	**1,864,803**	1,805,253
		1,884,713	1,834,506

21.1 82.66% (2024: 79.48%) advances from customers included in the contract liabilities balance at the beginning of the year got converted into revenue during the year.

21.2 This includes advances from customers accounting to Rs. 188.74 million converted into liabilities no longer payable written back in other income

22. SHORT TERM BORROWINGS - SECURED

	Note	2025	2024
		(Rupees in '000)	
Conventional			
Running finance under Export Finance Scheme (Rupee Based Discounting)	22.1	**298,968**	110,288
Running finance under Export Refinance Scheme	22.2	**3,950,000**	3,350,000
Islamic			
Short term finance under Running Musharakah	22.3	**150**	-
Running finance under Islamic Export Refinance Scheme	22.4	**300,000**	100,000
		4,549,118	3,560,288

22.1 The Company has availed this year short term running finance facility under Export Finance Scheme (Rupee Based Discounting) of the State Bank of Pakistan from a Islamic bank. The rate of mark-up on this facility is 2.00% to 2.50% (2024: 2.00%) per annum.

22.2 The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from a commercial bank. The rate of mark-up on this facility is 7.75% to 8.00% (2024: 17.25% to 17.50%) per annum. This facility matures within six months and is renewable.

22.3 The facility is for short term finance under Running Musharakah available from various Islamic Banks for the purpose of meeting working capital requirement. The rate of profit is 11.48% to 12.59% (2024: 21.99% to 22.43%) per annum.

22.4 The Company has availed this year short term running finance facility under Islamic Export Refinance Scheme of the State Bank of Pakistan from a Islamic bank. The rate of mark-up on this facility is 8.00% (2024:17.50%) per annum. This facility matures within six months and is renewable.

22.5 The unavailed facilities as at June 30, 2025 from the above borrowings amounted to Rs. 22,051 million (2024: Rs. 23,289 million).

22.6 The above facilities are secured by way of joint pari passu charge over current and future moveable assets of the Company having aggregate charge amounting to Rs. 40,000 million.

23. CONTINGENCY AND COMMITMENTS

23.1 Contingency

Description of the factual basis of the proceedings and relief sought	Name of the Court	Principal parties	Date instituted
A petition was filed before the Sindh High Court seeking order for the issuance of quota for concessionary import under SRO 565; release of 85,000 tons of HRC arrived at the Port in November 2019 and for future shipments. SHC granted release of 85,000 tons of HRC against submission of bank guarantee for the differential amount of duty & taxes amounting to Rs. 1,651 million. In a seperate order SHC instructed the authorities to allow provisional quota subject to submission of bank guarantee for the difference of duty & taxes. As ordered, the Input-Output Co-efficient Organisation (IOCO) is issuing quota equivalent to ordered/shipped quantity of raw material on case to case basis.	Sindh High Court	I.S.L vs Federation of Pakistan/ Director IOCO / The Chief Collector (South)	November 4, 2019

23.2 Commitments

23.2.1 Commitments under Letters of Credit for raw materials and spares as at June 30, 2025 amounted to Rs. 19,616 million (2024: Rs.12,106.10 million).

23.2.2 The facilities for opening letters of credit and guarantees from banks as at June 30, 2025 amounted to Rs. 40,749 million (2024: Rs. 40,500 million) and Rs.10,184 million (2024: Rs.10,184 million) respectively of which unutilised balance at period end amounted to Rs. 21,133 million (2024: Rs. 28,393.90 million) and Rs. 776.50 million (2024: Rs. 1,590.00 million) respectively.

23.2.3 The Company has issued a guarantee to Reko Diq Mining Company Ltd (RDMC) to ensure that CECL, associated company, performs its obligations under the contract with RDMC, with joint and several liability with associated companies, International Industries Limited and Pakistan Cables Limited.

23.2.4 Post-dated cheques issued in favour of Collector of Customs for the concession availed on account of special rate of duties and taxes on import of Hot Rolled Coils under SRO 565 and manufacturing bond as at June 30, 2025 amounted to Rs. 3,162 million (2024: Rs. 4,510 million).

24. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Note	2025	2024
		(Rupees in '000)	
Sale of goods less returns:			
Local	24.1	**62,836,861**	63,627,537
Export		**10,318,823**	16,673,513
		73,155,684	80,301,050
Sales tax		**(9,132,389)**	(9,752,204)
Trade discounts		**(1,090,536)**	(649,068)
Sales commission		**(621,876)**	(600,145)
		(10,844,801)	(11,001,417)
		62,310,883	69,299,633

24.1 The domestic sales revenue includes Rs. 7,754.16 million (2024: Rs. 7,394.30 million) on account of sales from manufacturing facility located at National Industrial Parks, Bin Qasim Industrial Park, Karachi which is a Special Economic Zone.

24.2 DISAGGREGATION OF REVENUE

In the following table, revenue is disaggregated by primary geographical markets and major product lines:

	2025	2024
	(Rupees in '000)	
Primary geographical markets		
Local	**52,054,272**	52,626,118
Asia	**3,731,328**	3,657,686
Europe	**1,076,592**	2,422,722
Australia	**47,288**	377,930
North and South America	**5,367,824**	10,192,581
Africa	**33,579**	22,596
	62,310,883	69,299,633
Major product lines		
Cold rolled	**22,218,062**	23,099,385
Galvanized product	**37,540,053**	43,275,885
By-product	**2,552,768**	2,924,363
	62,310,883	69,299,633

25. COST OF SALES

	Note	2025	2024
		(Rupees in '000)	
Raw material consumed		**49,588,361**	56,552,774
Manufacturing overheads			
Salaries, wages and benefits	25.1	**961,730**	943,832
Electricity, gas and water		**2,856,686**	2,480,606
Insurance		**47,282**	44,201
Security and janitorial		**68,183**	62,824
Depreciation	4.1.1	**1,570,601**	1,530,085
Amortisation	6	**4,979**	1,605
Stores and spares consumed		**219,480**	169,998
Provision for net realisable value written down		**52,465**	99,407
Provision for capital spares		**120,000**	104,308
Repairs and maintenance		**261,380**	189,848
Postage, telephone and stationery		**8,751**	6,344
Vehicle, travel and conveyance		**96,178**	90,458
Internal material handling		**23,055**	25,457
Environment management expense		**8,951**	7,716
Computer stationery and software support fees		**107,247**	99,872
Sundries		**26,931**	34,460
		6,433,899	5,891,021
		56,022,260	62,443,795
Work-in-process			
Opening stock		**1,560,840**	470,796
Closing stock	9	**(2,535,840)**	(1,560,840)
		(975,000)	(1,090,044)
Cost of goods manufactured		**55,047,260**	61,353,751
Finished goods, scrap material and by-products:			
Opening stock		**7,961,258**	7,333,948
Closing stock	9	**(6,041,879)**	(7,961,258)
		1,919,379	(627,310)
		56,966,639	60,726,441

25.1 These include Rs. 21.20 million (2024: Rs. 19.93 million) in respect of contribution to provident fund, Rs. 26.82 million (2024: Rs. 27.57 million) in respect of gratuity fund and Rs. 9.00 million (2024: Rs. 8.95 million) in respect of compensated absences.

26. SELLING AND DISTRIBUTION EXPENSES

	Note	2025	2024
		(Rupees in '000)	
Salaries, wages and benefits	26.1	**148,842**	156,045
Electricity, gas and water		**6,714**	5,746
Insurance		**9,471**	9,476
Depreciation	4.1.1	**19,450**	18,195
Depreciation on right-of-use asset	5.1.1	**17,586**	16,500
Postage, telephone and stationery		**10,680**	9,405
Vehicle, travel and conveyance		**47,225**	51,600
Freight and forwarding		**1,212,732**	1,723,025
Sales promotion		**89,837**	90,911
Others		**4,479**	9,571
		1,567,016	2,090,474

26.1 These include Rs. 5.47 million (2024: Rs. 5.09 million) in respect of contribution to provident fund, Rs. 2.45 million (2024: Rs. 2.46 million) in respect of gratuity fund.

27. ADMINISTRATIVE EXPENSES

	Note	2025	2024
		(Rupees in '000)	
Salaries, wages and benefits	27.1	**229,982**	287,469
Rent, rates and taxes		**1,345**	330
Electricity, gas and water		**3,278**	2,992
Insurance		**3,119**	2,912
Depreciation	4.1.1	**41,074**	25,037
Depreciation on right-of-use asset	5.1.1	**3,493**	3,493
Security and janitorial services		**9,141**	6,310
Printing and stationery		**2,044**	1,343
Postage and communication		**2,404**	2,512
Vehicle, travel and conveyance		**45,100**	42,433
Legal and professional charges		**87,720**	69,008
Certification and registration charges		**4,413**	4,160
Directors' fee		**6,900**	8,200
Others		**19,322**	16,540
		459,335	472,739

27.1 These include Rs. 7.91 million (2024: Rs. 9.22 million) in respect of contribution to provident fund, Rs. 6.95 million (2024: Rs. 7.00 million) in respect of gratuity fund.

28. FINANCE COST

	Note	2025	2024
		(Rupees in '000)	
Conventional			
- Interest on long term financing		**58,457**	65,987
- Interest on short term borrowings		**553,129**	562,497
		611,586	628,484
Islamic			
- Mark-up on long term financing		**17,725**	21,422
- Mark-up on short term borrowings		**101,404**	73,808
		119,129	95,230
Bank charges		**63,089**	77,507
Unwinding of Gas Infrastructure Development Cess		**6,803**	48,319
Interest on Workers' Profit Participation Fund		**1,090**	1,319
Interest on lease liabilities	5.2.1	**3,874**	5,229
		805,571	856,088

29. OTHER EXPENSES

	Note	2025	2024
		(Rupees in '000)	
Auditor's remuneration	29.1	**8,090**	4,636
Donations	29.2	**22,600**	52,350
Workers' Profit Participation Fund	20.5	**131,977**	94,945
Workers' Welfare Fund		**56,873**	252,348
Loss on remeasurement of Gas Infrastructure Development Cess		-	5,493
Export Realization charges		**23,853**	37,706
Exchange Loss on FE Loan		**31,090**	-
Exchange loss		**92,074**	141,452
		366,557	588,930

29.1 Auditor's remuneration

	2025	2024
	(Rupees in '000)	
Audit Service		
Annual audit fee	**3,000**	2,500
Half yearly review	**1,500**	1000
Certifications for free float, CDC and Code of Corporate Governance, IT Controls		
Review and Sustainability services	**2,950**	500
Out of pocket expenses	**640**	636
	8,090	4,636

29.2 Donations

29.2.1 Donation to the following organization exceed 10% of total amount of donations made or Rs.1 million, whichever is higher.

	2025	2024
	(Rupees in '000)	
Amir Sultan Chinoy Foundation	**16,000**	25,000
The Citizens Foundation	**-**	9,600
Aga Khan Education Services Pakistan	**-**	10,000
	16,000	44,600

29.2.2 Donations to entities in which directors are interested are as follows:

Name of Director	Interest in Donee	Name and address of the Donee	Amount Donated 2025	Amount Donated 2024
			(Rupees in '000)	
Mr. Samir M. Chinoy	Chairman	Amir Sultan Chinoy Foundation 101, Beaumont Plaza, 10 Beaumont Road, Karachi.	**16,000**	25,000
			16,000	25,000

30. OTHER INCOME

	Note	2025	2024
		(Rupees in '000)	
Income from non-financial assets			
Loss from power generation	30.1	**(322,573)**	(226,171)
Gain on sale ofproperty, plant and equipment		**58,630**	16,854
Rental income		**3,252**	2,981
Exchange Gain on FE Loan		**-**	271
Liabilities no longer payable written back	21.2	**188,743**	-
Others		**21,377**	17,560
		(50,571)	(188,505)
Income from financial assets			
- Income on bank deposit - conventional		**213,798**	282,846
- Income on bank deposit - T-Bills/PIBs		**52,673**	-
- Income on bank deposit - Islamic		**15,211**	9,843
- Government grant	18	**27,812**	29,200
		309,494	321,889
		258,923	133,384

30.1 Loss from power generation

		2025	2024
		(Rupees in '000)	
Revenue		**102,214**	293,290
Less : Sales tax		**(15,592)**	(44,773)
		86,622	248,517
Cost of electricity produced:			
Salaries, wages and benefits	30.1.1	**36,575**	35,125
Electricity, gas and water		**1,889,987**	1,997,349
Depreciation	4.1.1	**299,768**	253,673
Stores and spares consumed		**20,595**	36,321
Repairs and maintenance		**87,007**	67,542
Sundries		**2,844**	2,669
		2,336,776	2,392,679
Less: Self consumption		**(1,927,581)**	(1,917,991)
		409,195	474,688
Loss from power generation		**(322,573)**	(226,171)

30.1.1 These include Rs. 1.00 million (2024: Rs 0.84 million) in respect of contribution to provident fund, Rs. 1.13 million (2024: Rs. 1.19 million) in respect of gratuity fund.

30.1.2 The Company has electricity power generation facility at its premises. The Company has generated electricity in excess of its requirements which is supplied to K-Electric Limited under an agreement. The agreement is valid for period up to 20 years w.e.f. August 31, 2007.

31. LEVIES

	Note	2025	2024
		(Rupees in '000)	
Final tax - note 31.1		**-**	(223,913)

31.1 These represent final tax under section 154 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 37.

32. INCOME TAX EXPENSE

	2025	2024
	(Rupees in '000)	
Current		
for the year	**(1,427,591)**	(1,550,886)
for prior years	**-**	531,119
	(1,427,591)	(1,019,767)
Deferred	**537,243**	200,149
	(890,348)	(819,618)

32.1 Relationship between income tax expense and accounting profit

	2025	2024	2025	2024
	(Effective tax rate %)		(Rupees in '000)	
Profit before levies and income tax			**2,449,609**	4,698,345
Tax at the enacted tax rate	**(29.00)**	(29.00)	**(710,387)**	(1,362,520
Effect of super tax	**(15.16)**	(9.80)	**(371,365)**	(460,312)
Effect of income under final tax regime	**-**	3.25	**-**	152,784
Effect of exempt income	**6.25**	3.12	**153,068**	146,799
Effect of tax credit	**0.27**	0.43	**6,554**	20,417
Prior year refund	**-**	11.30	**-**	531,119
Others	**1.30**	(1.53)	**31,782**	(71,818)
Levies and income tax- note 31 & 32	**(36.35)**	(22.21)	**(890,348)**	(1,043,531)

33. EARNINGS PER SHARE - BASIC AND DILUTED

	Note	2025	2024
		(Rupees in '000)	
Profit for the year attributable to ordinary shareholders		**1,559,261**	3,654,814
		(Number)	
Weighted average number of ordinary shares outstanding during the year	15	**435,000,000**	435,000,000
		(Rupees)	
Earnings per share - basic and diluted		**3.58**	8.40

33.1 There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2025 and 2024.

34. CASH GENERATED FROM OPERATIONS

	Note	2025	2024
		(Rupees in '000)	
Profit before levies and income tax		**2,449,609**	4,698,345
Adjustments for non cash charges & other income			
Depreciation of property, plant and equipment	4.1.1	**1,930,893**	1,826,990
Depreciation of right of use assets	5.1.1	**21,079**	19,993
Amortisation of intangible assets	6	**4,979**	1,605
Loss on remeasurement of Gas Infrastructure Development Cess	29	**-**	5,493
Unwinding of Gas Infrastructure Development Cess	28	**6,803**	48,319
Provision for obsolescence against stores and spares	25	**52,465**	99,407
Provision for obsolescence against capital spares	25	**120,000**	104,308
Provision for staff retirement benefits	12.2.9	**37,353**	39,088
Provision for compensated absences		**9,000**	8,952
Income on bank deposits-conventional & PIB	30	**(266,471)**	(282,846)
Income on bank deposits - Islamic		**(15,211)**	(9,843)
Gain on disposal of property, plant and equipment	30	**(58,630)**	(16,854)
Government grant income	30	**(27,812)**	(29,200)
Finance cost	28	**798,768**	807,769
"Share of net income of associate accounted for using the equity method"	7	**(44,921)**	-
		5,017,904	7,321,526
Changes in working capital	34.1	**(324,929)**	621,361
		4,692,975	7,942,887

34.1 Changes in working capital

	2025	2024
	(Rupees in '000)	
(Increase) / decrease in current assets		
Stores and spares	**(38,064)**	102,506
Stock-in-trade	**(3,544,319)**	(997,290)
Trade debts	**72,338**	(274,787)
Receivable from K-Electric Limited (KE)	**20,996**	(8,852)
Advances, trade deposits and prepayments	**72,017**	(85,032)
Sales tax receivable	**272,186**	(99,342)
	(3,144,846)	(1,362,797)
Increase / (decrease) in current liabilities		
Trade and other payables	**2,769,710**	1,966,259
Contract liabilities	**50,207**	17,899
	(324,929)	621,361

35. CASH AND CASH EQUIVALENTS

	Note	2025	2024
		(Rupees in '000)	
Cash and bank balances	14	**3,436,737**	2,708,102
Less: Term Deposit Receipts (TDRs)	14	**(1,034,000)**	(734,000)
		2,402,737	1,974,102

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	(Rupees in '000)					
Managerial remuneration	**36,970**	39,878	**5,815**	23,261	**311,328**	258,125
Special monthly allowance	**12,323**	13,293	**1,938**	7,754	**89,628**	78,479
Bonus	**16,193**	13,479	**8,529**	7,862	**98,390**	74,775
Retirement benefits	**5,035**	6,645	**859**	2,907	**34,661**	32,027
Rent, utilities, leave encashment etc.	**22,722**	19,939	**2,908**	11,631	**161,936**	130,182
Directors' fee	**-**	-	**6,900**	8,200	**-**	-
	93,243	93,234	**26,949**	61,615	**695,943**	573,588
Number of persons	**2***	1	**9****	8	**97**	84

**During the year, Mr. Samir M. Chinoy was appointed as the Chief Executive Officer of the Company to fill the casual vacancy created due to resignation of Mr. Yousuf H. Mirza.*

***During the year, Mr. Kenichi Hotta was appointed as a Director of the Company to fill the casual vacancy created due to resignation of Mr. Norihiro Mizota.*

36.1 The Chief Executive Officer, Directors and certain Executives are provided with Company maintained vehicles whereas, the Chief Executive Officer and Chief Operating Officer are also provided with security guards in accordance with the Company's policy.

36.2 Fee paid to 08 (2024: 07) non-executive directors is Rs. 6.90 million (2024: Rs. 8.20 million) on account of meetings attended by them.

37. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

37.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

37.1.1 Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2025	2024
		(Rupees in '000)	
- Long term deposit with Central Depository Company of Pakistan Limited		**100**	100
- Trade debts	10	**1,350,948**	1,423,286
- Trade deposits	11	**16,347**	15,414
- Receivable from K-Electric Limited		**4,541**	25,537
- Bank balances	14	**3,436,737**	2,708,102
		4,808,673	4,172,439

The Company does not take into consideration the value of collateral while testing financial assets for impairment. The Company considers the credit worthiness of counterparties as part of its risk management.

Long term deposit with Central Depository Company of Pakistan Limited (CDC)

This represents long term deposits with CDC. The Company does not foresee any credit exposure there against as the amounts are paid to counterparty as per agreement and is refundable on termination of the agreement with respective counterparty.

Trade debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. Majority of the Company's sales are made against receipts in advance from customers. The Company has no major concentration of credit risk with any single customer. The majority of the trade customers have been transacting with the Company for several years. The Company establishes an allowance for impairment where it considers recoveries are not probable.

Trade deposits

These represent deposits placed with various suppliers as per the terms of securing availability of services. The management does not expect to incur credit loss there against.

Receivable from K-Electric Limited

The receivable from K-Electric Limited amounting to Rs. 4.54 million (2024: Rs.25.53 million) on account of electricity provided to it under an agreement from the power plant located at the factory site. The Company does not expect to incur credit loss against this receivable.

Analysis of gross amounts receivable from local and foreign trade debtors and from K-Electric Limited are as follows:

	2025	2024
	(Rupees in '000)	
Domestic	**115,943**	144,819
Export	**1,239,546**	1,304,004
	1,355,489	1,448,823

37.1.2 Impairment losses

The aging of trade debtors and receivable from K-Electric Limited (KE) at the reporting date was as follows:

	2025		2024	
	Gross	Impairment	Gross	Impairment
	(Rupees in '000)			
Not past due	**1,197,740**	**-**	1,433,074	-
Past due 1-60 days	**157,749**	**-**	15,749	-
Total	**1,355,489**	**-**	1,448,823	-

Management believes that the unimpaired balances that are past due are still collectible in full, based on historical payment behaviour and review of financial strength of respective customers. Further, certain trade debtors are secured by way of Export Letter of Credit and Inland Letter of Credit which can be called upon if the counter party is in default under the terms of the agreement.

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks with which balances are held or credit lines available:

Bank	Rating Agency	Rating	
		Short Term	Long Term
Habib Bank Limited	VIS	A1+	AAA
United Bank Limited	VIS	A1+	AAA
Faysal Bank Limited	PACRA	A1+	AA
Bank Al Habib Limited	PACRA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
MCB Islamic Bank Limited	PACRA	A1	A+
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
Meezan Bank Limited	VIS	A1+	AAA
Bank Al Falah Limited	PACRA	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	AA-
Dubai Islamic Bank Limited	VIS	A1+	AA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Allied Bank Limited	PACRA	A1+	AAA
Samba Bank Limited	VIS	A1	AA
Industrial and Commercial Bank of China	Moody's	A1+	A1
National Bank of Pakistan	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+

37.1.3 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focuses on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at the reporting date.

37.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or there is difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	2025					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
Financial liabilities						
Long term financing	873,224	(1,065,505)	(114,538)	(112,456)	(813,718)	(24,793)
Short-term borrowings	4,549,118	(4,464,135)	(4,464,135)	-	-	-
Accrued mark-up	93,599	(93,599)	(93,599)	-	-	-
Trade and other payables	8,234,912	(8,234,912)	(8,234,912)	-	-	-
Lease liabilities	21,087	(21,087)	(21,087)	-	-	-
Unpaid dividend	477	(477)	(477)	-	-	-
Unclaimed dividend	2,460	(2,460)	(2,460)	-	-	-
	13,774,877	(13,882,175)	(12,931,208)	(112,456)	(813,718)	(24,793)

	2024					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
Financial liabilities						
Long term financing	1,190,260	(1,455,985)	(215,043)	(167,292)	(960,696)	(112,954)
Short-term borrowings	3,560,288	(3,435,338)	(3,435,338)	-	-	-
Accrued mark-up	138,464	(138,464)	(138,464)	-	-	-
Trade and other payables	5,734,457	(5,734,457)	(5,734,457)	-	-	-
Lease liabilities	29,301	(29,301)	(29,301)	-	-	-
Unpaid dividend	430	(430)	(430)	-	-	-
Unclaimed dividend	7,079	(7,079)	(7,079)	-	-	-
	10,660,279	(10,801,054)	(9,560,113)	(167,292)	(960,696)	(112,954)

37.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up has been disclosed in respective notes to these financial statements.

37.2.2 Long term financing from various banks contains certain loan covenants. A breach of covenant, in future, may require the Company to repay the respective loans earlier than as directed in the above table.

37.3 Market risk

Market risk is the risk which arises due to changes in market prices, such as foreign exchange rates, interest rates and equity prices, that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to currency risk and interest rate risk only.

Management assessed that the fair values of cash and cash equivalents and short-term deposits, receivable from K-Electric Limited (KE), trade debts, trade payables, short term borrowings and other current liabilities approximate their carrying amounts largely due to short-term maturities of these instruments. For long term deposit assets and long term liabilities, management considers that their carrying values approximates fair value owing to credit standing of counterparties and interest payable on borrowings is at market rate.

37.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure to currency risk

The Company is exposed to currency risk on trade debts, bank balances and trade creditors that are denominated in a currency other than the respective functional currency of the Company, primarily U.S. Dollar. The Company's exposure to foreign currency risk is as follows:

	2025		2024	
	Rupees	US Dollars	Rupees	US Dollars
	(Amounts in '000)			
Financial assets				
Bank Balance	**879,065**	**3,104**	541,184	1,946
Trade debts	**1,239,547**	**4,433**	1,304,005	4,688
Financial liabilities				
Trade creditors	**(7,394,881)**	**(26,449)**	(5,098,797)	(18,302)
Net exposure	**(5,276,269)**	**(18,912)**	(3,253,608)	(11,668)

The following significant exchange rates applied during the year:

	Average rates		Reporting date rate	
	2025	2024	2025	2024
	(Rupees)			
US Dollars to PKR	**279.60**	283.45	**283.20**	278.59

Sensitivity analysis

A 10 percent strengthening / (weakening) of the Pak Rupee against the US Dollar at June 30, 2025 would have increased / (decreased) the profit by Rs.313.06 million (2024: Rs.235.16 million). This analysis assumes that all other variables, in particular interest rates, remain constant and the analysis is performed on the same basis as done in prior year.

37.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from short and long term borrowings from banks.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instrument is:

	Carrying amount	
	2025	2024
	(Rupees in '000)	
Fixed rate instruments		
Financial liabilities	**1,270,702**	1,416,432
Variable rate instruments		
Financial liabilities	**4,250,000**	3,450,000

a) Cash flow sensitivity analysis for variable rate instruments

The Company holds various variable rate financial instruments amounting to Rs. 4,250 million (2024: Rs. 3,450 million) exposing the Company to cash flow interest rate risk. A change of 100 basis points as at June 30, 2025 would have increased / (decreased) profit after tax and equity by Rs. (28.1) million (2024: Rs. 22.9 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

b) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect the statement of profit or loss.

37.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2025				
	Short Term Borrowings	Long Term Financing	Dividend	Lease Liabilities	Total
	(Rupees in '000)				
Balance as at 1 July 2024	3,685,238	1,203,780	7,509	29,302	4,925,829
Changes from financing cash flows					
Repayment of long term loan	-	(342,032)	-	-	(342,032)
Proceeds from long term loan	-	-	-	-	-
Lease rentals paid	-	-	-	(27,124)	(27,124)
Addition / re-assessment / termination of leases	-	-	-	15,036	15,036
Dividend paid	-	-	(1,309,572)	-	(1,309,572)
Total changes from financing activities	-	(342,032)	(1,309,572)	(12,088)	(1,663,692)
Other changes					
Interest expense	725,515	80,056	-	-	805,571
Interest paid	(765,482)	(57,142)	-	3,874	(818,750)
Deferred government grant recognized	-	(2,816)	-	-	(2,816)
Changes in short term borrowings	988,830	-	-	-	988,830
Total loan related other changes	948,863	20,098	-	3,874	972,835
Total equity related other changes	-	-	1,305,000	-	1,305,000
Balance as at 30 June 2025	4,634,101	881,846	2,937	21,088	5,539,972

	2024				
	Short term borrowings	Long term financing	Dividend	Lease Liabilities	Total
	(Rupees in '000)				
Balance as at 1 July 2023	3,532,805	1,399,448	10,024	49,286	4,991,563
Changes from financing cash flows					
Repayment of long term loan		(371,598)			(371,598)
Proceeds from long term loan	-	150,000	-	-	150,000
Lease rentals paid	-	-	-	(25,213)	(25,213)
Re-assessment / termination of leases	-	-	-	-	-
Dividend paid			(2,177,515)	-	(2,177,515)
Total changes from financing activities	-	(221,598)	(2,177,515)	(25,213)	(2,424,326)
Other changes					
Interest expense	763,450	92,638	-	-	856,088
Interest paid	(837,080)	(66,002)	-	5,229	(897,853)
Deferred government grant recognized	-	(706)	-	-	(706)
Changes in short term borrowings	226,063	-	-	-	226,063
Total loan related other changes	152,433	25,930	-	5,229	183,592
Total equity related other changes	-	-	2,175,000	-	2,175,000
Balance as at 30 June 2024	3,685,238	1,203,780	7,509	29,302	4,925,829

Other price risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has no exposure to price risk.

37.5 Fair value of financial assets and liabilities

The carrying values of financial assets and financial liabilities reported in the statement of financial position approximate their fair values.

37.6 Financial instruments by categories

	Note	2025	2024
		(Rupees in '000)	
Financial assets			
Held at amortised cost			
- Long term deposit with Central Depository Company of Pakistan Limited		**100**	100
- Trade debts	10	**1,350,948**	1,423,286
- Trade deposits	11	**16,347**	15,414
- Receivable from K-Electric Limited		**4,541**	25,537
- Cash and bank balances	14	**3,436,737**	2,708,102
		4,808,673	4,172,439
Financial liabilities			
Held at amortised cost			
- Long term financing	17	**873,224**	1,190,260
- Trade and other payables		**10,635,777**	8,392,342
- Accrued mark-up		**93,599**	138,464
- Short term borrowings	22	**4,549,118**	3,560,288
- Contract Liabilities	21	**1,884,713**	1,834,506
- Unclaimed dividend		**2,460**	7,079
- Unpaid dividend		**477**	430
		18,039,368	15,123,369

38. CAPITAL MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses. The Company intends to manage its capital structure by monitoring return on capital, as well as the level of dividends to ordinary shareholders.

39. MEASUREMENT OF FAIR VALUES

Management engages an independent external expert / valuer to carry out valuation of its non-financial assets (i.e. Land and Building) and obtains rate from financial institution to value derivative financial instruments. Involvement of external valuers is decided by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2025, all financial assets and financial liabilities are carried at amortised cost which is approximate to their fair value. The Company measures the Land and Buildings at fair value and all of the resulting fair value estimates in relation to Land and Buildings of the Company are included in Level 3.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

The following table provides the valuation approach, inputs used and inter-relationship between significant unobservable inputs and fair value measurement of the Company's Land and Buildings measured at fair value

Assets measured at fair value	Date of Valuation	Valuation approach and inputs used	Inter-relationships between significant unobservable inputs and fair value measurement
Revalued property, plant and equipment			
- Land and Building	30 June 2025	The valuation model is based on price per square meter and current replacement cost method adjusted for depreciation factor for the existing assets in use. In determining the valuations for land and buildings, the valuer refers to current market conditions, structure, current replacement cost, sale prices of comparable land in similar location adjusted for differences in key attributes such as land size and inquires with numerous independent local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building is considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.	The fair value is subject to change owing to changes in input. However, management does not expect material sensitivity to the fair values arising from the non-observable inputs.

The fair value of land and buildings is a Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value is provided below:

	2025	2024
	(Rupees in '000)	
Opening net book value	**6,126,446**	6,338,863
Additions during the year	**545,121**	59,884
Depreciation for the year	**(312,562)**	(272,301)
Disposals during the year (at NBV)	**-**	-
Revaluation during the year	**2,179,839**	-
Closing net book value	**8,538,844**	6,126,446

Management assessed that the fair values of cash & cash equivalents, other receivable, receivables from K-Electric, trade deposits, trade debts, short term borrowings, trade and other payables, accrued mark-up, contract liabilities and unclaimed dividends approximate their carrying amounts largely due to short-term maturities of these instruments. For long term deposit and long term financing, management consider that their carrying values approximates fair value owing to credit standing of counterparties and interest payable on borrowings are market rates.

40. SHARIAH COMPLIANCE STATUS DISCLOSURE

	Note	2025	2024
		(Rupees in '000)	
Statement of financial position - Liability Side			
i) Short-term financing as per Islamic mode	22	**300,150**	100,000
ii) Long-term financing as per Islamic mode	17	**265,434**	329,370
iii) Mark-up accrued on conventional loan		**66,861**	79,061
iv) Mark-up accrued on Islamic loan		**26,738**	59,403
Statement of financial position - Asset Side			
i) Shariah-compliant bank balances	14	**301,171**	164,662
Statement of Profit or Loss			
i) Revenue earned from Shariah-compliant business segment	24	**62,310,883**	69,299,633
ii) Exchange loss	29	**(92,074)**	(141,452)
iii) Share of net income of associate accounted for using the equity method	7	**44,921**	-
iv) Profit on bank deposit - Islamic financing	30	**15,211**	9,843
v) Income on Bank deposit - Conventional	30	**266,471**	282,846
vi) Profit paid on islamic mode of financing		**(151,794)**	(43,195)
Break-up of Other income excluding profits in bank deposits and TDRs			
Shariah compliant Income			
Loss from power generation	30.1	**(322,573)**	(226,171)
Gain on disposal of property, plant and equipment	30	**58,630**	16,854
Rental income		**3,252**	2,981
Liabilities no longer payable written back		**188,743**	-
Others		**21,377**	17,560
Shariah non-compliant income			
Government grant	30	**27,812**	29,200
Loss on remeasurement of Gas Infrastructure Development Cess	29	-	(5,493)

40.1 Relationship with Shariah-compliant financial institutions

Islamic banks

The Company has facilities with Faysal Bank Limited for Running Musharakah, Letter of guarantees and letter of credit amounting to Rs. 1,544 million, Rs. 1,000 million and Rs. 2,106 million respectively.

The Company has facilities with Meezan Bank Limited for Running Musharakah Diminishing Musharakah (ILTFF), Letter of Guarantees and Letter of Credit amounting to Rs. 1,500 million, Rs. 265 million, Rs. 1,000 million and Rs. 4,000 million respectively.

The Company has facilities with Bank Islami Pakistan Limited for Running Musharakah and letter of credit amounting to Rs. 500 million and Rs. 2,000 million respectively.

The Company has facility with Standard Chartered Bank (Pakistan) Limited for Running Musharakah amounting to Rs. 500 million.

The Company has facilities with MCB Islamic limited for Running Musharakah, export finance scheme, letter of guarantees and letter of credit amounting to Rs. 150 million, Rs. 100 million, Rs. 2,800 million and Rs. 2,000 million respectively.

Takaful operators

The company has no relationship with takaful operators.

41. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the Holding Company, associated undertakings, directors of the Company, key management personnel and staff retirement funds. The Company continues to have a policy whereby transactions with related parties are entered into at commercial terms, approved policy and at rate agreed under a contract / arrangement / agreement. The contribution to defined contribution plan (provident fund) are made as per the terms of employment and contribution to the defined benefit plan (gratuity fund) are made on the basis of latest actuarial advice. Remuneration of key management personnel are in accordance with their terms of contractual engagements.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

41.1 Transactions with related parties

	Note	2025	2024
		(Rupees in '000)	
Holding Company			
Sales		**2,216,050**	2,467,020
Purchases		**2,685**	15,955
Rent expense		**13,720**	12,764
Shared resources cost		**23,985**	202,658
Reimbursement of expenses		**13,276**	11,531
Sale of Fixed asset		**44,900**	-
Dividend paid		**735,167**	1,225,278
Other related parties			
Sales		**2,530,946**	5,827,082
Purchases		**36,241,301**	34,773,949
Dividend paid		**118,433**	197,388
Rental income	41.4	**3,253**	2,981
Reimbursement of expenses		**13,322**	12,807
Services / Donations		**27,636**	27,104
Dividend Income		**5,426**	-
Key management personnel			
Remuneration		**440,971**	428,148
Staff retirement funds			
Contribution paid		**73,852**	80,310
Non-executive directors			
Directors' fee		**6,900**	8,200

41.2 The following are the related parties with whom the Company had entered into transactions or had agreements and / or arrangements in place during the year:

Name of the Related Party	Relationship and percentage of Shareholding
International Industries Limited	Holding Company - 56.33% (2024: 56.33%) shareholding
Sumitomo Corporation (incorporated in Japan)	Associated Company - 9.08% (2024: 9.08%) shareholding
Pakistan Cables Limited	Associated Company due to common directorship
IIL Australia PTY Limited (incorporated in Australia)	Associated Company due to common directorship
IIL Americas Inc.	Associated Company due to common directorship
Intermark (Private) Limited	Associated Company due to common directorship
Amir Sultan Chinoy Foundation	Associated Entity due to common directorship
IIL Trading (Private) Limited	Associated Entity due to common directorship
Chinoy Engineering & Construction (Private) Ltd.	Associated Entity due to common directorship
Pakistan Japan Business Forum	Associated Entity due to common directorship
Employers' Federation of Pakistan	Associated Entity due to common directorship
Beaumont Plaza Owners/Occupants Welfare Association	Associated Entity due to common directorship

41.3 Outstanding balances with related parties have been separately disclosed in trade debts, trade and other payables and advances, deposits and prepayments respectively. These are settled in ordinary course of business.

41.4 Rental income is recognized on straight line basis over the term of the respective lease agreement.

42. ANNUAL PRODUCTION CAPACITY

	2025	2024
	(Metric Ton)	
The production capacity at the year end was as follows:		
Cold rolled steel coil	**1,000,000**	1,000,000
Cold rolled annealed	**454,000**	454,000
Cold rolled full hard	**46,000**	46,000
Galvanising	**462,000**	462,000
Colour coated	**84,000**	84,000
The actual production for the year was:		
Cold rolled	**108,045**	95,477
Galvanising	**147,825**	172,200
Colour coated	**8,168**	6,185

42.1 The name-plate capacities of the plants are determined based on a certain product mix. The actual production mix is different. Actual production during the year was sufficient to meet the market demand

43. OPERATING SEGMENT

43.1 These financial statements have been prepared on the basis of a single reportable segment.

43.2 Revenue from sales of steel products represents 99.90% (2024: 99.64%) of total revenue whereas remaining represent revenue from sale of surplus electricity to K-Electric Limited (KE). The Company does not consider sale of electricity to KE as separate reportable segment as the power plant of the Company is installed primarily to supply power to its Galvanizing plant and Cold Rolling plant and currently any excess electricity is sold to KE.

43.3 All non-current assets of the Company as at June 30, 2025 are located in Pakistan.

43.4 85.71% (2024: 79.24%) of gross sales of steel are domestic sales whereas 14.29% (2024: 20.76%) of sales are export / foreign sales.

43.5 **Geographic Information**

The Company's net revenue from external customers by geographical location is disclosed in note 24.2.

	2025	2024
	(Rupees in '000)	
Domestic Sales	**52,054,272**	52,626,120
Export Sales	**10,256,611**	16,673,513
	62,310,883	69,299,633

43.6 Management considers that revenue from its ordinary activities are shariah compliant.

44. NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

	2025	2024
	(Number of Employess)	
Total employees of the Company at the year end	**690**	682
Average employees of the Company during the year	**677**	683

45. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company in their meeting held on August 19, 2025 has proposed a final cash dividend of Rs.2.5 per share (2024: Rs. 3.00 per share) amounting to Rs.1,087 million (2024: Rs. 1,305 million) for the year ended June 30, 2025. The approval of the members of the Company for the dividend shall be obtained at the Annual General Meeting to be held on September 24, 2025. The financial statements for the year ended June 30, 2025 do not include the effect of the proposed final cash dividend which will be accounted for in the year ending June 30, 2026.

46. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 19, 2025 by the Board of Directors of the Company.

Nihal Cassim
Director & Chairman
Board Audit Committee

Usman Ahmed
Chief Financial
Officer

Samir M. Chinoy
Chief Executive
Officer

A Legacy to Enrich

Stakeholder's Information

Ownership

On June 30, 2025, there were 6,083 members on the record of the Company's ordinary shares.

DIVIDEND PAYMENT

The Board of Directors of the company has recommended 25% final cash dividend for the year ended June 30, 2025, as per the Profit Appropriation Policy. The proposal shall be placed before the shareholders of the company in the Annual General Meeting for their consideration and approval on September 24, 2025. The dividend amounts, if approved by the shareholders, shall be directly credited to their designated banks to the shareholders listed in the company's share register at the close of business on September 17, 2025, and shall be subject to the Zakat and Tax deductions as per applicable law.

Financial Calendar		
Year ended June 30, 2025	Approved on Announced on	August 19, 2025 August 20, 2025
Third quarter ended March 31, 2025	Approved on Announced on	April 23, 2025 April 24, 2025
Half year ended December 31, 2024	Approved on Announced on	January 28, 2025 January 29, 2025
First quarter ended September 30, 2024	Approved on Announced on	October 24, 2024

DIVIDEND PAID

Final – Cash (2024)	
Approved on	September 24, 2024
Entitlement date	September 17, 2024
Statutory limit up to which payable	October 08, 2024
Paid on	October 07, 2024

Tentative Dates For Financial Results 2025-26

For the Period	To be Announced on
1st Quarter	October 22, 2025
2nd Quarter	January 27, 2026
3rd Quarter	April 22, 2026
Annual Accounts	August 19, 2026

Pattern of Shareholding

As of June 30, 2025

No. of Shareholders	Having Shares		Shares Held	Percentage
	From	To		
1,727	1	100	56,267	0.0129%
1,371	101	500	494,674	0.1137%
814	501	1,000	724,701	0.1666%
1,234	1,001	5,000	3,298,953	0.7584%
368	5,001	10,000	2,886,204	0.6635%
132	10,001	15,000	1,671,149	0.3842%
69	15,001	20,000	1,281,609	0.2946%
51	20,001	25,000	1,211,116	0.2784%
40	25,001	30,000	1,141,232	0.2624%
43	30,001	40,000	1,529,097	0.3515%
48	40,001	50,000	2,249,847	0.5172%
20	50,001	60,000	1,101,073	0.2531%
29	60,001	80,000	2,044,572	0.4700%
30	80,001	100,000	2,913,075	0.6697%
6	100,001	120,000	655,122	0.1506%
5	120,001	140,000	660,000	0.1517%
9	140,001	160,000	1,345,575	0.3093%
6	160,001	180,000	1,021,635	0.2349%
10	180,001	200,000	1,960,600	0.4507%
18	200,001	300,000	4,740,253	1.0897%
9	300,001	400,000	3,201,536	0.7360%
9	400,001	500,000	4,296,434	0.9877%
3	500,001	600,000	1,534,657	0.3528%
5	600,001	700,000	3,305,593	0.7599%
4	700,001	800,000	3,047,281	0.7005%
2	800,001	900,000	1,760,000	0.4046%
2	900,001	1,000,000	1,917,500	0.4408%
2	1,000,001	1,200,000	2,052,409	0.4718%
3	1,200,001	1,800,000	4,302,556	0.9891%
1	1,800,001	2,000,000	2,000,000	0.4598%
2	2,000,001	2,800,000	4,704,628	1.0815%
2	2,800,001	3,000,000	5,840,500	1.3426%
0	3,000,001	3,200,000	0	0.0000%
0	3,200,001	4,000,000	0	0.0000%
1	4,000,001	4,600,000	4,500,000	1.0345%
2	4,600,001	10,000,000	14,608,079	3.3582%
4	10,000,001	21,000,000	60,408,873	13.8871%
1	21,000,001	40,000,000	39,477,657	9.0753%
1	40,000,001	250,000,000	245,055,543	56.3346%
6,083			**435,000,000**	**100**

Categories of Shareholders

As of June 30, 2025

Particulars	No. of Shareholders	No. of Shares held	Percentage
Sponsor / Holding Company	1	245,055,543	56.33%
Associated Company	1	39,477,657	9.08%
Strategic Investor	1	20,626,500	4.74%
Insurance Companies	6	14,073,152	3.24%
Directors & Spouses and other Family members	19	15,425,082	3.55%
Public and Other Companies	73	8,445,782	1.94%
NIT and NBP and Funds	7	11,488,287	2.64%
Banks, DFI and NBFI	7	13,721,454	3.15%
Mutual Funds	18	2,844,685	0.65%
Foreign Companies	3	317,258	0.07%
Retirement Funds and Charitable Trusts	17	1,595,170	0.37%
Modarabas and Others	1	20,000	0.00%
General Public / Individuals - Local	5868	59,909,895	13.77%
General Public / Individuals - Foreign	61	1,999,535	0.46%
Total	**6,083**	**435,000,000**	**100.00%**

Key Shareholding

As of June 30, 2025

	No. of Shareholders	No. of Shares held	Percentage
Sponsor / Holding Company			
International Industries Ltd.	1	245,055,543	56.33%
Directors and Spouses	8	4,342,000	1.00%
Sponsoring Family Members	7	6,876,173	1.58%
Associated Company			
Sumitomo Corporation	1	39,477,657	9.08%
Government Financial Institutions			
NIT, NBP and Funds	7	11,488,287	2.64%
Foreign Corporate Investors			
JFE Steel Corporation	1	20,626,500	4.74%
Others	3	317,258	0.07%
		328,183,418	75.44%
Executives	3	90,594	0.02%

MEMBERS HAVING 5% OR MORE OF VOTING RIGHTS

Name of Shareholder	Shares held	Percentage
International Industries Limited	245,055,543	56.33%
Sumitomo Corporation	39,477,657	9.08%

SHARES TRADING BY THE DIRECTORS

During the FY 2024-2025

Following is the summary of shares transactions made by Directors, Executives and their family members or their private owned companies during the financial year July 1, 2024 to June 30, 2025 that were duly disclosed at the Pakistan Stock Exchange Limited:

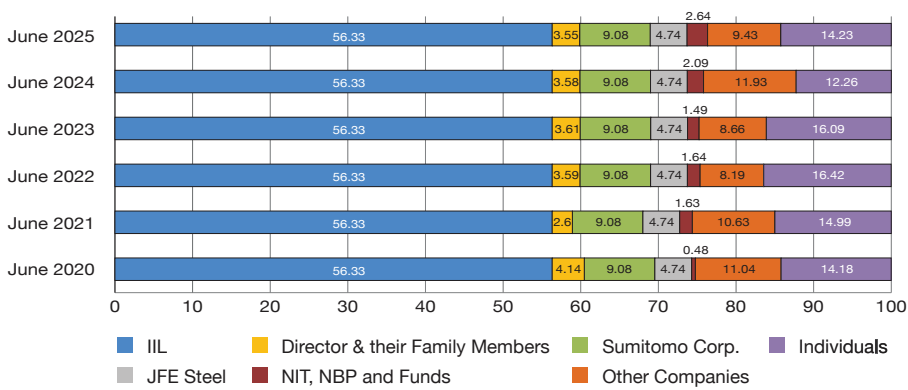
Sold	Purchased
4,500,000	-

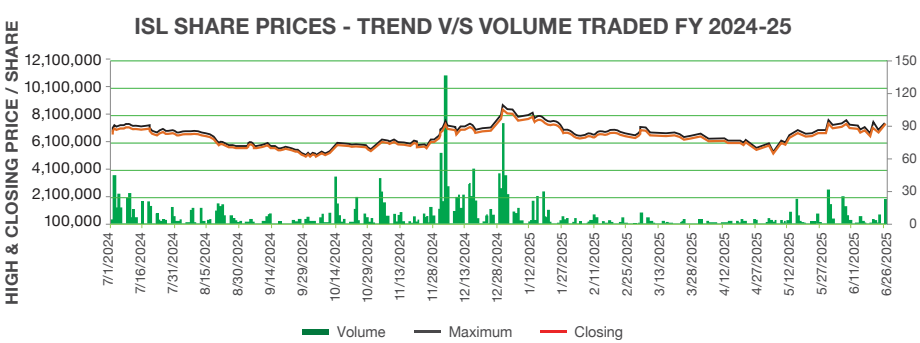
Free Float of Shares

As of June 30, 2025

S - No.	Category of Shareholders	No. of Shares
	Total Outstanding Shares	**435,000,000**
1	Government Holding as Promoter	-
2	Directors/Sponsors/ Senior Management Officer	(15,481,145)
3	Physical Shares	(245,243,122)
4	Associated / Group Companies	(39,477,657)
5	Shares issued under Employees Stock Option Schemes that cannot be sold in the open market in normal course	-
6	Treasury Shares	-
7	Any other category that are barred from selling	-
	Free Float	**134,798,076**

SHAREHOLDERS COMPOSITION





Notice of Annual General Meeting

Notice is hereby given to the Members that the 18th Annual General Meeting of International Steels Limited will be held on September 24, 2025 at 9:00 a.m. at the, Beach Luxury Hotel, Off: M.T. Khan Road, Karachi to transact the following business. Members are encouraged to attend the meeting through video conferencing:

ORDINARY BUSINESS
FINANCIAL STATEMENTS

1. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended June 30, 2025, together with the Reports of the Directors and Auditors thereon.

   As required under Section 223 of the Companies Act 2017 and in terms of S.R.O No. 389(I)/2023 dated March 21, 2023, the Annual Report including Financial Statements of the Company has been transmitted to the Shareholders through QR enabled code and weblink which can be viewed using the following link and QR enable code:

http://www.isl.com.pk/investors/

DIVIDEND

2. To consider and approve the payment of Rs. 2.5 per share (25%) as the final cash dividend for the financial year ended June 30, 2025, as recommended by the Board of Directors.

AUDITORS

3. To appoint statutory auditors of the Company for the year ending June 30, 2026 and fix their remuneration. The retiring Auditors, M/s A. F. Ferguson & Co., Chartered Accountants, being eligible, have offered themselves for re-appointment at a fee to be mutually agreed and reimbursements of out-of-pocket expenses at actuals.

ELECTION OF DIRECTORS

4. To elect eight (8) Directors for a period of three (3) years commencing from September 29, 2025.

- As required U/s 159(1), the Board has fixed the number of Directors to be elected as eight (8). Following are the retiring directors:

1. Mr. Kamal A. Chinoy
2. Dr. Amjad Waheed
3. Mr. Haroun Rashid
4. Mr. Kenichi Hotta
5. Mr. Mustapha A. Chinoy
6. Ms. Nausheen Ahmad
7. Mr. Nihal Cassim
8. Mr. Yousuf H. Mirza
9. Mr. Samir M. Chinoy

ANY OTHER BUSINESS

5. To transact with the permission of the Chair any other business which may be transacted at an Annual General Meeting.

   The information as required under section 166(3) of the Companies Act, 2017 is being provided along with the Notice of the Annual General Meeting being sent to the Shareholders.

Karachi: **August 19, 2025**

By Order of the Board
International Steels Ltd

Zohaib Raza Merchant
Company Secretary

NOTES:

1. PARTICIPATION IN THE AGM VIA VIDEO CONFERENCING FACILITY:

Shareholders interested in attending the meeting through video conferencing are requested to email the following information with the subject "Registration for International Steels Limited AGM 2025" along with a valid copy of both sides of their Computerized National Identity Card (CNIC) to *investors@isl.com.pk.* Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the scheduled time of AGM.

Registration to attend the Annual General Meeting through Video Conferencing Facility

1. Folio No. / CDC Investors A/c No./ Sub-A/c No. _____
2. Name of Shareholder : _____
3. Cell Phone Number : _____
4. Email Address : _____
5. No. of Shares held at the 1st day of the Book Closure to establish the right to attend AGM: _____

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address: *investors@isl.com.pk*

2. CLOSURE OF SHARE TRANSFER BOOKS

The Register of Members and the Share Transfer Books will be closed from September 17, 2025 to September 24, 2025 (both days inclusive). Transfers received in order at the office of the Company's Registrar namely THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500, by the close of business on September 16, 2025 will be considered in time for the purpose of determining the entitlement for final cash dividend and to establish the right to attend and vote at the Annual General Meeting.

3. ATTENDING AGM AND APPOINTMENT OF PROXY

A. A Member entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint another member as his/her proxy to attend, speak and vote on his/her behalf.

B. An instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarized certified copy of the power or authority must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. Form of Proxy is enclosed.

C. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

i) For Attending AGM

a) In case of individuals, the account holder or sub-account holder whose securities and their registration details are uploaded as per the Regulations, shall produce proof of his / her identity by showing their Computerized National Identity Card (CNIC) at the time of attending the meeting.

b) In case of a corporate entity, a Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

ii) For Appointing Proxy

a) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per CDC regulations shall submit the Proxy Form as per the above requirement.

b) Attested copies of CNIC of the beneficial owners and the proxy shall be furnished with the Proxy Form. The proxy shall produce his original CNIC at the time of the meeting.

4. MANDATORY INFORMATION - (EMAIL, CNIC, IBAN AND ZAKAT DECLARATION

A. In compliance with Section 119 of the Companies Act, 2017 and Regulation 47 of Companies Regulations, 2024 members are requested to immediately provide their mandatory information such as CNIC number, updated mailing address, email, contact mobile/telephone number and International Banking Account Number (IBAN) together with a copy of their CNIC to update our records and to avoid any non-compliance of the law. Otherwise, all dividends will be withheld in terms of Regulation 6 of the Companies (Distribution of Dividends) Regulations, 2017;

- For physical shares to M/s THK Associates (Pvt.) Limited
- For shares in CDS to CDC Investors A/c Services or respective participant

B. Members are requested to submit a declaration (CZ-50) as per Zakat & Ushr Ordinance 1980 for zakat exemption and advise a change in address, if any.

5. UNCLAIMED DIVIDENDS

Shareholders, who for any reason, could not claim their dividend are advised to contact our Shares Registrar M/s THK Associates (Pvt.) Ltd. to collect/enquire about their unclaimed dividends if any.

6. E-DIVIDEND MANDATE

As per Section 242 of the Companies Act, 2017, in the case of a Public listed company, any dividend payable in cash shall only be remitted through electronic mode directly into the bank account designated by the entitled shareholders.

Therefore, through this notice, all shareholders are requested to update their bank account No. (IBAN) and details in the Central Depository System through respective participants. In case of physical shares, to provide bank account details to our Share Registrar, M/s THK Associates (Pvt.) Limited. Please ensure an early update of your particulars to avoid any inconvenience. The e-Dividend mandate form is enclosed.

7. CONVERSION OF PHYSICAL SHARES INTO BOOK ENTRY FORM

As per Section 72 of the Companies Act, 2017 all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017.

The Securities & Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their such members who still hold shares in physical form to convert their shares into book-entry form.

We hereby request all such members of International Steels Limited who are holding shares in physical form to convert their shares into book-entry form at the earliest. They are also suggested to contact the Central Depository Company of Pakistan Limited or any active member/stockbroker of the Pakistan Stock Exchange to open an account in the Central Depository System to facilitate the conversion of physical shares into book-entry form.
Members are informed that holding shares in book-entry form has several benefits including but not limited to:

- Secure and convenient custody of shares
- Conveniently tradeable and transferable
- No risk of loss, damage or theft
- No stamp duty on transfer of shares in book-entry form
- Seamless credit of bonus or right share

We once again strongly advise members of the Company, in their best interest, to convert their physical shares into book-entry form at the earliest.

8. ELECTRONIC VOTING

Members can excercise their right to demand a poll subject to meeting requirements of Section 143-145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

9. FILER AND NON-FILER STATUS

i) The Government of Pakistan through the Finance Act, 2024 in Section 150 of the Income Tax Ordinance, 2001 prescribed the following rates for withholding tax against dividend payments by the companies;

a) For filers of income tax returns – 15%

b) For non-filers of income tax returns – 30%

Members whose names are not entered into the Active Taxpayers' List (ATL) provided on the FBR website, despite the fact that they are filers, are advised to make sure that their names are entered into ATL to avoid higher tax deductions against any future dividends.

ii) For any query/problem/information, the investors may contact the Share Registrar at the following phone numbers, or email addresses:

M/s THK Associates (Pvt.) Ltd.

32-C, Jami Commercial Street 2,

D.H.A., Phase VII, Karachi-75500

Phone: +9221-111-000-322, +9221-37120628-29

E-mail : sfc@thk.com.pk

iii) Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Share Registrar i.e. M/s THK Associates (Pvt.) Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio number.

Statement under section 166(3) of the Companies Act, 2017

ORDINARY BUSINESS

AGENDA ITEM 4 – ELECTION OF DIRECTORS

The term of office of the present Directors of the Company will expire on September 29, 2025. In terms of Section 159(1) of the Companies Act, 2017 ("Act"), the directors have fixed the number of elected directors at eight (8) to be elected in the Annual General Meeting for a period of three years.

The present Directors are interested to the extent that they are eligible for re-election as Directors of the Company.

Any person who seeks to contest election to the office of Director shall, whether he is a retiring director or otherwise, file with the Company at its Registered Office, 101 Beaumont Plaza, 10 Beaumont Road, Karachi-75530, not later than fourteen days before the date of the meeting, the following documents:

(i) Notice of his/her intention to offer himself/herself for the election of directors in terms of Section 159(3) of the Act, together with the consent to act as a director in Form 28 prescribed under the Companies Act, 2017;

(ii) A detailed profile along with office address as required under SECP's SRO 634 (I)/2014 dated 10 July 2014;

(iii) A director must be a member of the Company at the time of filing of his/her consent for contesting the election of directors except a person representing a member, which is not a natural person.

(iv) A declaration confirming that:

1) He/she is aware of his/her duties and powers under the relevant laws, Memorandum and Articles of Association of the Company and listing regulations of the Pakistan Stock Exchange Limited;

2) He/she is not ineligible to become a director of a listed company under any provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and any other applicable law, rules and regulations.

Independent Directors will be elected through the process of election of directors in terms of Section 159 of the Act and they shall meet the criteria laid down under Section 166(2) of the Act.

الف: انکم ٹیکس گوشوارے جمع کرانے والے اراکین 15 فیصد
ب: انکم ٹیکس گوشوارے جمع نہ کرانے والے اراکین 30 فیصد

جن اراکین کے نام ایف بی آر کی ویب سائٹ پر فراہم کردہ ایکٹو ٹیکس پیئرز لسٹ (اے ٹی ایل) میں درج نہیں ہیں، قطع نظر اس کے کہ وہ فائلرز ہیں، ان کو مشورہ دیا جاتا ہے کہ وہ اپنے ناموں کو اے ٹی ایل میں درج کروائیں تاکہ مستقبل میں کسی بھی منافع کی ادائیگی میں بے جا ٹیکس کٹوتی سے بچا جا سکے۔

(ii) کوئی بھی سوال / مسئلہ / معلومات حاصل کرنے کے لئے، سرمایہ کار حسبِ ذیل فون نمبرز، ای میل ایڈریس یا پوسٹل ایڈریس کے ذریعے حصص رجسٹرار سے رابطہ کر سکتے ہیں:

M/s. THK Associates (Pvt) Ltd.
C-32، جامی کمرشل اسٹریٹ 2، D.H.A.، فیز VII، کراچی-75500
فون: 29-37120628-9221+, 322-000-111-9221+
ای میل: sfc@thk.com.pk

(iii) سی ڈی سی اکاؤنٹس رکھنے والے اراکین کو اپنی متعلقہ تفصیلات سمیت اپنے نیشنل ٹیکس نمبر (NTN) کی تجدید کروانی ہوگی، جب کہ سرٹیفکیٹ رکھنے والے کارپوریٹ ادارے کو اپنے NTN سرٹیفکیٹ کی ایک کاپی حصص رجسٹرار یعنی M/s. THK Associates (Pvt) Ltd. کو بھیجنی پڑے گی۔ حصص یافتگان کو این ٹی این یا NTN سرٹیفکیٹ بھیجتے وقت کمپنی کا نام اور اپنے متعلقہ فولیو نمبر کا حوالہ دینا ضروری ہے۔

۴۔ لازمی معلومات—(ای میل، شناختی کارڈ، IBAN اور زکوٰۃ کا اعلان)

الف: کمپنیز ایکٹ 2017 کے سیکشن 119 اور ریگولیشن 47 کمپنیز ریگولیشنز 2024 کے تحت اراکین سے درخواست کی جاتی ہے کہ ہمارے ریکارڈ کی تجدید اور قانون کی عدم تعمیل سے بچنے کے لئے اپنی لازمی معلومات جیسے کہ، تجدید شدہ ڈاک کا پتہ، ای میل، موبائل / ٹیلیفون نمبر، انٹرنیشنل بینکنگ اکاؤنٹ نمبر (IBAN) بشمول قومی شناختی کارڈ کی ایک کاپی فوری طور پر فراہم کریں۔ بصورت دیگر، تمام منافع کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈز) ریگولیشنز 2017 کے ضابطہ 6 کے مطابق روک دیا جائے گا۔

- برائے سرٹیفیکیٹ
  M/s. THK Associates (Pvt) Ltd.
- برائے CDS حصص
  CDC انویسٹر اکاؤنٹ سروسز یا متعلقہ ادارہ

ب: اراکین سے درخواست ہے کہ وہ زکوٰۃ اور عشر آرڈیننس 1980 کے مطابق زکوٰۃ سے استثنیٰ کے لئے ایک اعلامیہ (CZ-50) جمع کروائیں اور اگر پتے میں کوئی تبدیلی ہوئی ہو تو فوری مطلع کریں۔

۵۔ غیر دعویٰ شدہ ڈیویڈنڈ:

حصص یافتگان، جو کسی بھی وجہ سے اپنے ڈیویڈنڈ کا دعویٰ نہیں کر سکے ہیں، اُن سے درخواست ہے کہ وہ اپنا غیر دعویٰ شدہ ڈیویڈنڈ وصول کرنے یا اُس کے حوالے سے معلومات حاصل کرنے کے لئے ہمارے حصص رجسٹرار M/s. THK Associates (Pvt) Ltd. سے فوری رابطہ کریں۔

۶۔ ای ڈیویڈنڈ مینڈیٹ

کمپنیز ایکٹ، 2017 کے سیکشن 242 کے مطابق، پبلک لسٹڈ کمپنی کے معاملے میں، نقد میں قابلِ ادائیگی کوئی بھی ڈیویڈنڈ صرف الیکٹرانک ذریعے سے حقدار حصص یافتگان کے نامزد کردہ بینک اکاؤنٹ میں بھیجا جائے گا۔

لہٰذا، اس نوٹس کے ذریعے تمام حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنے بینک اکاؤنٹ نمبر (IBAN) اور دیگر تفصیلات کی سنٹرل ڈپازٹری سسٹم میں تجدید کروائیں۔ حصص سرٹیفیکیٹ کی صورت میں رکھنے والے ممبران برائے کرم مستقبل میں کسی بھی قسم کی تکلیف سے بچنے کے لئے اپنے موجودہ بینک اکاؤنٹ کی تفصیلات ہمارے حصص رجسٹرار، M/s. THK Associates (Pvt) Ltd. کے پاس فوری طور پر تجدید یقینی بنائیں۔ ای ڈیویڈنڈ مینڈیٹ فارم منسلک ہے۔

۷۔ سرٹیفیکیٹ کو بُک انٹری فارم میں تبدیل کرنا

کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت تمام رجسٹرڈ کمپنیز کو کمپنیز ایکٹ 2017 کے آغاز کی تاریخ سے چار سال کی مدّت کے اندر اپنے سرٹیفیکیٹس کی بُک انٹری کی صورت میں تبدیل کروانے کی تاکید کی گئی ہے۔

پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن نے اپنے سرکلر نمبر CSD/ED/MISC.2016 639-640 بتاریخ 26 مارچ 2021 کے ذریعے تمام لسٹڈ اداروں کو عندیہ دیا ہے کہ وہ اپنے ایسے اراکین سے رجوع کریں جن کے پاس ابھی تک سرٹیفیکیٹ کی شکل میں حصص موجود ہیں تاکہ وہ اپنے حصص بُک انٹری کی صورت میں تبدیل کروا سکیں۔

ہم یہاں انٹرنیشنل اسٹیلز لمیٹڈ کے ایسے تمام اراکین سے درخواست کرتے ہیں جو حصص کے سرٹیفیکیٹ رکھتے ہیں کہ وہ اپنے حصص جلد از جلد بُک انٹری کی صورت میں تبدیل کروائیں۔ انہیں سینٹرل ڈپازٹری سسٹم میں اکاؤنٹ کھولنے کے لئے سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ یا پاکستان اسٹاک ایکسچینج کے کسی بھی فعال رکن / اسٹاک بروکر سے رابطہ کرنے کا مشورہ دیا جاتا ہے تاکہ حقیقی حصص سرٹیفیکیٹس بُک انٹری کی صورت میں تبدیل کئے جا سکیں۔

اراکین کو مطلع کیا جاتا ہے کہ بُک انٹری کی صورت میں حصص رکھنے کے متعدد فوائد ہیں جن میں شامل ہیں:

- حصص کی محفوظ اور آسان تحویل
- باآسانی قابل تجارت اور قابل منتقلی
- خرابی، نقصان یا چوری کا کوئی خطرہ نہیں
- کھاتے کے اندراج کی شکل میں حصص کی منتقلی پر کوئی اسٹیمپ ڈیوٹی نہیں۔
- بلا رکاوٹ بونس یا رائٹ شیئرز کی ادائیگی

ہم ایک بار پھر کمپنی کے اراکین کو تنبیہ کرنا چاہتے ہیں کہ وہ اپنے بہترین مفاد میں اپنے حقیقی حصص جلد از جلد بُک انٹری کی صورت میں تبدیل کروائیں۔

۸۔ الیکٹرانک ووٹنگ:

اراکین اپنا حق استعمال کرتے ہوئے رائے شماری (پول) کا مطالبہ کر سکتے ہیں۔ بشرطیہ وہ کمپنیز ایکٹ 2017 کے سیکشنز 143 تا 145، اور کمپنیز پوسٹل بیلیٹ ریگولیشنز کی متعلق شقوں کی ضروریات کو پورا کریں۔

۹۔ فائلر اور نان فائلر کی حیثیت

(i) حکومت پاکستان کی جانب سے فنانس ایکٹ 2024 کے ذریعے انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت رجسٹرڈ اداروں کی جانب سے ڈیویڈنڈ کی ادائیگیوں پر ود ہولڈنگ ٹیکس کے لئے حسبِ ذیل شرائط تجویز کی گئی ہیں۔

نوٹس

۱۔ ویڈیو کانفرنسنگ کی سہولت کے ذریعے اجلاس میں شرکت:

ویڈیو کانفرنسنگ کے ذریعے اجلاس میں شرکت کرنے میں دلچسپی رکھنے والے حاملینِ حصص سے درخواست کی جاتی ہے کہ وہ مندرجہ معلومات کو انٹرنیشنل اسٹیلز لمیٹڈ کے سالانہ اجلاسِ عام 2025 کی رجسٹریشن کے عنوان کے ساتھ اپنی تصدیق شدہ کمپیوٹرائزڈ قومی شناختی کارڈ کے دونوں اطراف کی کاپی کے ساتھ investors@isl.com.pk پر ای میل کریں۔ ویڈیو لنک اور لاگ اِن کی تفصیلات صرف اُن اراکین کو بھیجی جائیں گی جن کی ای میل تمام مطلوبہ تفصیلات کے ساتھ سالانہ اجلاسِ عام کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہوئی ہو۔

ویڈیو کانفرنسنگ کی سہولت کے ذریعے سالانہ اجلاسِ عام میں شرکت کے لئے رجسٹریشن

۱۔ فولیو نمبر CDC / سرمایہ کار کا اکاؤنٹ نمبر / ذیلی اکاؤنٹ نمبر: _____

۲۔ شیئر ہولڈر کا نام: _____

۳۔ سیل فون نمبر: _____

۴۔ ای میل ایڈریس: _____

۵۔ سالانہ جنرل میٹنگ میں شرکت کا حق محفوظ رکھنے کے لئے بک کلوزر کے پہلے دن کے حصص کی تعداد: _____

_____

حصص یافتگان سالانہ اجلاسِ عام کے ایجنڈے کے لئے اپنے تبصرے اور سوالات ای میل ایڈریس investors@isl.com.pk پر بھی بھیج سکتے ہیں۔

۲۔ حصص منتقلی کھاتوں کی بندش

کمپنی کے حصص کی منتقلی کے کھاتے مورخہ 17 ستمبر 2025 تا 24 ستمبر 2025 (بشمول دونوں ایام) بند رہیں گے۔ 16 ستمبر 2025 کو کاروبار کے اختتام تک کمپنی کے رجسٹرار M/s. THK Associates (Pvt) Ltd. کے دفتر یعنی پلاٹ نمبر C-32، جامی کمرشل اسٹریٹ 2، ڈی ایچ اے فیز VII، کراچی-75500 پہ ضابطے کے مطابق موصول ہونے والی درخواستوں کو حتمی نقد منافع کی منتقلی، سالانہ اجلاسِ عام 2025 میں شرکت اور ووٹ دینے کا مجاز تسلیم کیا جائے گا۔

۳۔ سالانہ اجلاسِ عام میں شرکت اور نمائندے کی تقرری

الف: سالانہ اجلاسِ عام میں شرکت کرنے، بولنے اور ووٹ دینے کا حقدار رُکن کسی دوسرے رُکن کو اپنی طرف سے شرکت کرنے بولنے اور ووٹ دینے کے لیے اپنا نمائندہ (پراکسی) مقرر کرنے کا حقدار ہے۔

ب: نمائندگی، پاور آف اٹارنی یا دیگر اختیارات کا تقرر کرنے کے لئے ایک دستخط شدہ نوٹری پبلک سے تصدیق شدہ دستاویز اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں لازمی جمع کروا دیا جائے۔ نمائندگی (پراکسی) کا فارم منسلک ہے۔

ج: سی ڈی سی اکاؤنٹ ہولڈرز کو مزید درج ذیل رہنما ضوابط پر عمل کرنا ہوگا، جیسے کہ 26 جنوری 2000 کو پاکستان کے سیکیورٹیز اینڈ ایکسچینج کمیشن کے ذریعہ جاری کردہ سرکلر 1 میں بیان کیا گیا ہے۔

(i) سالانہ اجلاس عام میں شرکت کے لئے

الف: انفرادی سطح پر، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جن کی سیکیورٹیز اور رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، اجلاس میں شرکت کرنے کے لئے اپنا کمپیوٹرائزڈ قومی شناختی کارڈ دکھا کر اپنی شناخت کا ثبوت پیش کرے گا۔

ب: کارپوریٹ ادارے کی صورت میں، اجلاس میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی اور نامزد شخص کے دستخط کا نمونہ ساتھ پیش کیا جائے گا (اگر پہلے سے فراہم نہ کیا گیا ہو)۔

(ii) تقرری برائے نمائندگی

الف: انفرادی سطح پر، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات CDC کے ضوابط کے مطابق اپ لوڈ کی گئی ہیں وہ مذکورہ بالا قوائد کے مطابق نمائندگی فارم جمع کروائیں گے۔

ب: اصل مالکان اور نمائندے کے قومی شناختی کارڈ کی تصدیق شدہ کاپیاں نمائندگی کے فارم کے ساتھ پیش کی جائیں گی۔ نامزد شدہ نمائندہ اجلاس عام میں شرکت کے وقت اپنا اصل قومی شناختی کارڈ پیش کرے گا۔

اعلان برائے سالانہ اجلاسِ عام

برائے اختتام پذیر سال 30 جون 2025

اس اعلان کے ذریعے اراکین کو مطلع کیا جارہا ہے کہ انٹرنیشنل اسٹیلز لمیٹڈ کا اٹھارواں سالانہ اجلاسِ عام 24 ستمبر 2025 کو صبح 9:00 بجے پیچ لگژری ہوٹل، آف ایم ٹی خان روڈ، کراچی میں درج ذیل مقاصد کے لئے منعقد کیا جارہا ہے۔
اراکین کو ویڈیو کانفرنسنگ کے ذریعے اجلاس میں شرکت کی ترغیب دی جاتی ہے۔

عمومی کاروائی

مالیاتی گوشوارے

ا۔ یہ اجلاس 30 جون 2025 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ سالانہ مالیاتی گوشوارے اور اِن پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے تجزیئے وصول کرنے، ان پر غور کرنے اور انہیں منظور کرنے کے لئے منعقد کیا جارہا ہے۔

کمپنیز ایکٹ 2017 کے سیکشن 223 اور ایس آر او نمبر 2023/(I)389 بتاریخ 21 مارچ 2023 کے تحت کمپنی کی سالانہ رپورٹ بمعہ مالیاتی گوشوارے ادارے کی ویب سائٹ http://www.isl.com.pk/investors پر اپ لوڈ کیے جاچکے ہیں، جنہیں درج ذیل QR فعال کوڈ کے ذریعے بھی دیکھا جاسکتا ہے:

منافع

۲۔ 2.50 روپے فی حصص یعنی 25 فیصد کی بطور حتمی نقد منافع کی ادائیگی پہ غور کرنا اور اسے منظور کرنا جو کہ 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے کل 2.50 روپے فی حصص یعنی 25 فیصد کا منافع بنتا ہے، جیسا کہ بورڈ آف ڈائریکٹرز نے تجویز کیا تھا۔

آڈیٹرز

۳۔ اس اجلاس میں 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے کمپنی کے قانونی آڈیٹرز کی تقرری اور ان کے معاوضے طے کئے جائیں گے سبکدوش ہونے والے آڈیٹرز M/s.A.F. Ferguson & Co. نے اہل ہونے کے سبب تقرری کے لیے باہمی رضامندی سے طے ہونے والی مشاہرے بمعہ غیر متوقع اخراجات کی عوض خود کو دوبارہ پیش کیا ہے۔

ڈائریکٹرز کا انتخاب

29 ستمبر، 2025 سے شروع ہونے والی، تین (۳) سال کی مدت کے لیے ڈائریکٹرز کا انتخاب کرنا۔
سیکشن 159(1) کے تحت، بورڈ نے منتخب کیے جانے والے ڈائریکٹرز کی تعداد آٹھ (8) مقرر کی ہے۔ ذیل میں ریٹائر ہونے والے ڈائریکٹرز کی فہرست درج ہے:

1۔ جناب کمال اے۔ چنائے
2۔ ڈاکٹر امجد وحید
3۔ جناب ہارون رشید
4۔ جناب کینچی ہوتا
5۔ جناب مصطفیٰ اے۔ چنائے
6۔ محترمہ نوشین احمد
7۔ جناب نہال قاسم
8۔ جناب یوسف ایچ۔ مرزا
9۔ جناب سمیر ایم چنائے

دیگر کاروائی

۴۔ صاحبِ صدر کی اجازت سے کسی دوسرے مسئلے پر اظہارِ خیال جو سالانہ اجلاسِ عام میں بیان کیا جاسکے۔
کمپنیز ایکٹ 2017 کے سیکشن 166(3) کے تحت مطلوبہ معلومات حصص یافتگان کو بھیجنے والے سالانہ اجلاسِ عام کے نوٹس کے ساتھ فراہم کی جارہی ہیں۔

بحکم بورڈ انٹرنیشنل اسٹیلز لمیٹڈ
ذوہیب رضا مرچنٹ
کمپنی سیکریٹری

کراچی 19 اگست 2025

E-Dividend Mandate Form

Date: _____

Subject: Bank Account Details For Payment Of Dividend Through Electronic Mode

Dear Sir,

I/We/Messrs., _____
Being a/the shareholder(s) of International Steels Limited [the "Company"], hereby, authorize the Company, to directly credit cash dividends declared by it, in my bank account as detailed below:

(i) Shareholder's details	
Name of the Shareholder	
CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Shareholder's Address	
Contact Number (Landline & Cell Nos.)	
Email	
(ii) Shareholder's Bank account details	
Title of Bank Account	
IBAN (See Note 1 below)	
Bank's Name	
Branch Name & Code No.	
Branch Address	

It is stated that the above particulars given by me are correct and I shall keep the Company, informed in case of any changes in the said particulars in future.

Yours sincerely

_____
Signature of Shareholder
(Please affix company stamp in case of a corporate entity)

Notes:
1. Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account
2. This letter must be sent to shareholder's participant/CDC Investor Account Services which maintains his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by the Company from time to time.

Proxy Form

INTERNATIONAL STEELS LIMITED
Shaping Tomorrow

I / We _____

of _____

being a member of INTERNATIONAL STEELS LIMITED and holder of _____ ordinary shares as per Share Register Folio No._____ and / or CDC Participant I.D. No._____ and Sub Account No._____ hereby appoint_____ of _____ or failing him _____ of _____ as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on September 24, 2025 and at any adjournment thereof.

Signed this_____ day of_____ 2025

WITNESS:

1 Signature _____

Name _____

Address _____

CNIC / Passport No. _____

2 Signature _____

Name _____

Address _____

CNIC / Passport No. _____

Note: Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting. A proxy must be a member of the Company.

CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

International Steels Limited
Shaping Tomorrow

تشکیلِ نیابت داری

میں/ہم _____

ساکن _____ بحیثیت انٹرنیشنل اسٹیلز لمیٹڈ _____ کے

رکن وحامل _____ عام حصص بمطابق شیئر رجسٹر فولیو نمبر _____

اور/یا سی ڈی سی کے شراکتی آئی ڈی نمبر _____ اور ذیلی کھاتہ نمبر _____

محترم/محترمہ _____ ساکن _____

یا بصورتِ دیگر محترم/محترمہ _____ ساکن _____

کو اپنی جگہ مورخہ 24 ستمبر 2025 کو منعقد یا ملتوی ہونے والے سالانہ اجلاسِ عام میں رائے دہندگی کے لئے اپنا نمائندہ مقرر کرتا/کرتی ہوں/کرتے ہیں۔

دستخط _____ 2025 _____

گواہ:

1 دستخط _____

نام _____

پتہ _____

_____

سی این آئی سی یا پاسپورٹ نمبر _____

2 دستخط _____

نام _____

پتہ _____

_____

سی این آئی سی یا پاسپورٹ نمبر _____

_____
دستخط

ریونیو ٹکٹ چسپاں کریں

(دستخط کمپنی میں پہلے سے موجود
نمونے کے مطابق ہونے چاہئیں)

نوٹ: پراکسیز کے مؤثر ہونے کیلئے ضروری ہے کہ ان کی تفصیل اجلاس شروع ہونے سے 48 گھنٹے قبل کمپنی کو موصول ہو جائے۔ یہ ضروری ہے کہ پراکسی کمپنی کا رکن ہو۔

سی ڈی سی شیئر ہولڈرز اور اُن کے پراکسیز سے گزارش ہے کہ وہ پراکسی فارم پیش کرنے سے قبل اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقل اپنے پراکسی فارم کے ساتھ ضرور منسلک کریں۔

Glossary

AGM	Annual General Meeting
API	American Petroleum Institute
ATIR	Appellate Tribunal Inland Revenue
ATL	Active Tax Payer List
BAC	Board Audit Committee
BCP	Business Continuity Planning
Board/BOD	Board of Directors
CBA	Collective Bargaining Agreement
CCG	Code of Corporate Governance
CDC	Central Depository Company
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIR	Commissioner Inland Revenue
CIT	Commissioner Income Tax
COLA	Cost of Living Allowance
CPEC	China Pakistan Economic Corridor
CRC	Cold Rolled Coil
CSR	Corporate Social Responsibility
CTAC	Citizens Trust Against Crime
CWIP	Capital Work in Progress
DBN	Debottlenecking
EBIT	Earnings before Interest and Taxation
EBITDA	Earnings before Interest, Taxation Depreciation and Amortization
EC	Executive Committee
EFP	Employees Federation of Pakistan
EPS	Earning Per Share
ERW	Electric Resistance Weld
ETP	Effluent Treatment Plant
EY	Ernst Young
FBR	Federal Board of Revenue
FPAP	Fire Protection Association of Pakistan
FTA	Free-Trade Agreement
FTO	Federal Tax Ombudsman
FTR	Final Tax Regime
FY	Fiscal Year
GDP	Gross Domestic Product
GIDC	Gas Infrastructure Development Cess
GoP	Government of Pakistan
HoD	Head of Department
HR	Human Resource
HR&RC	Human Resources & Renumeration Committee
HRC	Hot Rolled Coil
HSE	Health, Safety and Environment
IAS	International Accounting Standards
IBA	Institute of Business Administration
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost and Management Accountants of Pakistan
IFAC	International Federation of Accountants
IFC	International Finance Corporation
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
IIL	International Industries Limited
IPO	Initial Public Offering
ISL	International Steels Limited
ISO	International Standards Organization
IT	Information Technology
ITAT	Income Tax Appellate Tribunal
ITRA	Income Tax Reference Application
JV	Joint Ventures
KE	Karachi Electric
KIBOR	Karachi Interbank Offer Rate
KPMG	Klynveld Peat Marwick Goerdeler
LIBOR	London Interbank Offered Rate
LSM	Large Scale Manufacturing
LTC	Lost Time Case
LTIFR	Lost Time Injury Frequency Rate
LTU	Large Taxpayers Unit
M&A	Memorandum and Articles
MAP	Management Association of Pakistan
MC	Management Committee
MFN	Most Favourable Nation
MoC	Ministry of Commerce
MT	Metric Ton(s)
NBV	Net Book Value
NEPRA	National Electric Power Regulatory Authority
NFEH	National Forum for Environment and Health
NOC	No Objection Certificate
NRV	Net Realizable Value
NTC	National Tariff Commission
OHSAS	Occupational Health and Safety Assessment Specification
OPEC	Organization of the Petroleum Exporting Countries
PACRA	Pakistan Credit Rating Agency
PAT	Profit after tax
PCL	Pakistan Cables Limited
PICG	Pakistan Institute of Corporate Governance
PKR	Pakistan Rupees
PSX	Pakistan Stock Exchange
Rs.	Pakistani Rupees
SECP	Securities and Exchange Commission of Pakistan
SHC	Sindh High Court
TCF	The Citizens Foundation
US$/USD	United States Dollar

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Shaping Tomorrow

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