AMRELI STEELS LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Ernst & Young Ford Rhodes Sidat Hyder
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Directors' Report

The Directors of Amreli Steels Limited are pleased to present 39th Annual Report with audited financial statements of the Company for the year ended 30 June 2014.

Overview

Alhamdolillah, in the financial year 2013-2014 your Company made record revenue of Rs. 11.96 Billion at a growth rate of 12.6% over the last corresponding year and highest ever profit after tax of Rs. 252 million witnessing a growth of 108% over and above last financial year. Distribution expenses along with Administrative costs were kept in check and efficient treasury management helped a great deal in increased net profit for the Company.

During the financial year 2013 – 2014, according to an estimate, annual consumption of long products in Pakistan was 3.2 Million metric tons. However, quality rebar's market would be 30% of the total long products consumed. Like in past your Company dominates the quality re-bars market as leader by taking 15% share and in terms of total long products it has market share of only 4.5%.

Both the Plants producing quality billets at Dhabeji and quality re-bars at SITE are running very smoothly and were operated at a capacity of 82% and 79% respectively and are expected to cross 90% plus in the financial year 2014- 2015.

Economic Outlook

Pakistan's economy is showing signs of recovery. Government's focus on public development schemes particularly high ways, roads, dams, and investment on other infrastructure related schemes are auguring well for the demand of Cement and Steel which go hand in hand together. Large scale manufacturing and Agriculture sector performed well which helped economy to register a decent growth of 4.1% during the financial year under review. Foreign currency which remained stable by and large, helped control cost of imports in general and scrap in particular for steel melters. We hope that Government would continue to improve slowly but steadily with right and consistent policies in place and we foresee demand pull for cement and quality steel for next five years, albeit difficult law and order situation and energy supply.

Financial Performance

A comparison of the key financial indicators of the Company for the year ended 30 June 2014 with corresponding year is as under;

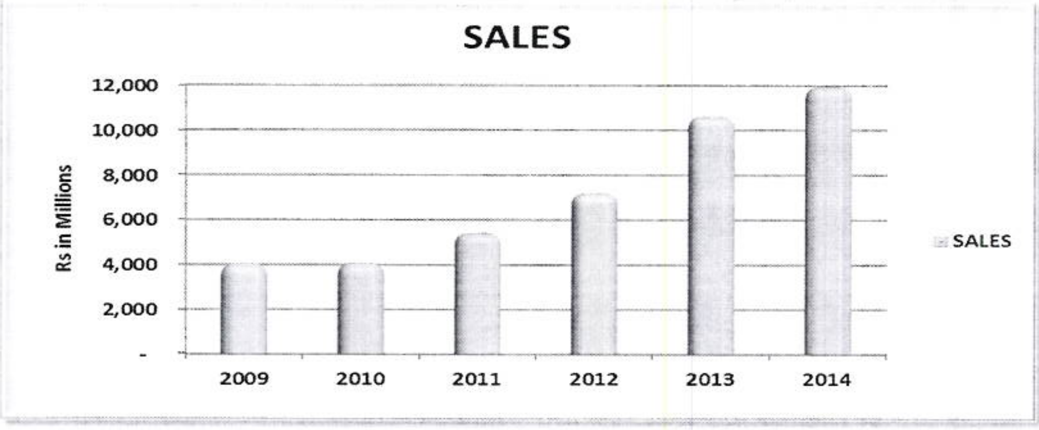
Particulars	30 June 2014	30 June 2013
Sale revenue	11,962,146	10,621,858
Gross profit	1,372,488	1,161,434
Operating profit	1,041,472	841,403
Profit before tax	379,941	173,566
Profit After tax	252,401	121,146
Earnings per share	1.13	0.54

*Rupees in thousands

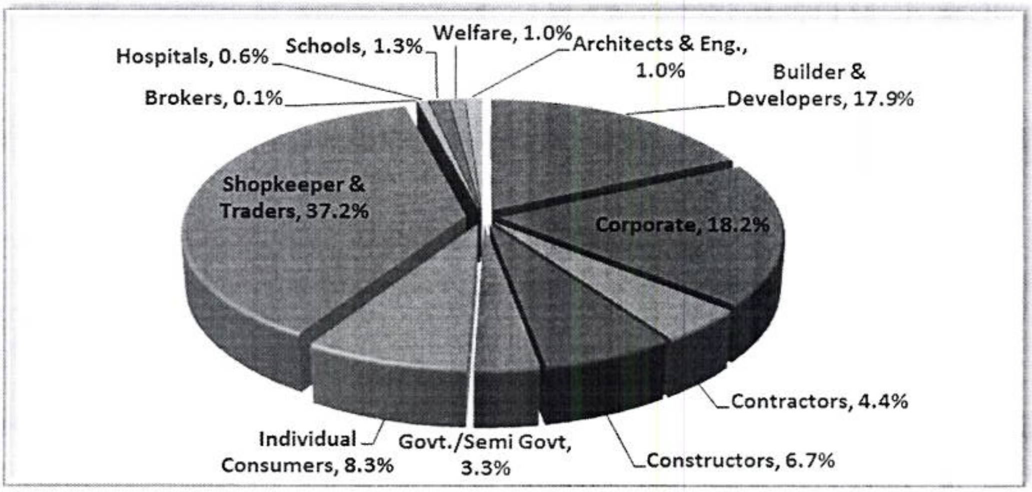
Directors' Report

Revenue

During the year under review, the Company achieved an overall sales growth of 12.6% contributed by 6.1% increase in volume and 6.5% increase in price.



The Break-up of segment wise sale of the Company during the financial year 2013-14 is as under depicting the diversity of its sales.



Diluted and basic earnings per share (EPS)

Diluted and basic EPS of Company was Rs. 1.13 in the financial year 2013 – 2014 up from Rs. 0.54 in the last financial year.

Directors' Report

Statement of Value Addition by the Company

Particulars		FY 2014	FY 2013
Source of funds			
	Revenue from sales	11,962,146,367	10,621,857,713
	Revenue from other income	23,358,713	3,432,916
	Less: Bought in material and services	(10,398,103,436)	(9,249,269,817)
	Value added by the Company	**1,587,401,644**	**1,376,020,812**
Applied to			
Salaries & benefits	The benefit of employees	280,753,541	243,329,966
Taxes	**The Government**		
	INCOME TAX		
	- Current tax	121,355,119	51,441,502
	- Deferred tax	6,184,878	979,234
		127,539,997	**52,420,736**
Interest	The providers of Capital	631,395,290	652,256,356
Depreciation	The replacement of assets and expansion of business	295,311,761	306,867,712
Owner's profit	Amount attributable to owners	252,401,055	121,146,042
		1,587,401,644	**1,376,020,812**

Value Addition in Technology:

Amreli Steels limited is the first Company to procure and successfully implement the *Water Quenching Technology* in Pakistan.

Water Quenching Technology is a process which converts low carbon steel into high strength bars with a guaranteed yield strength of 500 mpa.

Health, Safety Environment and Quality:

The Company being a responsible corporate citizen set up a *Fume Extraction System* which is the real solution for green revolution. With the increase in discharge of waste from various processes, environmental safety has been a great concern; therefore presently the increase environmental awareness requires a good fume extraction system which is inevitable and mandatory part of all steel plants.

This system provides significant advantages which are as follow;

- Clean Working Area (surrounding).
- Hygienic working atmosphere.
- High employees' acceptance.
- Increased productivity.
- Prevents corrosion of crane & roof structure.
- Increased safety

Directors' Report

Future prospects & Outlook

With production Capacity of 200,000 metric tons and 180,000 metric tons per year, the Company's Steel Melt Shop and Rolling Mill respectively, are one of the largest steel billets and re-bars production units in Pakistan. The Amreli family is blessed with a mix of experienced engineers, young trainees, expert consultants and top management with a strong track record helping the plants fire on all cylinders.

Investment in a Pollution Control System and Sewerage Treatment Plant and the steel recycling initiative are highlights of the Company's environmentally responsible culture.

The future of your company looks sunny. With backward integration in place the Rolling Mill can be fed consistently with quality billets of size and chemistry through continuous production at the Steel Melting Plant. This will give your Company the added advantage both in terms of costs and quality over the competitors. We are devising our strategy to enter new markets to enhance our sales volumes further and diversify our risk. We will continue to advocate the Government to announce a much needed Steel Policy, which is a norm in the developed and most of the developing Countries, and provide level playing field to the steelmelters. This will help a great deal in producing cost effective quality steel in the Country.

Dividend

The Board did not declare any dividend for the financial year 2013-2014 and the amount of profit after tax for the year under discussion was retained in un-appropriated profits account of the Company.

Pattern of Shareholding

Pattern of Shareholding and percentage of holding as at 30 June 2014 is enclosed with the directors' report.

Acknowledgement

We would also like to record our appreciation to all stakeholders for their patronage, our customers for choosing the Company and look forward towards their continued support.

We acknowledge and appreciate the hard work put in by the employees of the Company during the period.

By order of the Board

Abbas Akberali
Chief Executive Officer
Karachi: October 10, 2014

PATERN OF SHAREHOLDING AND PERCENTAGE OF HOLDING
AS ON 30 JUNE 2014

S.NO	NAME OF THE MEMBERS	AMOUNT	% Holding
1	ABBAS AKBERALI	912,947,230	40.98%
2	SHAYAN AKBERALI	356,978,400	16.03%
3	SALSABIL AKBERALI	8,674,320	0.39%
4	HADI AKBERALI	374,192,120	16.80%
5	KINZA SHAYAN	17,463,830	0.78%
6	ZOEB SALEMWALA	500	0.00%
7	GHULAM ABBAS JUMANI	150,035,860	6.74%
8	TAH KISSAT	59,165,520	2.66%
9	SAIFUDDIN ABBAS	179,942,570	8.08%
10	VORTEX INVESTMENT	168,185,350	7.55%
	TOTAL	**2,227,585,700**	**100%**

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Auditors' report to the members

We have audited the annexed balance sheet of Amreli Steels Limited (the Company) as at 30 June 2014 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in notes 4.2 & 4.3 to the accompanying financial statements with which we concur;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2014 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

Audit Engagement Partner: Omar Mustafa Ansari

Date: 10 October 2014

Place: Karachi

AMRELI STEELS LIMITED

BALANCE SHEET
AS AT 30 JUNE 2014

	Note	30 June 2014	30 June 2013 Restated	30 June 2012 Restated
ASSETS			(Rupees)	
NON-CURRENT ASSETS				
Fixed assets				
Property, plant and equipment	6	**7,566,310,105**	7,778,648,365	7,926,234,183
Intangibles	7	**402,472**	727,903	1,053,334
		7,566,712,577	7,779,376,268	7,927,287,517
Long-term investment	8	**15,289,370**	-	1,000,000
Long-term deposits	9	**132,957,872**	217,520,512	210,062,322
		7,714,959,819	7,996,896,780	8,138,349,839
CURRENT ASSETS				
Stores and spares		**444,865,195**	395,659,737	337,745,941
Stock-in-trade	10	**1,565,429,744**	2,053,570,288	1,651,212,677
Trade debts	11	**929,907,782**	571,582,407	379,227,552
Loans and advances	12	**27,033,820**	59,440,872	37,668,147
Trade deposits and short-term prepayments	13	**127,150,930**	75,553,959	76,040,660
Other receivables	14	**116,212,811**	398,480,153	144,782,308
Short-term investments	15	**-**	31,000,000	-
Tax refunds due from the Government		**137,387,752**	140,384,772	71,551,706
Cash and bank balances	16	**63,469,830**	77,465,117	36,262,589
		3,411,457,864	3,803,137,305	2,734,491,580
TOTAL ASSETS		**11,126,417,683**	11,800,034,085	10,872,841,419
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share capital	17	**2,227,585,700**	2,227,585,700	2,227,585,700
Reserves	17	**651,439,886**	316,178,476	135,227,065
		2,879,025,586	2,543,764,176	2,362,812,765
Surplus on revaluation of property, plant and equipment	18	**1,959,532,694**	2,065,202,196	2,140,954,606
NON-CURRENT LIABILITIES				
Long-term financing	19	**2,048,624,564**	1,584,051,443	2,020,022,967
Liabilities against assets subject to finance lease	20	**58,408,020**	182,331,541	288,841,913
Deferred taxation	21	**823,961,640**	812,168,647	819,776,281
Deferred liability	22	**46,421,041**	40,629,917	25,244,226
Other financial liabilities	23	**2,839,687**	15,247,401	-
		2,980,254,952	2,634,428,949	3,153,865,387
CURRENT LIABILITIES				
Trade and other payables	24	**874,497,376**	769,282,298	807,359,341
Interest / markup accrued	25	**99,126,957**	93,405,029	85,688,268
Short-term borrowings	26	**1,733,089,666**	3,093,642,740	1,894,292,091
Current portion of long-term financing	19	**550,116,276**	493,397,620	333,902,140
Current portion of liabilities against assets subject to finance lease	20	**50,774,176**	106,911,077	93,966,821
		3,307,604,451	4,556,638,764	3,215,208,661
CONTINGENCIES AND COMMITMENTS	27			
TOTAL EQUITY AND LIABILITIES		**11,126,417,683**	11,800,034,085	10,872,841,419

The annexed notes 1 to 43 form an integral part of these financial statements.

Chief Executive **Director**

AMRELI STEELS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2014

	Note	30 June 2014	30 June 2013 Restated
		---------- (Rupees) ----------	
Turnover – net	28	**11,962,146,367**	10,621,857,713
Cost of sales	29	**(10,589,658,509)**	(9,460,423,632)
Gross profit		**1,372,487,858**	1,161,434,081
Trading income	30	**3,162,302**	1,297,677
		1,375,650,160	1,162,731,758
Distribution costs	31	**(194,303,667)**	(169,629,100)
Administrative expenses	32	**(160,071,266)**	(153,834,463)
Other income	33	**20,196,411**	2,135,239
Operating profit		**1,041,471,638**	841,403,434
Finance costs	34	**(631,395,290)**	(652,256,356)
Other charges	35	**(30,135,296)**	(15,580,300)
		(661,530,586)	(667,836,656)
Profit before taxation		**379,941,052**	173,566,778
Taxation	36	**(127,539,997)**	(52,420,736)
Profit after taxation		**252,401,055**	121,146,042

The annexed notes 1 to 43 form an integral part of these financial statements.

Chief Executive

Director

AMRELI STEELS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	30 June 2014	30 June 2013 Restated
		---------- (Rupees) ----------	
Net profit for the year		**252,401,055**	121,146,042
Other comprehensive income / (loss)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Unrealised gain / (loss) on hedging instruments		**12,407,741**	(15,247,401)
Unrealised tax relating to hedging instruments		**(4,218,632)**	5,336,590
		8,189,109	(9,910,811)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Recognition of actuarial gain / (loss) on re-measurement of post-retirement benefit obligation	22	**3,138,703**	(9,286,508)
Income tax effect		**(1,067,159)**	3,250,278
		2,071,544	(6,036,230)
		10,260,653	(15,947,041)
Total comprehensive income for the year		**262,661,708**	105,199,001

The annexed notes 1 to 43 form an integral part of these financial statements.

Chief Executive

Director

AMRELI STEELS LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	Note	30 June 2014	30 June 2013
		---------- (Rupees) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**379,941,052**	173,566,778
Adjustments for:			
Depreciation		**295,311,761**	306,867,712
Amortization		**325,431**	325,431
Loan and advances written off		**2,463,219**	-
Liability no longer payable written off		**(14,202,133)**	-
Provision for doubtful trade debts and other receivables		**(1,382,001)**	7,325,629
Accrual for gratuity		**11,776,765**	7,924,757
Gain on disposal of operating assets		**(3,250,894)**	105,514
Finance costs		**631,395,290**	559,817,883
Finance income		**(847,107)**	(349,147)
Trial production cost capitalized		**-**	-
		921,590,331	882,017,779
Operating profit before working capital changes		**1,301,531,383**	1,055,584,557
(Increase) / decrease in current assets:			
Stores and spare parts		**(49,205,458)**	(57,913,796)
Stock-in-trade		**488,140,544**	(402,357,611)
Trade debts		**(356,943,374)**	(199,680,484)
Loans and advances		**29,943,833**	(21,772,725)
Trade deposits and short-term prepayments		**(51,596,971)**	486,701
Other receivables		**282,589,666**	(253,697,845)
		342,928,240	(934,935,760)
Increase / (decrease) in current liability:			
Trade and other payables		**119,417,211**	(67,172,640)
Cash generated from operations		**1,763,876,834**	53,476,157
Gratuity paid		**(2,846,938)**	(1,805,574)
Long-term deposits – net		**84,562,640**	(7,458,190)
Income taxes paid		**(118,358,072)**	(120,274,568)
Net cash generated from / (used in) operating activities		**1,727,234,464**	(76,062,175)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(122,958,345)**	(166,704,194)
Proceeds from disposal of operating assets		**10,165,938**	7,316,786
Long-term investments		**(15,289,370)**	
Interest income received		**847,107**	349,147
Short-term investments		**31,000,000**	(30,000,000)
Net cash used in investing activities		**(96,234,670)**	(189,038,261)
CASH FLOWS FROM FINANCING ACTIVITIES			
Liabilities against assets subject to finance lease – net		**(180,060,422)**	(93,566,116)
Short-term borrowings received – net		**(1,360,553,074)**	1,228,446,246
Long-term financings – net		**521,291,777**	(276,476,044)
Finance costs paid		**(625,673,362)**	(552,101,122)
Net cash (outflow) / inflow from financing activities		**(1,644,995,081)**	306,302,964
Net (decrease) / increase in cash and cash equivalents		**(13,995,287)**	41,202,528
Cash and cash equivalents at the beginning of the year		**77,465,117**	36,262,589
Cash and cash equivalents at the end of the year	16	**63,469,830**	77,465,117

The annexed notes 1 to 43 form an integral part of these financial statements.

Chief Executive | **Director**

AMRELI STEELS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Issued, Subscribed and paid-up Capital	Cash flow hedge reserve	Re-measurement of post - retirement benefits Obligation	Unappropriated Profit	Total Reserves	Total
Balance as at 30 June 2012 – as previously reported	2,227,585,700	-	-	145,671,291	145,671,291	2,373,256,991
Effect of retrospective application of change in accounting policy referred in note 4.3 – net of tax	-	-	(1,250,673)	-	(1,250,673)	(1,250,673)
Effect of restatement related to trial production cost capitalized				(9,193,553)	(9,193,553)	(9,193,553)
Balance as at 30 June 2012 – as restated	2,227,585,700	-	(1,250,673)	136,477,738	135,227,065	2,362,812,765
Net profit for the year	-	-	-	121,146,042	121,146,042	121,146,042
Other comprehensive income						
Effect of retrospective application of change in accounting policy referred in note 4.3 – net of tax	-	(9,910,811)	-	-	(9,910,811)	(9,910,811)
Effect of re-measurement gain – net of tax		-	(6,036,230)	-	(6,036,230)	(6,036,230)
Total comprehensive income – restated	-	(9,910,811)	(6,036,230)	121,146,042	105,199,001	105,199,001
Transfer from surplus on revaluation of property, plant and equipment – net of tax (restated) – note 18	-	-		75,752,410	75,752,410	75,752,410
Balance as at 30 June 2013 – as restated	2,227,585,700	(9,910,811)	(7,286,903)	333,376,190	316,178,476	2,543,764,176
Net profit for the year	-	-	-	252,401,055	252,401,055	252,401,055
Effect of re-measurement gain – net of tax	-	-	2,071,544	-	2,071,544	2,071,544
Unrealized loss on hedging instrument – net of tax	-	8,189,109	-	-	8,189,109	8,189,109
Total comprehensive income	-	8,189,109	2,071,544	252,401,055	262,661,708	262,661,708
Transfer from surplus on revaluation of property, plant and equipment – net of tax – note 18	-	-	-	72,599,702	72,599,702	72,599,702
Balance as at 30 June 2014	**2,227,585,700**	**(1,721,702)**	**(5,215,359)**	**658,376,947**	**651,439,886**	**2,879,025,586**

The annexed notes 1 to 43 form an integral part of these financial statements.

Chief Executive

Director

AMRELI STEELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. THE COMPANY AND ITS OPERATIONS

Amreli Steels Limited (the Company) was incorporated in 1975 under the Companies Act, 1913 (now the Companies Ordinance, 1984) as a private limited company and converted into a public unquoted company in 2009. The Company is mainly engaged in manufacture and sale of steel bars and billets. The registered office of the Company is situated at Plot No. D-89, Shershah Road, S.I.T.E., Karachi.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and other standards as are notified under the Companies Ordinance, 1984, and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3. BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under the historical cost convention except for certain classes of property, plant and equipment that have been measured at revalued amounts and derivative financial instruments that have been measured at fair value.

3.2 These financial statements are prepared in Pak Rupees, which is the Company's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Standards, amendments and interpretations to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective date (annual periods Beginning on or after)
IFRS 10	– Consolidated Financial Statements	01 January 2015
IFRS 11	– Joint Arrangements	01 January 2015
IFRS 12	– Disclosure of Interests in Other Entities	01 January 2015
IFRS 13	– Fair Value Measurement	01 January 2015
IAS 16 & 38	– Clarification of Acceptable Method of Depreciation and Amortization	01 January 2016
IAS 19	– Employee Contributions	01 July 2014
IAS 32	– Offsetting Financial Assets and Financial liabilities (Amendment)	01 January 2014
IAS 39	– Novation of Derivatives and Continuation of Hedge Accounting (Amendment)	01 January 2014

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Enfrum

Standard		IASB Effective date (annual periods Beginning on or after)
IFRS 9	– Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14	– Regulatory Deferral Accounts	01 January 2016
IFRS 15	– Revenue from Contracts with Customers	01 January 2017

4.2 Standards, amendments and interpretations adopted during the year

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous financial year except as described below:

New and amended standards and interpretations

The Company has adopted the following amendments to IFRSs which became effective for the current year:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 19 – Employees Benefits (Revised)

4.3 Change in accounting policy

4.3.1 Accounting for Employee Benefits – IAS 19

IAS 19, 'Employee Benefits' was revised in June 2011. The effective date of this amendment is from annual period beginning on after 01 January 2013 and accordingly it become applicable to the Company in the current financial year.

The revised standard requires:

(i) past service cost to be recognised immediately in the profit or loss;
(ii) replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year; and
(iii) introduces a new term 're-measurements' which is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost.

The revised standard eliminates the corridor approach and requires to recognize all re-measurement gains or losses / actuarial gains or losses in the Other Comprehensive Income (OCI) immediately as they occur.

In accordance with the transitional provisions as set out in IAS 19 (Revised), the Company has applied the revised standard retrospectively and, consequently earliest periods presented in the balance sheet, statement of comprehensive income and the statement of changes in equity have been restated. The impact of retrospective application of IAS 19 (Revised) is as follows:

	30 June 2014	30 June 2013
Impact of adoption of IAS 19 (Revised)		
Effect on Balance Sheet		
(Decrease) / increase in deferred liability	**(3,138,703)**	9,286,508
Increase / (decrease) in reserves	**2,071,544**	(6,036,230)
Increase / (decrease) in deferred taxation	**1,067,159**	(3,250,278)
Impact on profit and loss account		
Increase in net profit for the year	**-**	-
Impact on statement of comprehensive income		
Increase / (decrease) in actuarial gain for the period	**3,138,703**	(9,286,508)

There is no impact of this change in accounting policy on the cash flow statement in these financial statements.

4.3.2 Amendment to IAS 1 Presentation of Financial Statements

The primary change resulting from this amendment is that the Company has grouped items presented in 'other comprehensive income' on the basis whether they are potentially re-classifiable to profit or loss subsequently (reclassification adjustments).

Had there been no change in the aforementioned accounting policy, there would not have been bifurcation of items appearing in the 'other comprehensive income'.

The amendment clarifies the disclosure requirements for the comparative information when an entity provides a third balance sheet as required by IAS 8 ' Accounting policies, changes in accounting estimates and errors'. In accordance with the amendment, the balance sheet should be as at the date of the beginning of the preceding period, that is, the opening position. Notes to the financial statements in support to the balance sheet so presented are therefore not required.

4.4 Property, plant and equipment

Owned assets

These except for leasehold land, capital work-in-progress and stores held for capital expenditure are stated at cost / revalued amount less accumulated depreciation and impairment losses, if any. Buildings on leasehold land, and plant and machinery are carried at revalued amount less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Capital work-in-progress and stores held for capital expenditure are stated at cost less impairment losses, if any.

Depreciation is charged to profit and loss account applying the reducing balance method, except for depreciation on plant and machinery, and cranes which are charged on a straight line basis. In respect of additions and disposals of assets, depreciation is charged from the month in which an asset is available for use and continues depreciating it until it is derecognized i.e. up to the month preceding the disposal, even if during that period that asset is idle. Previously the Company had a practice of charging full year's depreciation in the year of additions and no depreciation in the year of disposal. The management has changed the practice for batter presentation. This change in estimate has resulted in reduction in the depreciation charge for the year by Rs. 11,644,494/- and in gain/loss on disposal of Property, Plant and Equipment by Rs. 49,877/-.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements which increase the asset's remaining useful economic life or performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are retired.

Gains or losses on disposal of property, plant and equipment, if any, are recognised in the profit and loss account currently.

The carrying values of property, plant and equipment are reviewed at each balance sheet date for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

Assets subject to finance lease

Finance lease, which transfers to the Company substantially all the risks and benefits incidental to ownership of leased items are capitalized at the inception of lease. Assets subject to finance lease are stated at the lower of the present value of the minimum lease payments under the lease agreements and their fair value. Depreciation is charged using the same basis and rates used for similar owned assets whereby the cost of assets less residual value is written off over their estimated useful lives. Lease payments are apportioned between the financial charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Financial charges are charged directly to profit and loss account.

4.5 Surplus on revaluation of property, plant and equipment

The surplus arising on revaluation of property, plant and equipment net off deferred tax is credited to "Surplus on revaluation of property, plant and equipment" shown below equity in the balance sheet in accordance with the requirements of section 235 of the Companies Ordinance, 1984 as amended through the Companies (Amendment) Ordinance, 2002, and the Securities and Exchange Commission of Pakistan's (SECP) SRO 45(1)/2003 dated 13 January 2003.

Depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account.

An amount equal to incremental depreciation for the year net of deferred tax is transferred from "Surplus on Revaluation of Property, Plant and Equipment account" to unappropriated profits through "Statement of Changes in Equity" to record realization of surplus to the extent of the incremental depreciation charge for the year.

4.6 Stores and spare parts

These are valued at lower of moving average cost and Net Realizable Value (NRV) except for items in transit which are stated at invoice amount plus other charges paid thereon to the balance sheet date.

Provision is made for slow moving and obsolete items on annual basis.

4.7 Stock-in-trade

These are valued at the lower of NRV and cost determined as follows:

Raw and packing materials	- First-In-First-Out (FIFO)
Work-in-process	- Cost of direct materials plus other attributable overheads
Finished goods - Manufactured	- Cost of direct materials plus other attributable overheads
- Trading	- First-In-First-Out (FIFO)

NRV signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

4.8 Trade debts and other receivables

These are recognised at invoice amount less provision for any uncollectible amounts. Other receivables are carried at cost less provision for impairment. Provision for impairment is based on the management's assessment of customers' / parties' outstanding balances and creditworthiness. Trade debts and other receivables are classified as bad debts / receivable and are written-off when there is no realistic prospect of recovery.

4.9 Investments

Held-to-maturity investments

These represent financial assets with fixed or determinable payments and fixed maturities in respect of which the Company has positive intent and ability to hold till maturity. These are recognised initially at fair value plus directly attributable transaction costs.

After initial measurement, these investments are measured at amortized cost using effective interest rate method. Gains and losses are recognised in profit and loss account when the investments are derecognised or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Investments which are acquired principally for the purpose of generating profit from short-term fluctuations in price or dealer's margin are classified as held for trading. After initial recognition, these are stated at fair values with any resulting gains or losses recognised directly in the profit and loss account. Transaction costs are charged to profit and loss account when incurred.

4.10 Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using effective interest rate method. Gains or losses are recognised in profit and loss account when the liabilities are derecognised.

4.11 Trade and other payables

Liabilities for trade and amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.12 Financial instruments

All financial assets and liabilities are recognised at the time when the Company becomes party to the contractual provisions of the instrument and are derecognised in case of assets, when the contractual rights under the instrument are realized, expired or surrendered and in case of a liability, when the obligation is discharged, cancelled or expired. Any gain or loss on recognition and de-recognition of the financial assets and liabilities is included in the profit and loss account for the period in which it arises.

4.13 Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

The fair values of the interest rate swaps represent the discounted value of the future cash flows estimated based on relevant economic assumptions for the period till the maturity of the swap contracts.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Company will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedge risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair values or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges

Cash flow hedges are when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with an recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the income statement as other operating expenses.

The Company uses interest rate swaps for its exposure to volatility of cash flows resulting from the changes in the interest rates. The ineffective portion relating to interest rate swaps is recognised in finance costs (refer to Note 9 for more details).

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transactions or firm commitment affects profit or loss.

Derivative instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if a reliable allocation can be made.

4.14 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and if only, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle liabilities simultaneously. Corresponding income and expenditure is also netted off and recorded on net basis in the profit and loss account.

4.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

4.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the entity incurs in connection with the borrowing of funds.

4.17 Foreign currency transactions and translations

Transactions in foreign currencies are translated into Pak Rupees (functional currency) at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated into Pak Rupees at the foreign exchange rate ruling at that date. Exchange differences are recognised in the profit and loss account.

4.18 Staff retirement benefits

The Company operates an approved and funded defined gratuity scheme for all permanent employees who have completed the minimum qualifying period of service for entitlement of gratuity. The contributions to the scheme are made in accordance with the independent actuarial valuation. The latest actuarial valuation was carried out as of 30 June 2014 using Projected Unit Credit method.

As more fully explained in note 4.3.1, effective from 01 July 2013, the Company has changed its accounting policy due to amendments in IAS 19 (Revised) "Employee benefits", whereby actuarial gains and losses are now being recognised directly to equity through statement of other comprehensive income as they occur. Previously actuarial gains / losses exceeding 10 percent of the higher of the present value of the defined benefit obligation and fair value of plan assets at the beginning of the year, were amortised over the average future service of the employees. The description and the impacts of the change in accounting policy have been detailed in note 4.3.1.

4.19 Revenue recognition

Sales are recognised upon passage of title to the customers which generally coincides with physical delivery.

Income on bank deposits / term deposit receipts is recognised on time proportion basis.

Other revenues are accounted for on accrual basis.

4.20 Ijarah contracts

Leases under Shariah compliant Ijarah contracts, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as Ijarah. Rentals under these arrangements are charged to profit and loss account on straight line basis over the lease term.

4.21 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred income tax is provided using the liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, unused tax losses and tax credits, if any, to the extent that it is probable that taxable profits will be available against which such temporary differences and tax losses can be utilized.

Deferred income tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material.

Deferred tax relating to items, recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

4.22 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and bank balances.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following estimates, judgments and assumptions which are significant to the financial statements:

Residual values and useful life of property, plant and equipment

The Company reviews the appropriateness of the rate of depreciation, depreciation method, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in estimates in future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effect on the depreciation charge and impairment.

Surplus on revaluation of property, plant and equipment

The Company reviews the appropriateness of the revaluation of lease hold land, buildings on lease hold land, and plant and machinery periodically for the purpose of ensuring that the carrying amount of the same does not differ materially from its fair value. In making this assessment, the Company uses the technical resources available with the Company. Any change in assessment in future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effect on revaluation surplus of property, plant and equipment.

Borrowings costs capitalized

The Company reviews the appropriateness of the borrowing costs capitalized to items of property, plant and equipment at each year end. Any change in the judgment in future might affect the profit and loss account of that year.

Provision for impairment of trade debts and other receivables

The Company assesses recoverability of its trade debts and other receivable balances at each year end for the purpose of evaluating doubtful trade debts and other receivable balances keeping in view the aging analysis. Any change in the estimate in future might affect the profit and loss account of that year.

Staff retirement benefits

The cost of defined benefit plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rate, expected rate of return on assets and future salary increases. Due to long-term nature of these plans, such estimates are subject to significant uncertainty.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Deferred taxation

Deferred tax assets are recognised for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which the losses can be utilized or credits can be availed. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies and capital expenditure planning. Any change in estimates in future years might affect the remaining amounts of respective items of deferred taxation with a corresponding effect on the taxation charge.

Deferred tax debits include minimum tax credits carried forward by the Company against tax years whereby it incurred a tax loss. Such deferred tax debits amounting to Rs. 916.140 million have been recognised on the advice of the Company's tax advisors. Any eventuality against such advice may result in loss of said amount in future. Additionally, recoverability of such debits and tax losses carried forward are subject to projection of future taxable profits.

6. PROPERTY, PLANT AND EQUIPMENT	**Note**	**30 June 2014**	**30 June 2013**
		---------- **(Rupees)** ----------	
Operating assets	6.1	**7,521,027,875**	7,607,145,230
Capital work-in-progress	6.2	**5,670,416**	114,479,499
Stores held for capital expenditure	6.3	**39,611,814**	57,023,636
		7,566,310,105	7,778,648,365

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6.1 Operating fixed

6.1.1 Following is a statement of operating assets:

2014	Note	OWNED									ASSETS SUBJECT TO FINANCE LEASE	Total
		Leasehold Land	Buildings on leasehold land	Plant and machinery	Furniture and fittings	Office equipment	Vehicles	Crane	Computers	Total	Plant and machinery	
		----------	----------	----------	----------	----------	(Rupees)	----------	----------	----------	----------	----------
	Note	6.1.2	6.1.2	6.1.2								
Cost / revalued as at 01 July 2013		751,236,600	1,356,273,880	5,364,869,896	15,282,761	14,035,161	13,191,565	5,595,855	17,787,873	7,538,273,591	417,403,925	7,955,677,516
Additions		-	5,468,049	71,509,461	2,249,699	962,841	3,919,693	-	2,676,230	86,785,973	-	86,785,973
Disposals		(39,000,000)	-	-	-	-	(1,605,193)	-	-	(40,605,193)	-	(40,605,193)
Transfers from CWIP	6.2	-	79,763,025	33,691,762	-	-	-	-	-	113,454,787	-	113,454,787
Transfers from capital stores		-	-	48,938,490	-	-	-	-	-	48,938,490	-	48,938,490
Revaluation surplus / (deficit)		-	-	-	-	-	-	-	-	-	-	-
Transfer from finance lease		-	-	237,403,925	-	-	-	-	-	237,403,925	(237,403,925)	-
Cost / revalued as at 30 June 2014		712,236,600	1,441,504,954	5,756,413,534	17,532,460	14,998,002	15,506,065	5,595,855	20,464,103	7,984,251,573	180,000,000	8,164,251,573
Accumulated depreciation as at 01 July 2013		-	135,627,388	152,898,792	4,706,271	7,035,310	7,128,025	2,238,342	11,293,378	320,927,506	27,604,780	348,532,286
Depreciation charge for the year		-	122,807,983	154,236,459	1,140,792	735,914	1,580,188	373,057	2,289,289	283,163,682	12,148,079	295,311,761
Disposals		-	-	-	-	-	(620,349)	-	-	(620,349)	-	(620,349)
Revaluation surplus / (deficit)		-	-	-	-	-	-	-	-	-	-	-
Transfer from finance lease		-	-	23,894,859	-	-	-	-	-	23,894,859	(23,894,859)	-
Accumulated depreciation as at 30 June 2014		-	258,435,371	331,030,110	5,847,063	7,771,224	8,087,864	2,611,399	13,582,667	627,365,698	15,858,000	643,223,698
Net book value as at 30 June 2014		712,236,600	1,183,069,583	5,425,383,424	11,685,397	7,226,778	7,418,201	2,984,456	6,881,436	7,356,885,875	164,142,000	7,521,027,875
Annual rate of depreciation (%)		-	10	2* & 3*	10	10	20	6.67*	30		3*	
Residual value (%)		-	-	5	-	-	-	-	-		-	

* Depreciation is calculated on straight line basis.

6.1.1.1 Include assets under common ownership obtained through Diminishing Musharaka Sukuk as explained in note 19.2.

2013	Note	OWNED									ASSETS SUBJECT TO FINANCE LEASE			Total
		Leasehold Land	Buildings on leasehold land	Plant and Machinery	Furniture and fittings	Office equipment	Vehicles	Crane	Computers	Total	Vehicles	Plant and machinery	Total	
		(Rupees)												
		6.1.2	6.1.2	6.1.2										
Cost / revalued as at 01 July 2012		751,236,600	1,320,092,826	5,316,380,779	14,813,607	13,916,161	21,895,224	5,595,855	13,746,178	7,457,677,230	2,112,000	417,403,925	419,515,925	7,877,193,155
Additions		-	34,650,844	11,415,863	469,154	119,000	4,620,868	-	4,041,695	55,317,424	-	-	-	55,317,424
Disposals		-	-	-	-	-	(13,324,527)	-	-	(13,324,527)	(2,112,000)	-	(2,112,000)	(15,436,527)
Transfers from CWIP	6.2	-	1,530,210	2,694,557	-	-	-	-	-	4,224,767	-	-	-	4,224,767
Transfers from capital stores		-	-	34,378,697	-	-	-	-	-	34,378,697	-	-	-	34,378,697
Revaluation surplus / (deficit)	17.1	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost / revalued as at 30 June 2013		751,236,600	1,356,273,880	5,364,869,896	15,282,761	14,035,161	13,191,565	5,595,855	17,787,873	7,538,273,591	-	417,403,925	417,403,925	7,955,677,516
Accumulated depreciation as at 01 July 2012		-	-	-	3,531,106	6,257,549	10,382,383	1,865,285	8,510,023	30,546,346	1,131,984	15,888,471	17,020,455	47,566,801
Depreciation charge for the year		-	135,627,388	152,898,792	1,175,165	777,761	1,515,885	373,057	2,783,355	295,151,403	-	11,716,309	11,716,309	306,867,712
Disposals		-	-	-	-	-	(4,770,243)	-	-	(4,770,243)	(1,131,984)	-	(1,131,984)	(5,902,227)
Revaluation surplus / (deficit)		-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 30 June 2013		-	135,627,388	152,898,792	4,706,271	7,035,310	7,128,025	2,238,342	11,293,378	320,927,506	-	27,604,780	27,604,780	348,532,286
Net book value as at 30 June 2013		751,236,600	1,220,646,492	5,211,971,104	10,576,490	6,999,851	6,063,540	3,357,513	6,494,495	7,217,346,085	-	389,799,145	389,799,145	7,607,145,230
Annual rate of depreciation (%)		-	10	3*	10	10	20	6.67*	30		20	2* & 3*		
Residual value (%)		-	-	5	-	-	-	-	-		-	-		

* Depreciation is calculated on straight line basis.

6.1.2 Had these assets not been revalued, net book values of such assets would amount to:

	Leasehold Land	Buildings on leasehold land	Plant and machinery	Total
	(Rupees)			
Net book value as at 30 June 2013	**409,137,444**	**772,525,399**	**3,009,164,441**	**4,190,827,284**
Additions / transfers from capital work-in-progress during the year	**-**	**85,231,074**	**154,139,713**	**239,370,787**
Disposal during the year	**(5,930,200)**	**-**	**-**	**(5,930,200)**
	403,207,244	**857,756,473**	**3,163,304,154**	**4,424,267,871**
Depreciation for the year	**-**	**(77,995,874)**	**(89,049,019)**	**(167,044,893)**
Net book value as at 30 June 2014	**403,207,244**	**779,760,599**	**3,074,255,135**	**4,257,222,978**
Net book value as at 30 June 2012	409,137,444	822,180,501	3,046,823,180	4,278,141,125
Additions / transfers from capital work-in-progress during the year	-	36,181,054	48,489,117	84,670,171
	409,137,444	858,361,555	3,095,312,297	4,362,811,296
Depreciation for the year	-	(85,836,156)	(86,147,856)	(171,984,012)
Net book value as at 30 June 2013	409,137,444	772,525,399	3,009,164,441	4,190,827,284

6.1.3 Depreciation charge for the year has been allocated as under:

	Note	30 June 2014	30 June 2013
		(Rupees)	
Manufacturing costs – production of bars	29	**78,811,449**	69,648,676
Manufacturing costs – production of billets	29.1	**205,211,821**	216,510,960
Distribution costs	31	**2,877,798**	4,912,107
Administrative expenses	32	**8,410,693**	15,795,969
		295,311,761	306,867,712

6.2 Capital work-in-progress

	Civil Works	Plant and Machinery	Advance to contractors / Supplies	Total
	(Rupees)			
Opening balance	**60,528,045**	**-**	**53,951,454**	**114,479,499**
Additions/ (repayments) during the year	**30,086,835**		**(16,123,455)**	**13,963,380**
	90,614,880	**-**	**37,827,999**	**128,442,879**
Transfer to operating assets	**(113,454,787)**	**-**	**-**	**(113,454,787)**
Intra-transfer of capital work-in-progress	**24,291,327**	**-**	**(24,291,327)**	**-**
Charged to profit and loss Account	**(1,451,420)**	**-**	**(7,866,256)**	**(9,317,676)**
2014	**-**	**-**	**5,670,416**	**5,670,416**
Opening balance	32,409,715	18,500	25,288,273	57,716,488
Additions during the year	15,622,035	-	52,066,905	67,688,940
	48,031,750	18,500	77,355,178	125,405,428
Transfer to operating assets	(523,070)	-	(3,701,697)	(4,224,767)
Intra-transfer of capital work-in-progress	13,906,577	-	(13,906,577)	-
Charged to profit and loss Account	(887,212)	(18,500)	(5,795,450)	(6,701,162)
2013	60,528,045	-	53,951,454	114,479,499

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		Note	30 June 2014	30 June 2013
			(Rupees)	
6.3	**Stores held for capital expenditure**			
	Opening balance		**57,023,635**	38,891,341
	Additions during the year		**40,851,202**	54,073,702
	Transfers to operating assets		**(48,938,490)**	(34,378,697)
	Charged to profit and loss		**(9,324,533)**	(1,562,711)
	Closing balance		**39,611,814**	57,023,635

6.4 The Company has restated its accounts for the year ended 30 June 2012 and 30 June 2013 as a result of SECP's order with regard to capitalization of certain trial production costs.

	Note	30 June 2013	30 June 2012
		(Rupees)	
Final impact whereof is detailed below:			
Surplus on revaluation of property, plant and equipment		-	6,502,962
Property, plant and equipment		-	-
Deferred tax liability		-	3,501,595
Unappropriated profit		-	687,246
Closing stock – billets		**(227,985)**	261,250
Closing stock – bars		**(560,087)**	549,752
Cost of goods sold		**788,071**	8,506,308

	Note	30 June 2014	30 June 2013
		(Rupees)	
7. INTANGIBLES			
Computer software			
Net carrying value			
Balance at the beginning of the year		**727,903**	1,053,334
Additions / transfers from capital work-in-progress during the year		-	-
Amortization for the year	32	**(325,431)**	(325,431)
Balance at the end of the year		**402,472**	727,903
Gross carrying value			
Cost		**727,903**	1,053,334
Accumulated amortization		**(325,431)**	(325,431)
Balance at the end of the year		**402,472**	727,903

7.1 The intangible is being amortized over a period of 5 years.

8. LONG-TERM INVESTMENT – held to maturity

	Note	2014	2013
Term Deposit Receipts (TDR)	8.1	**15,289,300**	-

8.1 Represent term deposit certificates amounting to Rs.1,000,000/- from HBL and Rs.14,289,300/- from Bank Islami for a period of 5 years carrying markup of 4% p.a. (2013:4%) and 8.85% p.a. (2013: Nil) respectively. These are security against short-term demand finance and as guarantee to SSGC.

9. LONG-TERM DEPOSITS

	Note	2014	2013
Margin against guarantees	9.1	**30,413,336**	30,413,336
Security deposits			
Utilities		**74,124,666**	74,124,666
Finance lease		-	74,959,075
Ijarah		**26,878,931**	37,276,435
Others		**1,540,939**	747,000
		102,544,536	187,107,176
		132,957,872	217,520,512

9.1 Represents margin against guarantees given to Sui Southern Gas Company Limited for gas connections.

	Note	30 June 2014	30 June 2013
		---------- (Rupees) ----------	
10. STOCK-IN-TRADE			
Raw materials			
- In hand		**318,275,969**	676,091,894
- In transit		**117,897,136**	342,073,197
		436,173,105	1,018,165,091
Work-in-process		**180,706,149**	468,264,736
Finished goods			
- Manufactured		**946,531,814**	564,836,535
- Trading		**2,018,676**	2,303,926
		948,550,490	567,140,461
		1,565,429,744	2,053,570,288
11. TRADE DEBTS			
Considered good		**929,907,782**	571,582,407
Considered doubtful		**46,138,435**	50,087,864
	11.1	**976,046,217**	621,670,271
Provision for doubtful debts	11.2	**(46,138,435)**	(50,087,864)
		929,907,782	571,582,407
11.1 Aging of trade debts is as follows:			
Neither past due nor impaired		**536,608,325**	385,967,024
Past due but not impaired			
- within 90 days		**326,206,401**	95,346,732
- 91 to 180 days		**61,685,176**	15,218,741
- over 180 days		**5,407,880**	75,049,910
		393,299,457	185,615,383
		929,907,782	571,582,407
11.2 Movement of provision for doubtful debts			
Opening balance		**50,087,864**	42,762,235
(Reversal) / charge during the year	33	**(1,382,002)**	7,325,629
		48,705,862	50,087,864
Written-off during the year		**(2,567,427)**	-
Closing balance		**46,138,435**	50,087,864
12. LOANS AND ADVANCES – unsecured, considered good			
Loans			
Employees	12.1	**2,964,509**	1,944,186
Advances			
Suppliers		**24,594,947**	57,302,045
Employees		**1,937,583**	194,641
		26,532,530	57,496,686
Doubtful advances written off		**(2,463,219)**	-
		27,033,820	59,440,872

12.1 Represents interest free loans to employees in accordance with Company policy. These are recoverable in twelve equal monthly installments. Fair value of the loans is approximately equal to the carrying value of loans as at the year end.

	Note	30 June 2014	30 June 2013
		---------- (Rupees) ----------	

13. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

	Note	30 June 2014	30 June 2013
Deposits			
Security deposits		**11,900,000**	25,735,000
Surety deposit	13.1	**12,750,000**	12,750,000
Margins against letters of credit		**46,937,690**	32,905,271
Margins against letters of guarantee		**215,000**	3,261,700
Security deposit against finance lease		**54,000,000**	-
Others		**-**	100,000
		125,802,690	74,751,971
Prepayments		**1,348,240**	801,988
		127,150,930	75,553,959

13.1 Represents amount given to Pakistan Steel Mills Corporation (Private) Limited (PASMIC) in connection with case filed by the Federal Investigation Agency (FIA) against the Company alleging undue advantage taken by the Company under a scheme of PASMIC. The Honorable High Court of Sindh, while allowing the bail application of the Chief Executive in the said case vide its order dated 19 April 2010, has directed PASMIC to invest the money in Government's profit bearing securities on behalf of the Company. The management, based on the legal advice, is confident for a favorable outcome in this respect.

14. OTHER RECEIVABLES

	Note	30 June 2014	30 June 2013
Sales tax refundable		**117,627,554**	192,356,532
Provision for doubtful sales tax refundable		**(2,316,197)**	(2,316,197)
		115,311,357	190,040,335
Discounts receivable		**-**	208,419,812
Others		**901,454**	20,006
		116,212,811	398,480,153

15. SHORT-TERM INVESTMENTS

	Note	30 June 2014	30 June 2013
Current maturity of long-term investment		**-**	1,000,000
Others		**-**	30,000,000
		-	31,000,000

16. CASH AND BANK BALANCES

	Note	30 June 2014	30 June 2013
Cash in hand		**8,298,932**	6,940,695
Cash at bank in:			
Current accounts		**55,165,805**	62,270,746
Saving accounts	16.1	**5,093**	8,253,676
		55,170,898	70,524,422
		63,469,830	77,465,117

16.1 These carry profit at the rate of 8% (2013: 8%) per annum.

17. SHARE CAPITAL

17.1 Authorized capital

Number of shares 2014	Number of shares 2013		30 June 2014	30 June 2013
270,000,000	270,000,000	Ordinary shares of Rs. 10/- each	**2,700,000,000**	2,700,000,000
80,000,000	80,000,000	Cumulative preference shares of Rs. 10/- each	**800,000,000**	800,000,000
350,00,000	350,000,000		**3,500,000,000**	3,500,000,000

17.2 Issued, subscribed and paid-up capital

Number of shares 2014	Number of shares 2013	**Ordinary of shares of Rs. 10/- each**	30 June 2014	30 June 2013
189,631,073	189,631,073	Issued for cash	**1,896,310,730**	1,896,310,730
33,127,497	33,127,497	Issued for consideration other than cash	**331,274,970**	331,274,970
222,758,570	222,758,570		**2,227,585,700**	2,227,585,700

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	Note	30 June 2014	30 June 2013 Restated
		---------- (Rupees) ----------	

18. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT – net of deferred tax

	30 June 2014	30 June 2013 Restated
Opening balance	**2,993,026,911**	3,109,569,079
Adjustment of surplus on revaluation of property, plant and equipment on disposal	**(33,069,800)**	-
Transfer to unappropriated profits in respect of incremental depreciation charged during the year	**(109,999,548)**	(116,542,168)
	2,849,957,563	2,993,026,911
Related deferred tax liability		
Opening balance	**(927,824,715)**	(968,614,474)
Revaluation surplus – adjusted during the year	**-**	-
Incremental depreciation charged during the year	**37,399,846**	40,789,759
	(890,424,869)	(927,824,715)
	1,959,532,694	2,065,202,196

18.1 The Company carries its leasehold land, buildings on leasehold land, and plant and machinery on revalued amount. The latest revaluation was conducted on 30 June 2012. The revaluation resulted in deficit on leasehold land of Rs. 43.010 million over the net book value of Rs. 794.246 million, surplus on buildings on leasehold land of Rs. 489.955 million over the net book value of Rs. 830.138 million, and surplus on plant and machinery of Rs. 1,427.812 million over the net book value of Rs. 3,888.568 million.

18.2 Breakup of revaluation surplus net of deferred tax as at 30 June 2014 is as follows:

	30 June 2014	30 June 2013 Restated
Leasehold land	**309,029,356**	342,099,156
Buildings on leasehold land	**261,702,717**	291,278,709
Plant and machinery	**1,388,800,622**	1,431,824,331
	1,959,532,695	2,065,202,196

18.3 Prior year figures are adjusted for release of incremental depreciation under recorded in prior year. Final impact whereof is detailed below:

30 June 2013	As previously reported	Prior year adjustment	Restated
Surplus on revaluation of property, plant and equipment	3,033,719,567	(40,692,656)	2,993,026,911
Deferred tax relating to surplus on revaluation of property, plant and equipment	942,067,144	(14,242,429)	927,824,715
Unappropriated profit	306,925,964	26,450,226	333,376,190

19. LONG-TERM FINANCING

Loans from banking companies and other financial institutions

		30 June 2014			30 June 2013		
		Total	Current Portion	Long-Term	Total	Current Portion	Long-Term
	Note	(Rupees)			(Rupees)		
Term finance facilities	19.1	**816,781,791**	**163,788,822**	**652,992,969**	496,866,467	95,743,479	401,122,988
Diminishing Musharika	19.2	**600,000,000**	**-**	**600,000,000**	-	-	-
Sukuk financing	19.3	**704,000,000**	**202,400,000**	**501,600,000**	774,400,000	70,400,000	704,000,000
Foreign currency financing	19.4	**477,959,049**	**183,927,454**	**294,031,595**	806,182,596	327,254,141	478,928,455
Total		**2,598,740,840**	**550,116,276**	**2,048,624,564**	2,077,449,063	493,397,620	1,584,051,443

19.1 Represent term finance facilities obtained from Habib Bank Limited, Soneri Bank Limited and Pak Oman Investment Company Limited. The Company obtained loans from Habib Bank Limited in the year 2012 and 2013.The amount is repayable in 6 equal semiannual installments over a period of five years starting from July 2013 and carries 6 months KIBOR +2.65% markup per annum, payable semi-annually in arrears. The facility is secured by way of first equitable mortgage over land and building located at 55 KM National Highways, Dhabeji District, Thatta.

During the year, the Company obtained term finance facility from Pak Oman Investment Company Limited. The amount is repayable in 8 equal semiannual installments over a period of five years starting from December 2015 and carries 6 months KIBOR +1.75% markup per annum, payable semi-annually in arrears. The facility is secured by way of first pari passu charge on all present and future assets of company with 25% margin over the facility amount and personal guarantees of all the directors of the company.

During the year, the Company obtained term finance facility from Soneri Bank Limited. The amount is repayable in 8 equal semiannual installments over a period of five years starting from December 2015 and carries 6 months KIBOR +1.75% markup per annum, payable semi-annually in arrears. The facility is secured by way of first charge over specific plant and machinery i.e; Steel melt shop of 50Mk tons, furnace located at Hudi Neel, opposite Dhabeji Railway Station, National Highway, Karachi of Rs.267,000,000/-, first pari passu charge of Rs.134,000,000/- over all present and future goods, products, stock in trade, raw material, work in progress, finished and un finished goods located at D-89, SITE, Shershah road, Karachi and Hudi Neel, opposite Dhabeji Railway Station, National Highway, Karachi and all the Company's present and future book debts, outstanding receivables, claims, bills, contracts and investments.

19.2 During the year, the Company obtained Diminishing Musharaka facility from Burj Bank Limited and Dubai Islamic Bank during the year. Diminishing Musharaka facility obtained from Burj Bank with a limit of Rs. 200,000,000 million which is fully utilized as at the balance sheet date. This facility is secured by first pari passu hypothecation charge on present and future fixed assets of the Company, including land, building, plant and machinery, with 25%margin. Furthermore, personal Guarantees of sponsoring directors have also been provided to the bank. This facility carries profit at the rate of relevant KIBOR + 1.75 %. Units are to be purchased on the basis of percentages set out in Musharaka agreement which comprise of the bank's and Company's share being 74.61% and 25.39% respectively commencing from the date of disbursement of the Musharaka assets.

Diminishing Musharaka facility obtained from Dubai Islamic Bank with a limit of Rs. 400,000,000 million which is fully utilized as at the balance sheet date. This facility is secured by first pari passu charge of Rs.533,340,000/- over present and future fixed assets of the Company, including land, building, plant and machinery, with 25%margin located anywhere in Pakistan including land and building at Dhabeji near Thatta. This facility carried profit at the rate of relevant KIBOR + 1.75 %. Units are to be purchased on the basis of percentages set out in Musharaka Agreement which comprise of the bank's and Company's share being 85.10% and 14.9% respectively commencing from the date of disbursement of the Musharaka assets.

19.3 Represents long-term financing obtained through issuance of privately place SUKUKs based on Diminishing Musharaka. The Musharaka units are to be purchased during a period of 7 year time including 2 years grace period which is allowed from the date of first drawn i.e December 2009, 24% of the units will be purchased during the period of three years starting after the expiry of grace period and the remaining units will be purchased in sixth and seven year in 8 equal quarterly installments. These carry profit at the rate of 3 Months' KIBOR plus 2.5% (2013: 3 Months' KIBOR plus 2.5%) per annum. These are secured by proportionate and ownership through first pari passu charge on all the present and future assets of the Company to cover Musharaka amount whereas the 25% margin amount shall be covered through charge on current assets

19.4 Represents financing obtained in foreign currency amounting to US$ 4.85 (2013: 8.160) million out of total facility of US$ 20 million from a foreign bank. These are repayable in 12 equal quarterly installments commencing from February 2013 and are subject to interest at the rate of 3 Months' USD LIBOR plus 1.50% per annum payable on quarterly basis. The current portion includes an overdue amount of Rs Nil (2013: 7.970 million).

20. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Represents finance leases entered into with various financial institutions for vehicles, and plant and machinery. Lease rentals are payable in equal monthly and quarterly installments latest by January 2016. Taxes, repairs, replacement and insurance costs are to be borne by the lessee. In case of termination of agreements, the lessee has to pay entire rent for the unexpired period. Financing rates of approximately 11.83% to 13.17% (2013: 11.83% to 12.82%) per annum have been used as discounting factor.

Purchase option can be exercised by the lessee in accordance with respective lease agreements. Break-up of finance lease liability is as follows:

	30 June 2014		30 June 2013	
	Minimum Lease Payment	Present Value	Minimum Lease Payment	Present Value
	(Rupees)			
Within one year	**108,777,573**	**50,774,176**	127,276,170	106,911,077
After one year but not more than five years	**4,599,120**	**58,408,026**	188,473,820	182,331,541
Total minimum lease payments	**113,376,693**	**109,182,202**	315,749,990	289,242,618
Amount representing finance costs	**(4,194,491)**	**-**	(26,507,372)	-
Present value of minimum lease payments	**109,182,202**	**109,182,202**	289,242,618	289,242,618
Current portion	**(50,774,176)**	**(50,774,176)**	(106,911,077)	(106,911,077)
	58,408,026	**58,408,026**	182,331,541	182,331,541

	Note	30 June 2014	30 June 2013 Restated
21. DEFERRED TAXATION		(Rupees)	
Represents tax effects of temporary differences relating to:			
Accelerated tax depreciation allowance		**876,598,658**	815,351,725
Assets subject to finance lease		**24,078,053**	35,194,784
Amortization of intangibles		**52,389**	-
Surplus on revaluation of property, plant and equipment		**890,424,868**	927,824,715
Provision for doubtful debts and receivables		**(15,687,068)**	(17,530,752)
Gratuity (other than equity component)		**(13,097,154)**	(10,296,754)
Unabsorbed tax losses carried forward		**(621,503,160)**	(722,446,641)
Available tax credits for minimum tax	21.1	**(292,320,119)**	(172,583,033)
Unrealized exchange loss		**(20,932,633)**	(34,085,090)
		827,613,834	821,428,954
Unrealized fair value losses on derivative financial instruments		**(965,494)**	(5,336,590)
Gratuity (equity component)		**(2,686,700)**	(3,923,717)
		823,961,640	812,168,647

21.1 Represents deferred tax recognised on minimum tax paid / payable under section 113 of the Income Tax Ordinance, 2001. The management, based on the interpretation of its tax advisor, considers the same to be claimable.

	Note	30 June 2014	30 June 2013 Restated
22. DEFERRED LIABILITY		(Rupees)	
Staff gratuity	22.1	**46,421,041**	40,629,917
22.1 Movement in present value of defined benefit obligations			
Opening balance		**40,629,917**	25,224,226
Charge for the year		**11,776,765**	7,924,757
Recognised in other comprehensive income		**(3,138,703)**	9,286,508
Benefits paid		**(2,846,938)**	(1,805,574)
		46,421,041	40,629,917
22.2 Amounts charged to profit and loss account			
Current service cost		**7,052,020**	4,645,608
Interest cost		**4,724,745**	3,279,149
Actuarial (gain) / loss charge		**-**	-
		11,776,765	7,924,757
22.3 Movement in actuarial loss			
Opening balance		**-**	-
Actuarial gain / (loss) during the year		**3,138,703**	(9,286,508)
Actuarial (gain) / loss charged to profit and loss during the year		**-**	-
		3,138,703	(9,286,508)

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22.4 Historical information for defined benefit plans

As at 30 June	2014	2013 Restated	2012	2011	2010
	(Rupees)				
Present value of defined benefit obligation	**46,421,041**	40,629,917	25,224,226	20,998,307	14,575,560
Experience adjustment on plan liabilities	**(3,138,703)**	9,286,508	(1,191,406)	3,157,494	(643,631)

22.5 The latest actuarial valuation of the scheme was carried out on 30 June 2014. Principal actuarial assumptions used in the valuation are as follows:

	30 June 2014	30 June 2013
Expected rate of increase in salary level	**12.25%**	11%
Valuation discount rate	**13.25%**	12%
Average expected remaining working life of employees	**8 years**	11 years

22.6 The (Income) / Charge for the year has been allocated as :

Cost of sales	29	**7,504,860**	5,400,145
Administrative expenses	32	**2,895,713**	1,855,659
Distribution costs	31	**1,376,192**	668,953
		11,776,765	7,924,757

23. OTHER FINANCIAL LIABILITIES

The Company has entered into interest swap arrangements with commercial banks against the cash flow risk of interest rate fluctuations with respect to future financial cost on term finance facilities and sukuk financing as referred to in note 19. These swaps are considered to be hedging instruments for the same items and are considered to be an effective hedge.

Following are the details and fair values of such derivative financial instruments:

Hedged item	Pay	Receive	Notional Amount	2014 Derivative liability – fair Value	2013 Derivative liability – fair Value
Term finance facility	10.94%	6 months KIBOR	150,000,000	**146,527**	3,636,422
Term finance facility	10.94%	6 months KIBOR	95,000,000	**131,707**	2,304,954
Sukuks	10.83%	6 months KIBOR	396,000,000	**2,561,453**	9,306,025
				2,839,687	15,247,401

24. TRADE AND OTHER PAYABLES

	Note	30 June 2014	30 June 2013
		(Rupees)	
Creditors		**83,418,581**	81,997,433
Murabaha	24.1	**498,211,192**	310,824,714
Accrued liabilities		**203,267,064**	180,790,113
Advances from customers		**54,001,485**	166,180,325
Related parties loan		**740,179**	740,179
Ijarah rentals payable		**4,541,293**	11,238,804
Workers' Profits Participation Fund	24.2	**20,406,229**	9,363,848
Workers' welfare fund		**7,754,367**	3,558,262
Withholding tax payable		**2,156,986**	2,088,620
Others		**-**	2,500,000
		874,497,376	769,282,298

24.1 Represents Murabaha facilities amounting to Rs. 1,250 (2013: Rs. 600) million obtained from Islamic banks for purchase of raw material. These carry profit at the rate of 6 months' KIBOR plus 1.5% - 1.75% (2013: 6 months' KIBOR plus 1.5% - 2%). These are secured by way of pledge of raw materials purchased through letters of credit.

	Note	30 June 2014	30 June 2013
		---------- (Rupees) ----------	
24.2 Workers' Profits Participation Fund			
Balance at the beginning of the year		**9,363,848**	7,014,230
Mark-up on funds utilized in the Company's business	34	**872,331**	651,585
		10,236,179	7,665,815
Allocation for the year	35	**20,406,229**	9,363,848
		30,642,408	17,029,663
Paid during the year		**(10,236,179)**	(7,665,815)
		20,406,229	9,363,848

25. INTEREST / MARK-UP ACCRUED

Long-term financings		**27,064,722**	29,936,659
Short-term borrowings		**72,062,235**	63,468,370
		99,126,957	93,405,029

26. SHORT-TERM BORROWINGS – secured

From financial institutions

Running finance	26.1	**52,129,099**	653,606,275
Demand finance	26.2	**176,409,676**	199,997,935
Cash finance	26.3	**313,093,380**	86,887,057
Finance against import merchandise	26.4	**217,850,688**	530,638,953
Finance against trust receipts	26.5	**973,606,823**	1,622,512,520
		1,733,089,666	3,093,642,740

26.1 Running finance

Habib Bank Limited	Represents a facility of Rs. 100 million (2013:100 million) secured by hypothecation over present and future current/fixed assets. This facility carry markup at the rate of 1 Month's KIBOR plus 1.75% (2013: 1month KIBOR plus 1.75%) per annum payable on quarterly basis.	**5,294,166**	35,678,698
Soneri Bank Limited	Represents a facility of Rs. 200 million (2013:400 million) secured by hypothecation charge over fixed assets, stock and trade debts and mortgage charge over Company's property. This facility carry markup at the rate of 3 Months' KIBOR plus 1.75% (2013:1.75%) per annum payable on quarterly basis.	**608,635**	251,783,337
Summit Bank Limited	Represents facility of Rs. Nil (2013: Rs. 100 million) secured over currents assets and charge over Company's fixed assets. The excess amount utilized is in accordance with the terms of the arrangement. This facility carries markup at the rate of 3 months KIBOR plus 1.75% (2013: 2.5%) per annum.	-	9,934,142
Habib Metropolitan Bank Limited	Represents facility of Rs. 50 million secured by hypothecation charge over fixed assets. This facility carries markup at the rate of 3 months KIBOR plus 2% (2013 : 2%) per annum payable on quarterly basis.	**14,991,440**	14,867,769

		30 June 2014	30 June 2013
		---------- (Rupees)	----------
Bank of Khyber Limited	Represents facility of Rs. 200 million (2013: Rs. 200 million) secured by hypothecation charge over present and future fixed assets. This facility carries markup at the rate of 3 months KIBOR plus 1.75% (2013: 1.75%) per annum payable on quarterly basis.	-	171,141,145
NIB Bank Limited	Represents facility of Rs. 200 million (2013: Rs. 200 million) secured by hypothecation charge over present and future fixed assets. This facility carries markup at the rate of 3 months KIBOR plus 1.75% (2013: 1.75%) per annum payable on semi-annual basis.	**31,234,858**	170,201,185
		52,129,099	653,606,276

26.2 Demand finance

Habib Bank Limited	Represents facility of Rs. 200 million (2013: Rs. 200 million) secured by charge of over present and future trade debts, mortgage charge over Company's property and lien on TDR. This facility carries markup at the rate of 1 month KIBOR plus 1.75% (2013: 1 month KIBOR plus 1.75%) per annum.	**176,409,676**	199,997,935

26.3 Cash finance

Habib Bank Limited	Represents facility of Rs. 400 million (2013: Rs. 400 million) secured by pledge over raw material. This facility carries markup at the rate of 1 month KIBOR plus 1.75% (2013: 1 month KIBOR plus 1.75%) per annum.	**218,088,057**	86,887,057
Bank Al-Falah Limited	Represents a facility of Rs. 200 million (2013: Nil million) secured by First Pari Passu charge on Present and Future Assets of the company. This facility carry markup at the rate of 3 Month's KIBOR plus 1.75% per annum.	**95,005,323**	-
		313,093,380	86,887,057

26.4 Finance against imported merchandise

Habib Bank Limited	Represents facility of Rs. 400 million (2013: Rs. 400 million) secured by pledge over raw imported mild steel bars / billets / scrap with 10% margin over CFR value. This facility carries markup at the rate of matching tenor KIBOR + 1.75% (2013: KIBOR plus 1.75%) per annum.	**14,482,154**	104,550,350
Askari Bank Limited	Represents facility of Rs. 200 million (2013: Rs. 200 million) secured by pledge of consignment purchased through LCs under bank's approved Mucaddum with 10% margin. This facility carries markup at the rate of 3 months KIBOR plus 1.75% (2013: 1.75%) per annum payable on quarterly basis.	-	75,174,972
Summit Bank Limited	Represents facility of Rs. 450 million (2013: Rs. 350 million) secured by pledge over imported merchandise under bank's appointed Mucadum at customer's premises. This facility carries markup at the rate of 3 months KIBOR plus 1.75% (2013: 2.5%) per annum payable on quarterly basis.	**140,827,770**	180,833,631

		30 June 2014	30 June 2013
		---------- (Rupees) ----------	
Silk Bank Limited	Represents facility of Rs. 300 million (2013: Rs. 300 million) secured by pledge of imported raw materials. This facility carries markup at the rate of 3 months KIBOR plus 1.75% (2013: 1.75%) per annum payable at the time of settlement.	62,540,764	170,080,000
		217,850,688	530,638,953

26.5 Finance against trust receipt

Bank Al-Falah Limited	Represents facility of Rs. 500 million (2013: 500 million) secured by hypothecation charge on all fixed and current assets of the Company. This facility carries markup at the rate of 3 months KIBOR plus 1.75% (2013: KIBOR plus 1.75%) per annum payable on quarterly basis.	180,481,831	382,525,277
Habib Metropolitan Bank Limited	Represents facility of Rs. 250 million (2013: 250 million) secured by hypothecation charge on fixed assets of the Company. This facility carries markup at the rate of 3 months KIBOR plus 1.75% (2013: KIBOR plus 1.75%) per annum payable on quarterly basis.	76,383,964	110,427,438
Soneri Bank Limited	Represents facility of Rs. 200 million (2013: 400 million) secured by hypothecation charge on present and future assets of the Company. This facility carries markup at the rate of 3 months KIBOR plus 1.75% (2013: KIBOR plus 1.75%) per annum payable on quarterly basis.	-	133,468,504
Dubai Islamic Bank Limited	Represents facility of Rs. 400 million (2013: 400 million) secured by hypothecation charge on the assets of the Company. This facility carries markup at the rate of 3 months KIBOR plus 1.70% (2013: KIBOR plus 1.75%) per annum payable on quarterly basis.	168,480,000	301,505,369
NIB Bank Limited	Represents facility of Rs. 500 million (2013: 500) secured by charge on fixed asset. This facility carries markup at the rate of 3 months KIBOR plus 1.75% (2013 : 1.75%) per annum payable on quarterly basis.	108,111,000	315,924,108
Askari Bank Limited	Represents facility of Rs. 200 million (2013: Nil) secured by hypothecation charge on fixed assets of the Company. This facility carries markup at the rate of relevant KIBOR plus 1.75% (2013: Nil) per annum payable on quarterly basis.	68,965,409	-
Standard Chartered Bank (Pakistan) Limited	Represents facility of Rs. 500 million (2013: 500) secured by hypothecation charge on fixed assets of the Company. This facility carries markup at the rate of relevant KIBOR plus 1.75% (2013: 1.75%) per annum payable on quarterly basis.	371,184,619	378,661,824
		973,606,823	1,622,512,520

	Note	30 June 2014	30 June 2013
		---------- (Rupees) ----------	

27. CONTINGENCIES AND COMMITMENTS

	Note	30 June 2014	30 June 2013
Outstanding letters of credit		**1,691,844,229**	617,271,667
Outstanding letters of guarantee	27.1	**47,140,456**	37,145,086

27.1 Margins have been provided against outstanding letters of guarantee as disclosed in note 9.

27.2 Commitments for rentals payable under Ijarah contracts in respect of vehicles, and plant and machinery are as follows:

	30 June 2014	30 June 2013
Not later than one year	**51,420,775**	75,643,640
Later than one year but not later than five years	**52,741,139**	96,668,805

27.3 Refer note 13.1 for significant litigation.

27.4 The Company is subject to cess imposed under Gas Infrastructure Development Cess Act 2011. The rate of such cess was revised from Rs.13/MMBTU to Rs. 150/MMBTU through the Finance Act 2011. The Company in association with other companies of the same sector filed a case against Federation of Pakistan challenging such increase and continues to pay the cess at Rs.13/MMBTU. The Company, based on the opinion of its legal advisor, is confident that the outcome of the case will be in its favor and has, therefore, not recognized the additional liability amounting to Rs. 49,027,503/- in these financial statements.

28. TURNOVER – net

	Note	30 June 2014	30 June 2013
Sales – local		**11,889,468,555**	10,718,133,079
Less: Sales return		**(299,562,365)**	(108,789,142)
Sales discount		**(968,905)**	(3,122,624)
		(300,531,270)	(111,911,766)
		11,588,937,285	10,606,221,313
Sales – export		**17,002,290**	15,636,400
Sales – billet (local)		**356,206,792**	-
		11,962,146,367	10,621,857,713

29. COST OF SALES

	Note	30 June 2014	30 June 2013
Billets consumed for bars production	29.1	**10,242,666,417**	9,460,423,632
Billets sold to external customers		**346,992,092**	-
		10,589,658,509	9,460,423,632

29.1 Billets consumed for bars production

	Note	30 June 2014	30 June 2013
Opening stock	10	**468,264,736**	171,895,668
Cost of billets manufactured internally	29.1.1	**9,866,099,299**	9,432,272,589
Sold to external customers		**(346,992,092)**	-
Closing stock	10	**(180,706,149)**	(468,264,736)
		9,806,665,794	9,135,903,521
Manufacturing overheads			
Stores and spare parts consumed		**57,100,853**	34,742,793
Salaries, wages and other benefits	29.1	**65,203,690**	60,775,558
Fuel, power and water		**512,233,707**	367,480,257
Depreciation	6.1.3	**78,811,449**	69,648,676
Ijarah rentals		**43,527,168**	37,895,839
Repairs and maintenance		**44,020,439**	39,308,619
Cartage – godown		**1,142,644**	2,398,128
Oil and lubricants		**9,530,761**	9,099,458
Insurance		**2,967,822**	6,149,095
Rent, rates and taxes		**694,150**	671,631
Others		**2,463,219**	576,084
		817,695,902	628,746,138
Cost of goods manufactured		**10,624,361,696**	9,764,649,659
Finished goods			
Opening stock	10	**564,836,535**	260,610,508
Closing stock	10	**(946,531,814)**	(564,836,535)
		(381,695,279)	(304,226,027)
		10,242,666,417	9,460,423,632

	Note	30 June 2014	30 June 2013
		---------- (Rupees) ----------	
29.1.1 Cost of billets manufactured internally			
Raw material consumed – scrap			
Opening stock	10	**676,091,894**	847,273,634
Purchases – net		**6,676,934,614**	6,724,190,617
Additives consumed		**441,786,323**	494,959,641
		7,794,812,831	8,066,423,892
Closing stock	10	**(318,275,969)**	(676,091,894)
		7,476,536,862	7,390,331,998
Manufacturing overheads			
Stores and spare parts consumed		**78,528,535**	116,782,936
Salaries, wages and other benefits	29.2	**119,993,620**	101,221,103
Depreciation	6.1.3	**205,211,821**	216,510,960
Fuel and power		**1,906,069,763**	1,526,440,104
Ijarah rentals		**25,601,650**	36,183,823
Repairs and maintenance		**29,196,376**	23,891,260
Cartage – godown		**17,580,115**	12,040,307
Consultancy charges		**-**	1,556,629
Rent, rates and taxes		**445,737**	459,517
Insurance		**2,735,578**	2,479,063
Oil and lubricants		**2,636,617**	1,581,377
Others		**1,562,625**	2,793,512
		2,389,562,437	2,041,940,591
		9,866,099,299	9,432,272,589

29.2 Includes Rs. 7.540 million (2013: Rs. 5.40 million) in respect of gratuity expense.

30. TRADING INCOME

	Note	30 June 2014	30 June 2013
Sales		**35,054,287**	21,113,215
Cost of sales	30.1	**(31,891,985)**	(19,815,538)
Trading income		**3,162,302**	1,297,677

30.1 Cost of sales

	Note	30 June 2014	30 June 2013
Opening stock	10	**2,303,926**	-
Purchases		**31,606,735**	22,119,464
		33,910,661	22,119,464
Closing stock	10	**(2,018,676)**	(2,303,926)
		31,891,985	19,815,538

31. DISTRIBUTION COSTS

	Note	30 June 2014	30 June 2013
Salaries, allowances and other benefits	31.1	**24,810,377**	17,278,484
Carriage and transport		**112,512,238**	99,049,106
Advertisement and sales promotion		**16,174,288**	11,016,555
Packing material		**6,685,235**	5,294,800
Depreciation	6.1.3	**2,877,798**	4,912,107
Provision for doubtful debts		**-**	7,325,629
Shop expenses		**4,572,502**	2,040,469
Utilities		**2,574,785**	1,040,106
Bundling and special order charges		**22,648,458**	18,956,570
Rent expense		**522,450**	2,424,000
Testing charges		**925,536**	291,274
		194,303,667	169,629,100

31.1 Includes Rs. 1.376 (2013: Rs. 0.689) million in respect of gratuity expense.

	Note	30 June 2014	30 June 2013
		---------- (Rupees) ----------	

32. ADMINISTRATIVE EXPENSES

	Note	30 June 2014	30 June 2013
Salaries, allowances and other benefits	32.1	**70,745,854**	64,054,821
Depreciation	6.1.3	**8,410,693**	15,795,969
Travelling and conveyance		**18,431,988**	18,754,623
Legal and professional charges		**6,619,215**	4,048,734
Vehicles running expenses		**11,411,508**	9,245,516
Entertainment		**8,145,708**	7,623,585
Security guard expenses		**9,619,766**	9,314,511
Insurance		**2,307,543**	1,644,181
Computer consumables		**2,879,692**	3,084,024
Rent, rates and taxes		**1,125,109**	2,528,732
Communication charges		**2,020,168**	1,804,072
Printing and stationery		**2,388,524**	2,603,186
Utilities		**2,042,315**	866,408
Auditors' remuneration		**1,100,000**	1,025,000
Repairs and maintenance		**443,495**	1,000,697
Amortization expense		**325,428**	325,431
Ijarah rentals		**7,204,968**	7,206,083
Membership and subscription		**96,760**	59,675
Others		**4,752,532**	2,849,215
		160,071,266	153,834,463

32.1 Includes Rs. 2.896 million (2013: Rs. 1.80 million) in respect of gratuity expense.

33. OTHER OPERATING INCOME

	30 June 2014	30 June 2013
Income from financial assets		
Return on deposit accounts / term deposit receipts	**847,107**	349,147
Income from non-financial assets		
(Loss) / gain on disposal of property, plant and equipment	**3,250,894**	-
Liability no longer payable	**14,202,133**	-
Reversal of excess provision of doubtful debts	**1,382,002**	-
Scrap sales	**514,275**	1,786,092
	19,349,304	1,786,092
	20,196,411	2,135,239

34. FINANCE COSTS

	30 June 2014	30 June 2013
Markup / profit on:		
Long-term financing	**166,408,960**	200,744,056
Short-term borrowings	**300,048,965**	273,583,462
Cash flow hedges	**936,142**	1,228,961
Murabaha	**123,798,881**	84,261,404
Finance leases	**20,837,097**	36,415,285
	612,030,045	596,233,168
Bank charges	**12,243,600**	10,238,155
Exchange loss	**6,249,314**	45,133,448
Workers' Profits Participation Fund	**872,331**	651,585
	631,395,290	652,256,356

35. OTHER CHARGES

	Note	30 June 2014	30 June 2013
Loss on disposal of property, plant and equipment		-	105,514
Workers' Profits Participation Fund		**20,406,229**	9,363,848
Workers' Welfare Fund		**7,754,367**	3,558,262
Donations	35.1	**1,974,700**	2,552,676
		30,135,296	15,580,300

35.1 Recipients of donations do not include any donee in which any director or his spouse had any interest.

36. TAXATION

	Note	30 June 2014	30 June 2013
		---------- (Rupees) ----------	
Current tax			
- for the year		**120,165,498**	53,300,272
- for prior years		**1,189,619**	(1,858,770)
		121,355,117	51,441,502
Deferred tax		**6,184,880**	979,234
		127,539,997	52,420,736

36.1 Relationship between tax expense and accounting profit

	30 June 2014	30 June 2013
Profit before taxation	**379,941,052**	173,566,778
Tax at the rate of 34%	**129,179,958**	-
Tax at the rate of 35%	-	60,748,372
Tax effects of:		
Expenses inadmissible for tax purpose	**671,398**	893,437
Capital receipt / gain not subject to income tax	**(1,043,732)**	-
Correction of error – release of under recorded incremental depreciation	-	(14,142,634)
FTR income	**74,086**	-
Change of tax rate	**8,235,403**	-
Assessments made / returns deemed assessed during the year – related to prior year – on current tax	**1,189,619**	(1,858,770)
-- on deferred tax	**(10,766,734)**	6,780,331
	127,539,997	52,420,736

36.2 The Company has filed income tax returns up to the tax year 2013. Appeals have been filed by the Company with Commissioner Inland revenue Appeals against the assessment orders passed by the tax department for the tax year 2009 to 2013.

37. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

	2014		2013	
	Chief Executive	Directors	Chief Executive	Directors
	---------- (Rupees) ----------			
Managerial remuneration	**4,026,000**	**2,946,214**	4,026,000	401,500
Housing allowance	**1,811,700**	**1,323,652**	1,811,700	180,674
Utilities & conveyance	**402,600**	**294,364**	402,600	40,150
Medical	**402,600**	**422,500**	402,600	40,150
Others	**785,100**	**765,020**	785,100	67,526
	7,428,000	**5,751,750**	7,428,000	730,000
Number	**1**	**2**	1	1

37.1 In addition, the Chief Executive and Directors are provided with free use of Company maintained cars and club memberships with certain reimbursements pertaining to business purposes.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

38.1 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as commodity price risk.

38.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in the market interest rates. The Company interest rate risk arises from long-term financing and short-term borrowings obtained with floating rates. Change in benchmark interest rate by 2% may have a positive or negative impact of approximately Rs. 75.489 (2013: Rs. 93.907) million in profit and loss account before taxation. The analysis is made based on the assumption that all other variables remain constant.

38.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses are denominated in a different currency from the Company's functional currency) and financing activities which includes finance obtained in foreign currency.

Change in exchange rate by 10% may have a positive or negative impact of approximately Rs. 47.796 (2013: Rs. 59.776) million in profit and loss account before taxation. The analysis is made based on the assumption that all other variables remain constant.

38.1.3 Commodity risk

The Company purchases scrap on an ongoing basis, as its operating activities require a continuous supply of raw material for the production. The Company has not hedged itself from the variation in commodity prices through any forward contract and purchase commitments but the management negotiates the price with the suppliers as part of its risk management policy.

38.2 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

	30 June 2014	30 June 2013
	---------- (Rupees) ----------	
Long-term investment	**15,289,300**	-
Trade debts	**929,907,782**	571,582,407
Loans and advances	**27,033,820**	59,440,872
Deposits - Margin against letters of credit	**46,937,690**	32,905,271
Other receivables	**115,890,487**	398,480,153
Bank balances	**55,170,898**	70,524,422
	1,190,229,977	1,132,933,125

38.2.1 Credit quality of financial assets

The credit quality of financial assets that are neither past nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates as shown below:

Trade debts		
Customers with no defaults in the past one year	**495,509,662**	179,476,144
Customers with some defaults in past one year which have been fully recovered	**1,675,709**	40,354,479
	497,185,371	219,830,623
Bank balances		
Ratings		
A1+	**27,739,760**	68,975,665
A1	**4,559,929**	1,359,683
A2	**10,431**	177,837
A3	**22,860,779**	11,237
	55,170,899	70,524,422

38.3 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with the financial instruments. To guard against the risk, the Company has diversified funding sources and the assets are managed with liquidity in mind. The maturity profile is monitored to ensure that adequate liquidity is maintained.

Table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

2014	Interest / Markup / Profit bearing: Less than one year	One to five years	More than five years	Total	Non-interest Bearing	Total
	(Rupees)					
Long-term financings	**550,116,276**	**2,048,624,564**	-	**2,598,740,840**	-	**2,598,740,840**
Liabilities against assets subject to finance lease	**50,774,176**	**58,408,020**	-	**109,182,196**	-	**109,182,196**
Deferred liability	-	-	-	-	**46,421,041**	**46,421,041**
Trade and other payables	**523,158,714**	-	-	**523,158,714**	**351,338,662**	**874,497,376**
Accrued mark-up	-	-	-	-	**99,126,957**	**99,126,957**
Short-term borrowings	**1,733,089,666**	-	-	**1,733,089,666**	-	**1,733,089,666**
	2,857,138,832	**2,107,032,584**	-	**4,964,171,416**	**496,886,660**	**5,461,058,076**

2013	Interest / Markup / Profit bearing: Less than one year	One to five years	More than five years	Total	Non-interest Bearing	Total
	(Rupees)					
Long-term financings	493,397,620	1,584,051,443	-	2,077,449,063		2,077,449,063
Liabilities against assets subject to finance lease	106,911,077	182,331,541	-	289,242,618	-	289,242,618
Deferred liability	-	-	-	-	40,629,917	40,629,917
Trade and other payables	331,427,366	-	-	331,427,366	437,854,932	769,282,298
Accrued mark-up	-	-	-	-	93,405,029	93,405,029
Short-term borrowings	3,093,642,740	-	-	3,093,642,740	-	3,093,642,740
	4,025,378,803	1,766,382,984	-	5,791,761,787	571,889,878	6,363,651,665

Effective interest / markup / profit rates for the financing liabilities are mentioned in the respective notes to the financial statements.

38.4 Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholders value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares.

The gearing ratios as at 30 June 2014 are as follows:

	30 June 2014	30 June 2013 Restated
	(Rupees)	
Long-term financing	**2,598,740,840**	2,077,449,063
Liabilities against asset subject to finance lease	**109,182,196**	289,242,618
Other financial liabilities	**2,839,687**	15,247,401
Trade and other payables	**874,497,376**	769,282,298
Accrued mark-up	**99,126,957**	93,405,029
Short-term borrowings	**1,733,089,666**	3,093,642,740
Total debt	**5,417,476,722**	6,338,269,149
Cash and cash equivalents	**(63,469,830)**	(108,465,117)
Net debt	**5,354,006,892**	6,229,804,032
Share capital	**2,227,585,700**	2,227,585,700
Reserves	**651,117,562**	316,178,476
Surplus on revaluation of property, plant and equipment	**1,959,532,695**	2,065,202,196
Total equity	**4,838,235,957**	4,608,966,372
Equity and net debt	**10,192,242,849**	10,838,770,404

Gearing ratio

- Including surplus on revaluation of property, plant and equipment	**53%**	57%
- Excluding surplus on revaluation of property, plant and equipment	**65%**	71%

The Company finances its expansion projects through equity, borrowings and management of its working capital with a view to maintaining an appropriated mix between various sources of finance to minimize risk.

38.5 Fair value of financial instruments

	Level 1	Level 2	Level 3
Financial liabilities measured at fair value			
30 June 2014			
Interest rate swaps – hedged	-	**2,839,687**	-
30 June 2013			
Interest rate swaps – hedged	-	15,247,401	-

38.6 Hedging activities

	30 June 2014	30 June 2013
Interest rate swaps		
Fair value – liability	**2,839,687**	**15,247,401**

39. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of Directors, companies / entities with common directorship / ownership and key management personnel. Amounts due from and to related parties are disclosed in the relevant notes. Transactions with related parties other than remuneration and other benefits to employees under the terms of the employment are as under:

	30 June 2014	30 June 2013
	---------- (Rupees) ----------	
Mr. Abbas Akber Ali – Director		
Loan provided to the company	-	-
Loan repayment made during the year	-	(42,297,850)
Mr. Badruddin A.Ali – Director		
Loan provided to the company	-	-
Loan repayment made during the year	-	3,547,021
Mr. Shabbir Badruddin – Director		
Loan provided to the company	-	1,405,195
Loan repayment made during the year	-	(4,117,995)
Mr. Shayan A. Ali – Director		
Loan provided to the company	-	-
Loan repayment made during the year	-	(2,719,100)
Mrs. Kinza Shayan – Spouse of Director		
Loan provided to the company	-	2,500,000
Loan repayment made during the year	-	(2,100,000)
Mr. Hadi Akbar Ali – Son of Director		
Loan provided to the company	-	-
Loan repayment made during the year	-	(2,770,980)
Mr. Ali Badruddin – Shareholder		
Loan provided to the company	-	-
Loan repayment made during the year	-	(1,154,950)

40. PLANT CAPACITY AND ACTUAL PRODUCTION

	30 June 2014	30 June 2013
	---------- (M.T.) ----------	
40.1 Billets		
Plant capacity – estimated	**200,000**	200,000
Actual production	**157,214**	151,272
40.2 Bars		
Plant capacity – estimated	**180,000**	180,000
Actual production	**148,275**	138,551

40.3 The capacity utilization at the two plants of the Company namely "Rolling Mill" and the "Steel Melt Shop" recorded a healthy increase from 77% to 79% and from 76% to 82%, during the year 2013-14 as compared to year 2012-13. However, despite the increase, like last year, due to market conditions, the Company produced only that much billets and re-bars which it could sell in the market without taking too much credit risk.

41. NUMBER OF EMPLOYEES

Total number of employees at year end are 311 (2013: 311) and average number of employees during the year were 300 (2013: 300).

42. DATE OF AUTHORIZATION

These financial statements were authorized for issue on 10 OCT 2014 by the Board of Directors of the Company.

43. GENERAL

Figures have been rounded off to the nearest Rupee, unless otherwise stated.

Chief Executive | **Director**