



CHAIRMAN'S REVIEW

I am pleased to present my review as the new Chairman of the Company for the year ended 30 June 2021, highlighting the Company's performance and the role of the Board of Directors in guiding the management to carry out its responsibility for the benefit of all its stakeholders.

The economy which was impacted last year due to the external business environment and COVID continued to recover during the year. GDP growth for the year is estimated at 4% mainly on account of recovery in agriculture, industrial and services sectors and large-scale manufacturing by 14.9% in FY 2021. The government is anticipating GDP growth for FY 2022 at 5%. The salient financial features of FY 2020-2021 are as follows:

Net Sales increased by 45% to Rs. 69.80 billion
 Gross Profit increase by 220% to Rs 13.49 billion
 Profit after tax increased by 14 times to 7.47 billion
 Earnings per share increased to Rs. 17.16

In March 2021, the Board of Directors approved an investment of Rs.1.23 billion for a debottlenecking project to enhance the finishing capacity of Cold Rolled Coils and sheets by 120,000 tons per annum using Temporary Economic Refinance Facility (TERF) and Long Term Financing Facility (LTFF) offered by the State Bank of Pakistan. The project is expected to be completed by August 2022.

The company, in line with the country's objectives, increased its exports from Rs 8.99 billion to Rs 11.85 billion, an increase of 32%. The Company believes that a strong demand exists for its products in the international markets and aims to further increase its exports.

During the year 2020-21, there were three casual vacancies created on the Board. These were due to the resignation of Mr. Towfiq H. Chinoy, Mr. Koji Fukushima, and the sad demise of Mr. Zakaullah Khan. The Board appreciates the contribution of the outgoing Directors. These casual vacancies were filled within the statutory timelines with the appointment of Mr. Babar Badat, Mr. Shuji Tsubota, and Mr. Haroun Rashid for the remaining term of the existing Board of Directors. I would like to welcome all the new Directors and look forward to their valuable contribution towards your Company.

In line with the Company's vision and mission, the focus of the Company's management will remain on the delivery of quality products, improved profitability and growth for the overall success of the Company. This, we believe is achievable based on our fundamental strengths, the quality of our devoted workforce, our production systems and effective supply chain management. We are confident that the Company will be successful in meeting the future challenges and targets.

The Board has performed its duties and responsibilities diligently and has contributed effectively in guiding the management in its strategic affairs. The Board also played a key role in the monitoring of management performance and

focus on major risk areas. The Board was fully involved in the strategic planning process and enhancing the vision of the Company.

The Board recognizes that well-defined corporate governance processes are vital in enhancing corporate accountability and transparency. It is committed to ensure high standards of corporate governance to preserve and maintain stakeholders value. All Directors including the Independent Directors fully participate and contribute in the decision-making process.

As Chairman of your Company, I will continue to be responsible for leading the Board, fostering a culture of openness and constructive debate during which all views are heard, and ensuring that the Board hears from various levels and areas of senior management. I will remain firmly committed to ensuring that your Company complies with all relevant codes and regulations and that our management team continues to take decisions that will create value for you in the short, medium and long term. The Board is aware of the challenges ahead as we focus our effort towards sustainable growth in an industry which is one of the prime indicators of our country's economic progress.

The Board recognizes that well-defined corporate governance processes are vital to enhancing accountability. We are committed to ensuring high standards of corporate governance to maintain stakeholder value. The Company has an independent Internal Audit department that follows a risk-based audit methodology. Internal Audit reports are presented to the Board Audit Committee on a quarterly basis and areas for improvement are highlighted. Apart from the Board Audit Committee (BAC) / Board Human Resources & Remuneration Committee (HRRC) meetings, the Board met six times during the year. The Board normally meets once every quarter to consider and approve financial and operating results, and the other two meetings were held to approve the de-bottlenecking project and the budget for the following year.

Your Company is continuously investing substantial resources to improve the working conditions for its employees, by providing a safe, healthy and comfortable working environment.

On behalf of the Board, I would like to extend my heartfelt appreciation to the employees, customers, suppliers, bankers, business partners and all stakeholders for their commitment, support and passion to advance this Company forward.

We continue to pray to Allah for the continued success of your Company for the benefit of all stakeholders and our country.

Dr. Amjad Waheed

Chairman

Karachi August 24, 2021