

PAKISTAN STEEL MILLS CORPORATION (PVT) LIMITED.

COMPANY PROFILE

BASIC FACTS:

- **Name of Chairman** Lt. Gen. Abdul Qayyum (Retd.)
- **Operational / Non-operational Status :** Operational
- **Factory location :** Bin Qasim, Karachi (75000)
Tele : 021 – 4750175, 4750176,
4750275-76
Telex : 27624-25 PSM PK
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ts@paksteel.com.pk
commercial@paksteel.com.pk
ap@paksteel.com.pk
production@paksteel.com.pk
Website: <http://www.paksteel.com.pk>

- **Registered Office :** Bin Qasim, Karachi (75000)

- **Legal Status :** Private Limited Company
- **Date of Incorporation :** July 02, 1968 (date of registration as Private Ltd. Co.)
- **Listed/Non-listed on Stock Exchanges:** Not applicable
- **Taken-over/established by the Government :** Established by the Government
- **Date of approval of project :** August 03, 1968(date of functioning as Public sector organization)
- **Total Project Completion Date :** December, 1984
- **Trial Production date :** In phases starting from 1981
- **Commercial Production Date :** In phases starting from 1981
- **Cost of Project: (Excluding Working Capital):**

	(Rs in million)
Land :	69.00
Building :	10,711.00
Plant &	8,600.00
Equipment :	
OtherRs :	<u>5,320.00</u>
Total :	<u>24,700.00</u>

▪ Sources of Financing :

	<u>Local :</u>	(Rs in million)
	Government	13,715.00
Fund :		
	Bank	7,115.00
Borrowings :		
	<u>Foreign :</u>	
	Foreign Credit :	* 3,870.00
	Total :	<u>24,700.00</u>

* Excluding payment of loan Rs 2,662.00 million.

LAND AND FACILITIES

	<u>Free Hold Land</u>	<u>Acquired Value (Rs 000)</u>	<u>Estimated Market Value As on 30-06-1999</u>
	1,290,330 Sq.meters	Not yet finalised	Rs 4,611.57 million
	<u>Lease Hold Land</u>	<u>Acquired Value</u>	<u>Estimated Market Value As on 30-06-1999</u>
Steel Town	34,140,330 Sq. meters	Rs 15,785 million	Rs 25,775.95 million
Main Plant	30,929,760 Sq. meters		Rs 10,980.06 million
Main Plant	12,990,330 Sq. meters		
	<u>Total Factory Area</u>	<u>Covered Area</u>	
	42,020,000 Sq. meters	4,322,196 Sq. meters (Main Production Units)	

FACILITIES

Officers Housing: 923 Houses, Staff Housing: 3,048 Houses, Mosque: 6, Schools: 11, Cadet College/Colleges: 5, Club: 1, Guest House: 1, VIP Lodge/ Rest House: 1, Hospital: 1, Dispensary: 2, Markets: 2 and Open Air Cinema: 1.

PATTERN OF SHARE HOLDING

As on 30th June 2003

Categories of share Holders	Number (000)		Value (Rs 000)		Percentage
	Preference	Ordinary	Preference	Ordinary	
Federal Government	-	1,720,650	-	17,206,497	100
Total	-	1,720,650	-	17,206,497	100

PLANT / MACHINERY:

Technological Process: Basic Iron & Steel Manufacturing.

MAJOR PLANT AND MACHINERY:

List of Major Plant/ Machinery	Quantity (Nos)	Measuring Unit	Capacities	Make	Year of Commissioning
Coke Oven & By Products			970,000	USSR	
- Coke Oven Battery –1	1	MTN			17-04-81
- Coke Oven Battery –2	1	MTN			07-05-85
- Dry Quenching Unit	1	MTN			17-04-83
Iron Making Deptt.			1,230,000	USSR	
- Blast Furnace –1	1	MTN			17-08-81
- Blast Furnace –2	1	MTN			14-08-84
Steel Making Deptt.			1,100,000	USSR	
- 1 st Converter	1	MTN			18-12-82
- 2 nd Converter	1	MTN			17-02-83
- Bloom Caster	1	MTN			22-12-82
- 1 st Slab Caster	1	MTN			10-08-83
- 2 nd Slab Caster	1	MTN			01-11-83
List of Major Plant/ Machinery	Quantity (Nos)	Measuring Unit	Capacities	Make	Year of Commissioning
Billet Caster	1	MTN	400,000	Austria	
800mm Billet Mills	1	MTN	260,000	USSR	11-10-82
1700mm Hot Strip Mills	1	MTN	792,000	USSR	15-12-83
- Combined Shearing Unit	1	MTN			04-04-84
- Combined Slitting Unit	1	MTN			10-02-82
Hot Rolled Coil Conveyer Section	1	MTN			10-02-84
Cold Rolling Mills			200,000	USSR	
- Single Stand Reversible Mill	1	MTN			26-11-84
- Continuous Pickling Line	1	MTN			27-11-84
- Ball Furnace	1	MTN			04-12-84
- Temper Rolling mill	1	MTN			11-12-84
- Shearing Unit	1	MTN			26-12-84
- Slitting Unit	1	MTN			23-12-84
- Formed Section	1	MTN			28-04-84
- Galvanizing Unit	1	MTN	100,000		24-11-85
Thermal Power Plant & Turbo-Blower Station		MW	165	USSR	
- Boiler No. 1	1				20-02-81
- Boiler No. 2	1				17-04-81
- Boiler No. 3	1				19-12-81
- Boiler No. 4	1				23-11-83
-Turbo Generator No.1	1	MW	55		18-03-81
-Turbo Generator No.2	1	MW	55		28-09-81
-Turbo Generator No.3	1	MW	55		24-04-84
-Turbo Blower No.1	1				29-04-81
-Turbo Blower No.2	1				20-05-81
-Turbo Blower No.3	1				24-09-82
Oxygen Plant				France	
Oxygen Compressor	3	NM ³ /hr	5,500 (each)		
Nitrogen Compressor	2	NM ³ /hr	250 (each)		
- Unit – A	1				01-11-82
- Cylinder Filling Unit	1				07-12-82
- Unit – B	1				08-01-83

BOARD OF DIRECTORS

<u>S.NO.</u>	<u>NAME</u>	
1.	<i>Lt. Gen. (Retd) Abdul Qayyum</i>	Chairman
2.	<i>Syed Zaheer Ali Shah, Additional Secretary, MOIP&SI</i>	Director
3.	<i>Mr. Tauqir Ahmed, Additional Secretary, Finance Division</i>	Director
4.	<i>Mr. Muhammad Ramza Bhatti, Member, C.B.R.</i>	Director
5.	<i>Ms. Arifa Saboohi, Joint Secretary (I&F), MOIP & SI</i>	Director
6.	<i>Mr. M. Mansoor Zubair, D.G. (I&T), Privatization Commission</i>	Director
7.	<i>Mr. Abdul Razzak Dawood, Chairman, EDB</i>	Director
8.	<i>Maj. Gen. Muhammad Javed, Chairman, POF, Wah Cantt.</i>	Director
9.	<i>Mr. Tariq S. Saigol, Chairman, Kohinoor Maple Leaf Group, Lahore</i>	Director
10.	<i>Khawaja Iqbal Hassan, President, NDLC-IFIC Bank, Karachi</i>	Director
11.	<i>Mr. Zafar Ahmed Khan, Director Engro Chemical Ltd.</i>	Director
12.	<i>Mr. Sohail Wajahat Siddiqi, CEO, SIEMENS Pakistan</i>	Director

RESTRUCTURING OF PAKISTAN STEEL

Pakistan Steel Mills has had a chequered history since its final commissioning in the year 1984. There have been many ups and downs which at times even threatened the very survival of the Mills. In May, 2000 the Government approved financial restructuring of Mills along with rightsizing of its manpower and laying due emphasis on repair/ maintenance of plants needing immediate attention. The details of the restructuring plan, its implementation and progress achieved are as under: -

Financial Restructuring

As on 30th June, 1999, Pakistan Steel had accumulated long term liabilities of Commercial Banks amounting to Rs 19.117 billion comprising principal amount of Rs 11.35 billion and accrued interest of Rs 7.767 billion. As per the decision of the Government the total long-term liabilities of Commercial Banks Rs 19.117 billion were bifurcated into two financial facilities as financial facility No. 1 and financial facility No. 2. The total principal amount of Rs 11.35 billion under facility No.1 is to be paid in 12 equal annual installments at markup rate equivalent to average treasury Bills rate in the preceding year plus 1.5% for the first four years, 2.5% for the second four years and 3.5% for the last 04 years. The accrued markup amounting to Rs 7.767 billion is to be paid in 7 equal installments after loan No.1 is fully repaid. The Government of Pakistan would pay the interest on this loan.

As per restructuring plan, Pakistan Steel started making payments to the banks regularly and by June 30, 2002 had deposited Rs 4.671 billion. However, in the financial year 2002-03, taking advantage of unprecedented sales and record profit, Pakistan Steel decided to clear the principal amount in one go with the approval of the Government of Pakistan. As such, an amount of Rs 10.409 billion (Rs 9.458 billion loan+ Rs 0.951 billion markup) was paid to the banks on July 1, 2003.

Manpower Position

In order to make Steel Mills economically viable and to facilitate it in repayment of outstanding loans, it was also decided to offload excess manpower from 20,533 to 15,000. Pakistan Steel accordingly introduced the scheme of Voluntary Retirement Facility (VRF) with effect from 25th May, 2000. This facility is optional and under this scheme, the benefit of two additional basic pay for each completed year of service along with normal retirement benefit is allowed. As a result of the implementation of manpower restructuring, the regular manpower stands reduced from 20,554 in 1998-99 to 13,371 on

30th June, 2003 (35%). As per later decision, the manpower strength is to be reduced finally to 12,500 regular employees.

Repair & Maintenance/Spinning off Non-Core Activities

It was also decided that Pakistan Steel should undertake to carry out immediate capital repairs and spin off its non-core activities.

The areas of repair and maintenance neglected in the past have also been given due attention. Some of the major capital repairs including the installation of boiler No.2 of Steel Making Department, the 2nd category capital repair of Blast Furnace No. 2 and capital repair of two units of Oxygen Plant alongwith their compressor were undertaken.

Outsourcing of non-core activities like PS FCL, security, transport, medical, education etc. also yielded positive results by a cut of 71% in the expenditure of these departments.