AGHA STEEL
INDUSTRIES LIMITED

Plot No. NWIZ/1/P-133, SP6, D-2,
Port Qasim, Karachi.
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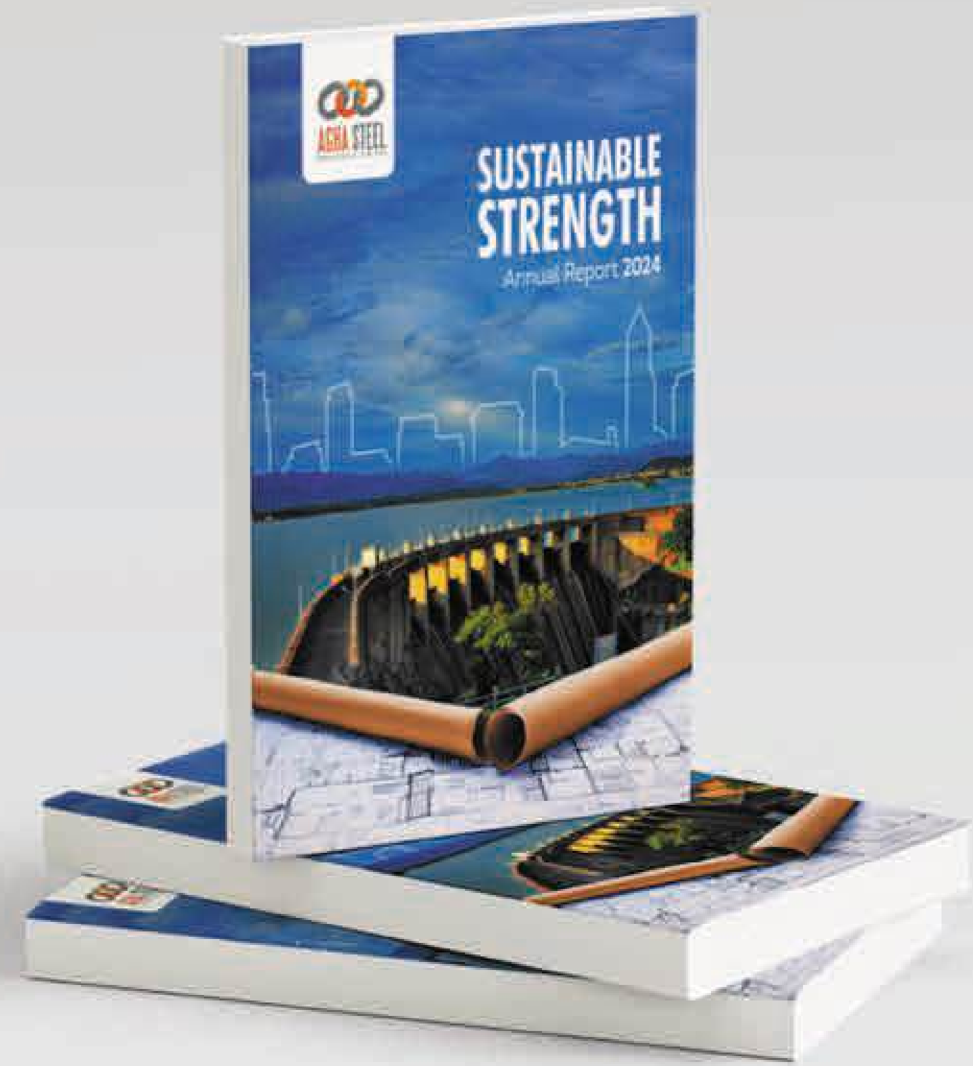
AGHA STEEL
INDUSTRIES LIMITED

SUSTAINABLE STRENGTH

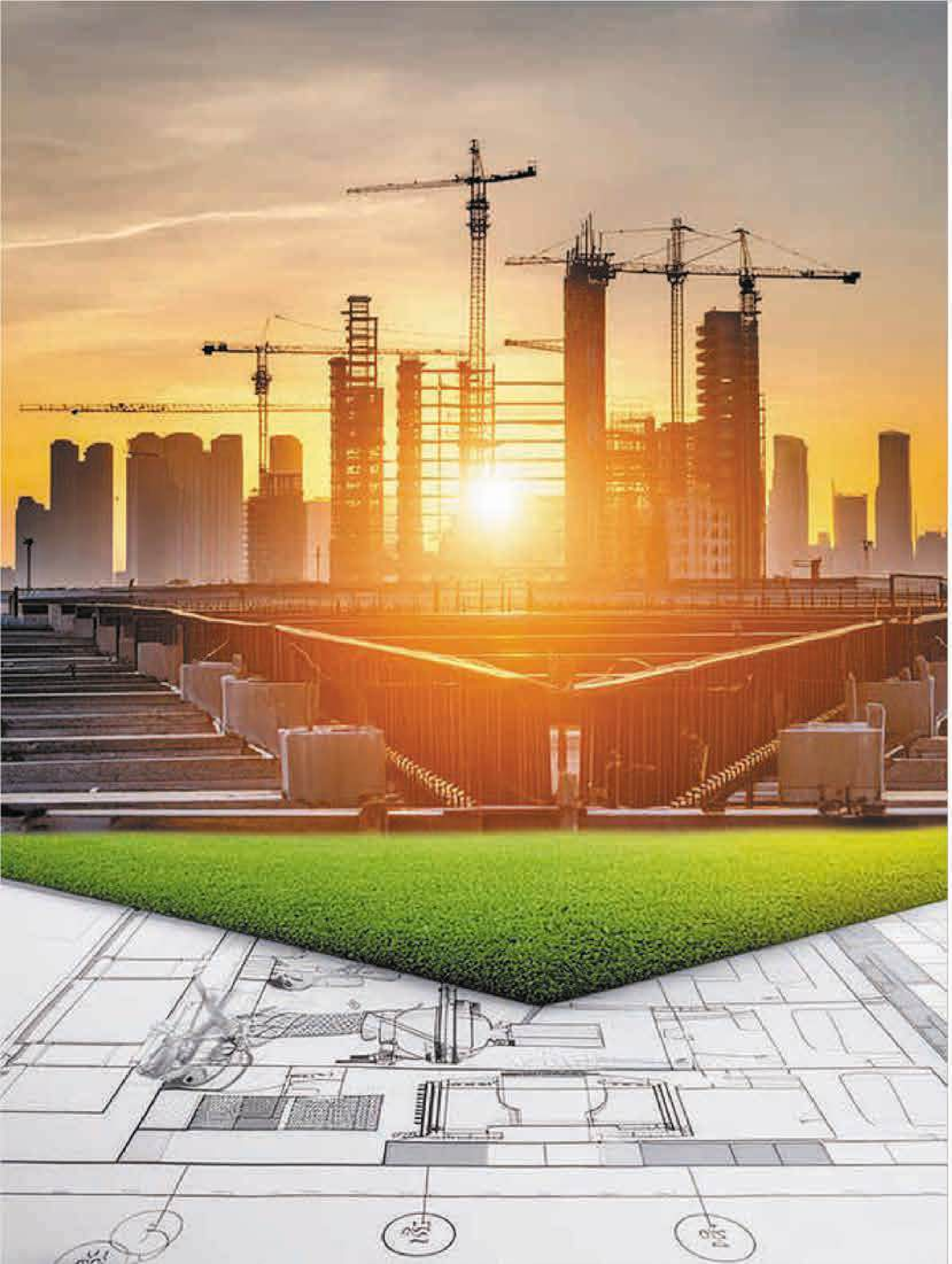
Annual Report 2024

About Theme

The company faced unforeseen challenges, including a significant setback caused by a fire that impacted its production capacity and led to financial losses. Despite this adversity, ASIL have demonstrated the strength and resilience to navigate through the crisis, underscoring our commitment to long-term sustainability.




AGHA STEEL
INDUSTRIES LIMITED
GREEN STEEL REVOLUTION
Creating long-term value for the company, society & environment



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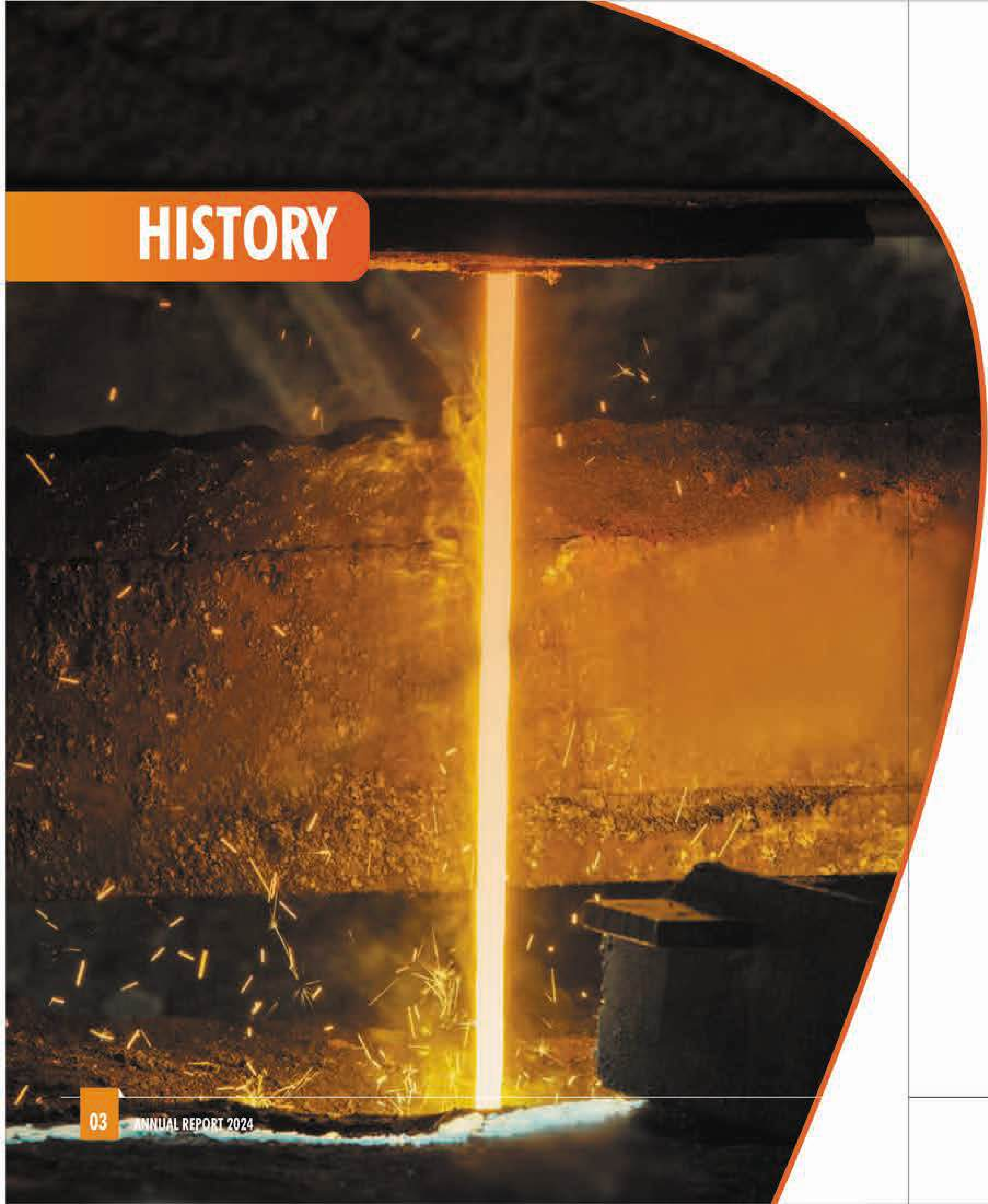
ORGANIZATIONAL OVERVIEW



HISTORY

"The ground breaking of the steel manufacturing plant of Agha Steel Industries ("ASI"), a partnership firm, commenced on 1st January 2010, and it started its commercial operations on 1st January 2012, producing Billets and Rebars at an installed capacity of 250,000 MT p.a. and 150,000 MT p.a. respectively."

Agha Steel Industries introduced a composite unit whereby the steel melting and re-rolling takes place on the same premises located at the industrial hub of Port Qasim. This was to be a key competitive advantage as many of the steel makers in Pakistan have their re-rolling and melting facilities at different locations resulting in time lags and cost inefficiencies, however, some of the competitors do possess the same facilities under one roof. ASI had energy efficient and fully flexible Composite unit including Electric Arc Furnace ("EAF") and completely automatic Rolling Mill with a capacity to produce Re-Bars ranging from 9.5mm to 40mm at the maximum speed of 18 m/s. ASI is the pioneer in introducing the thermo-mechanically treated ("TMT") technology in the Pakistan, in conjunction with fully automated Rolling Mill.

ASI installed the 45-ton EAF in Pakistan in 2012. The EAF allowed ASI to efficiently manage its output due to the raw material flexibility, thereby giving it a competitive edge in the industry.

Agha Steel Industries Limited was incorporated on 19th November 2013 (Incorporation Number: 0085815) as a private limited company with registered office at Plot No. NWIZ/1/P-133, (SP-6) D-2, Port Qasim, Karachi and Corporate Office at Suit # 801 & 804, 8th Floor, Emerald Tower, Clifton Block 5, Il Talwar, Karachi. The Company was converted into a public limited company on 7th April 2015.

On 1st June 2017, the Agha Steel Industries Limited entered into a Business Transfer Agreement ("BTA") with the Agha Steel Industries for the acquisition of net assets of ASI against issuance of shares of ASIL to the partners of ASI (Mr. Iqbal Hussain Agha, Mr. Hussain Iqbal Agha and Mr. Raza Iqbal Agha) who are also the Sponsors of ASIL. Since the Sponsors of ASIL and partners of ASI were the same, the acquisition was a move to convert the business status from a Partnership Firm to a Public Limited Company.

The Company has successfully carried out the Initial public offering through issuance of 120 million shares in Book Building and General Public. The shares has been allocated to successful applicants. The Company has been listed on Pakistan Stock Exchange on 02nd November, 2020.

TIMELINE

2010

Groundbreaking of Factory premises

2012

Commencement of commercial production

2014

Crossed First 5,000 MT per month production of D-Bars

2015

11th Consumer's Best Choice Award

Opening of first Agha Dialysis Center

2016

8th Corporate Social Responsibility Award

Signing of Meltshop BMR and New Re-Rolling Mill Expansion Contracts with M/s Daniele

2017

NFEH's 9th CSR Summit & Awards-2017

2018

Completion of Melt shop and Re-Rolling Mill BMR

Increasing the Melting capacity to 450,000 MTPA

2019

Started commercial production after Phase I expansion

2020

Issued share to general Public through IPO

Commencement of Mida installation

Increase in market share

2021

MOU with Saima Group for Pakistan's first ever Eco-Friendly Green Structure

Signed MOU with Engro Energy Limited for Renewable Energy

Initiated Green Steel Revolution

2022

Agha Steel conducted an event to introduce its innovation -Green Grade 80 rebars.

2023

Agha Steel took a monumental step forward with the ASAL GREEN Event, where we proudly unveiled "Vision Ignite," a game-changing initiative.

TECHNOLOGY

> "The Company prides itself for being the technology leader of steel industries of Pakistan. The technology used by the Company is world accredited. ASIL is the first public sector steel manufacturer employing Italian Electric Arc Furnace technology in Pakistan."

Mi.Da. Rolling Mill is characterized by a single strand Continuous Casting-Rolling process featuring ultra-high speed Power Mold Caster, in-line billet inductive heating as well as bar quenching and tempering system, and a Direct Rolling Bundling system, all arranged in an extremely compact layout. All this, along with the continuous uninterrupted production cycle from raw material to finished product, and with the extreme compactness of the technological area, will allow ASIL to be one of the most cost-efficient plants of Pakistan.

This is the most competitive way to produce Rebars in terms of Capital Expenditure and Operating Expenditure. Mi.Da. Rolling Mill is considered as a winning strategy for the best integration of the most advanced technologies to allow to be the most competitive in steel production.

Mi.Da. Rolling Mill is a super compact unit as compared to the traditional mini mills. It requires almost 49% less space and requires 23-hours/day uninterrupted production.

The Company possesses 45-ton Eccentric Bottom Tapping ("EBT") Electric Arc Furnace ("EAF") with ladle refining furnace and has Cut to Length ("CTL") facility allowing it to cast molten steel in a 3 strand continuous casting machine and enabling the Company to produce customized lengths of Billets and Rebars. The process drives the Company's exclusive method of manufacturing, enabling it to attain the highest quality and safety standards available in the Pakistani market.

The EAF enables the Company to grade its Billet through a refining process, thus improving the overall product mix to focus on consumer requirements and giving the Company flexibility in terms of raw material input. This flexibility results in reducing the risk of supply of raw material input and places it at a significant competitive advantage over its peers who use induction furnaces which require a pre-set mix of raw materials input.

The manufacturing process adopted by ASIL also ensures lower level of impurities and wastage, thereby increasing the efficiency of the production resources. Additionally, the EAF is considered energy efficient compared to induction furnaces and is primarily automated which leads to lower labor costs.
Further, the ability to produce Rebars of different grades and sizes from the same production facility allows the Company to adjust its production mix with respect to the demand in the market.

PRODUCT PORTFOLIOS

Agha Steel Arcon G500+ (BS 4449:2005) Deform Steel Rebar

Designed on the principles of BS4449:2005, E-Bar G500+ is the "Ultimate High Yield Strength" rebar promising stronger rebars and extra savings. The technologically advanced product has numerous benefits that define the pillars of modern construction.

- Requires 15% less steel in construction compared to conventional rebars.
- Ebar G500+ has superior bendability and can be safely bent without cracking.
- All bar sizes are rolled to a very close tolerance (possible on a fully computerized and automatic rolling mill) so that customers get more meters of steel per ton meaning more value for money without having to sacrifice structural integrity.
- De-scaled bars have a better bonding with concrete and exhibit less wastage at the site.
- Ebar+ are safely weldable under field conditions, saving steel consumption by avoiding large splices.
- The bars are needle straight thanks to the continuous line, and tension-free rolling.

ASTM A615 Grade 60 Rebar

ASTM A615 Grade 60 rebar offers a minimum yield strength of 60,000 pounds per square inch or 420 megapascals on the metric grading scale. It also features a continuous line system, with one line running along the length of the bar, which is offset a minimum of five spaces from the centre. These characteristics make Grade 60 rebar particularly well-suited for medium- to heavy-duty concrete reinforcement applications.

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- It also features a continuous line system, with one line running along the length of the bar, which is offset a minimum of five spaces from the centre.
- These characteristics make Grade 60 rebar particularly well-suited for medium- to heavy-duty concrete reinforcement applications.

Agha Steel Arcon 706 (Earthquake Resistant) Deform Steel Rebar

According to ACI 318, deformed reinforcement resisting earthquake-induced flexural and axial forces in frame members must conform with the American Society for Testing and Materials (ASTM) publication ASTM A706. ASTM A706/A706M continues to place upper limits on yield strength—a fundamental requirement for satisfactory use in reinforced concrete structures designed to resist earthquakes.

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- Deformed reinforcement resisting earthquake-induced flexural and axial forces in frame members must conform with the American Society for Testing and Materials (ASTM) publication ASTM A706.
- A706 also has excellent strain ductility capacity and chemical composition that makes it is more suitable for welding.

Billets

Agha Steel Industries offer a wide range of alloy, carbon and mild steel billets manufactured by using premium quality raw material. ASI's range of billets is absolutely corrosion resistant and contains high tensile strength. Moreover, ASI's clients can avail of these billets at different rates, sizes and lengths.
Billet, a raw material of construction steel, is produced with appropriate qualities for hot and thermodynamic rolling; alloyed production can also be done in order to meet mechanical and chemical requirements.

MISSION STATEMENT

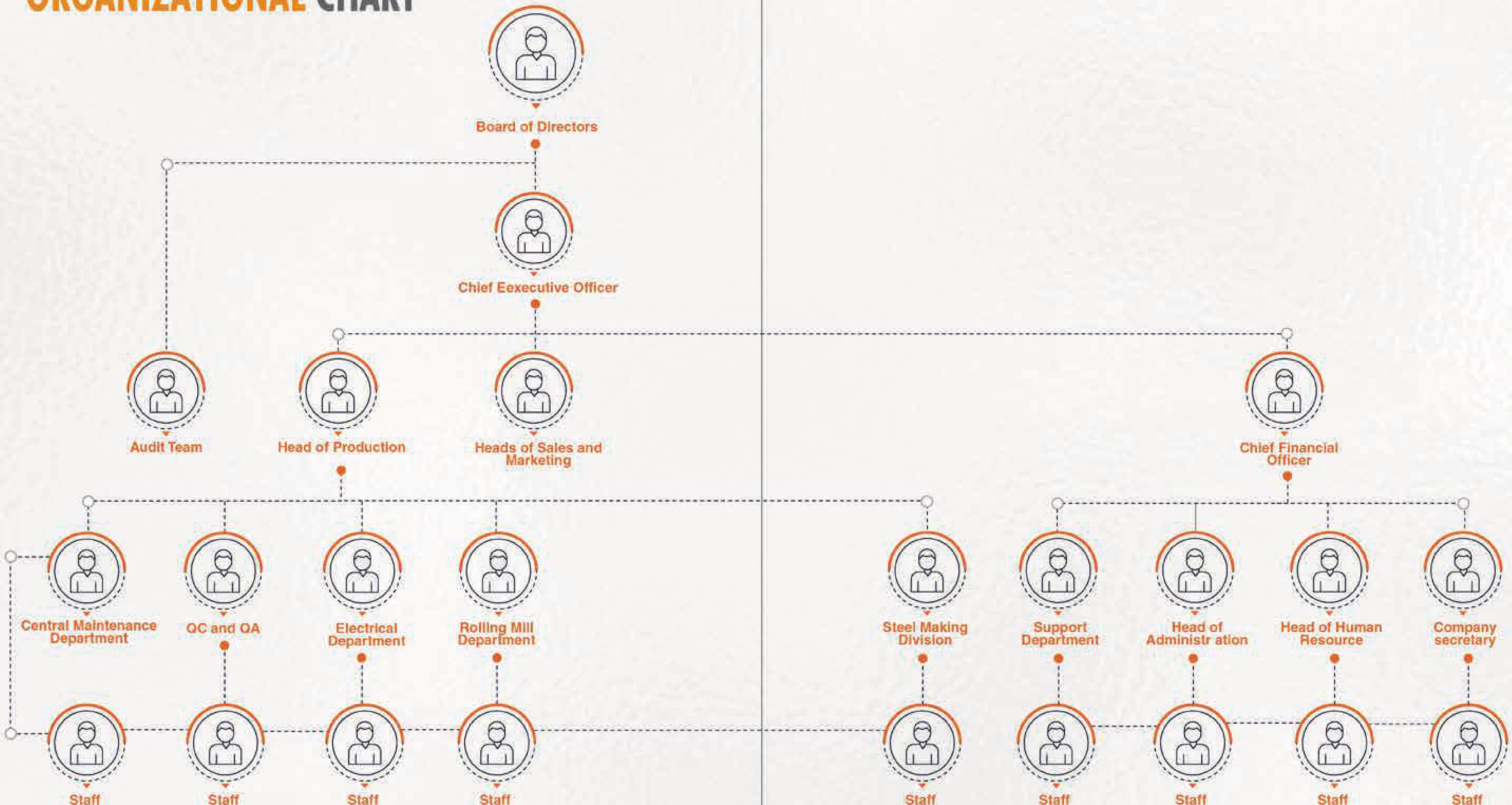
We strive to achieve excellence through:

- Becoming the industry leader and the largest manufacturer of steel products in Pakistan.
- Technological leadership.
- Optimum utilization of resources.
- Sustainable environment friendly procedure and practices.
- Positive impact on economy, community and environment.
- Hiring, developing and training leaders for tomorrow.

VISION STATEMENT

To empower the upcoming Steel Industry of Pakistan by creating value for all the stakeholders through sustainable industrial and business development.

ORGANIZATIONAL CHART



EXPANSION PLANS

"In 2018, the Company completed the BMR and Expansion Phase I of its existing facilities."

Through this Expansion phase I, the Company was able to increase its production capacity of intermediary (Billets) and final product (Rebars) from 250,000 MT p.a. to 450,000 MT p.a. and 150,000 MT p.a. to 250,000 MT p.a. respectively. The Company is planning to further increase its processing capacity to cater increased demand and achieving cost leadership through most efficient processes in Pakistan.

The Company undertook further expansion (Phase II) with a view to increase its capacity and also continue its technological advancement by installing a state of the art and first in Pakistan Mi.Da. Rolling Mill. The Mi.Da. Rolling Mill is characterized by a single strand Continuous Casting-Rolling process featuring ultra-high speed Power Mold Caster, in-line billet inductive heating as well as bar quenching and tempering system, and a Direct Rolling Bundling system, all arranged in an extremely compact layout. For this purpose the Company successfully raised equity through the initial Public Offer to finance the ongoing expansion of the Company. With this significant milestone, ASIL steel production capacity (Rebars) will increase to 650,000 MT p.a. from 250,000 MT p.a.

CODE OF BUSINESS CONDUCT AND ETHICAL PRINCIPLES

Overview

Agha Steel Industries limited (ASIL) understands that retaining the confidence of its employees, shareholders, customers and other stakeholders is very important to the growth of its business.

ASIL's Code of Ethics forms the foundation of "how we conduct business and work together to achieve our goals." ASIL is committed to achieving the highest level of ethical conduct and standards and we believe this is extremely important to the success of our Company.

Objectives:

ASIL follows ethical and responsible business practices when conducting its operations.
Responsibilities:

To Our Employees:

To respect each other and to provide employees with a safe place to work, satisfying and rewarding employment, on-going professional development and an open team environment.

To Our Customers:

Our mission is to empower the steel industry of Pakistan by creating values for all the stakeholders through sustainable industrial and business development Our clients are our partners in business.

This means that we:

- Put clients at the center of everything we do;
- Interact with our clients in a fair, correct, transparent, professional and timely manner;
- Develop effective solutions and services for our clients;

Ensure that any information entrusted to us by our Clients is kept confidential, except when disclosure is authorized by them or required by applicable laws, rules or regulations. Even internally, this information will be shared strictly on a "need to know basis".

To Our Suppliers:

Create long-term supply chain relationships to ensure continued product and service excellence. We always try to build confidence, reliability and trust by ensuring fulfillment of our commitments with suppliers and service providers.

To Our Shareholders:

To steward our resources in a manner that will provide a very attractive return on investment.

Health, Safety, Environment & Community:

The Company is committed to promoting and providing a safe working environment for all employees and to complying with all applicable environmental regulations. ASIL takes a proactive approach to health, safety and environmental matters. We also actively participate in contributing to the betterment of society. To the extent practical, ASIL is involved in community, health or donations programs.

Compliance with the laws of Country:

We always confine to the prevailing laws. Utmost care is taken by us to discharge all our legal responsibilities.

Internal Control and Financial Reporting:

We have implemented a very sound and reliable internal control system in our organization, which is well understood by all of our employees and parties dealing with us.

Financial planning is a core activity of our system through which we ensure efficient and effective utilization of financial and human resources.

Financial reporting system employed by us is very effective and transparent is being relied upon by society at large.

MAJOR HIGHLIGHTS

For the year 2023-2024

ASAL Green Initiative

Agha Steel took a monumental step forward with the ASAL GREEN Event, where we proudly unveiled "Vision Ignite," a game-changing initiative. We're excited to share that we are venturing into iron ore export and have acquired a cutting-edge blast furnace, complementing our Electric Arc Furnace and Mi.Da Technology plant. These strategic moves not only strengthen Pakistan's foreign exchange reserves but also align perfectly with our vision for industry self-sufficiency.

During the event, our CEO, Mr. Hussain Agha, passionately reiterated Agha Steel's commitment to responsible manufacturing, the pivotal role of utilizing indigenous raw materials, and the significance of our newly acquired blast furnace. The event drew a distinguished audience, including prominent bankers, foreign dignitaries, environmental advocates, and influential business leaders. Together, we celebrated Agha Steel's visionary pursuit of a greener, more self-reliant future for Pakistan's steel industry.

MOU Signing Between Agha Steel and Falak Naz Group

Asal Strength and Innovation meets sustainability
The Official MOU Signing Ceremony between Agha Steel and Falak Naz Group marks the commencement of a significant venture aimed at pioneering eco-friendly green structural housing solutions. With a shared vision, our commitment is unwavering in making a substantial and positive impact on both our environment and the communities we serve.

Global Steel Manufacturing Process Session at Indus Valley School of Art and Architecture

Agha Steel conducted an Awareness Session on Global Steel Manufacturing Process for the students of Architecture department of Indus Valley School of Art and Architecture, the event was also attended by the faculty members of the department. Mr. Farhan gave the presentation on the process used globally for steel manufacturing and told that Agha Steel is the only company in Pakistan using the state-of-the-art Electric Arc Furnace technology to produce 100% refined steel. The session was highly appreciated by Faculty and emphasized that more of such events should be held to bridge the gap between Corporate and Academia.

ASIL Cricket Premier League

Like how we value both work and leisure, Agha Steel recently organized a thrilling cricket night for our employees, adding a touch of family event charm to the mix. This time, three dynamic teams – ARC G-80, ARC Blasting, and ARC Steel Strikers – competed in a showdown.

The excitement of cricket was, in the air. The spirit of teamwork illuminated the field. Players and spectators alike were on the edge of their seats sharing the thrill and enthusiasm for the game. It was a demonstration of unity and collaboration.

Partnership with Million Smiles

Agha Steel Industries Ltd partner with Trek Venture 6.0, Pakistan's Largest Youth Leadership Training Bootcamp to support and empower young students across Pakistan.

Quran Khuwani at Dealer's Outlets

Quran Khwani was done for eesal-e-sawab with our esteemed business partners across the country.

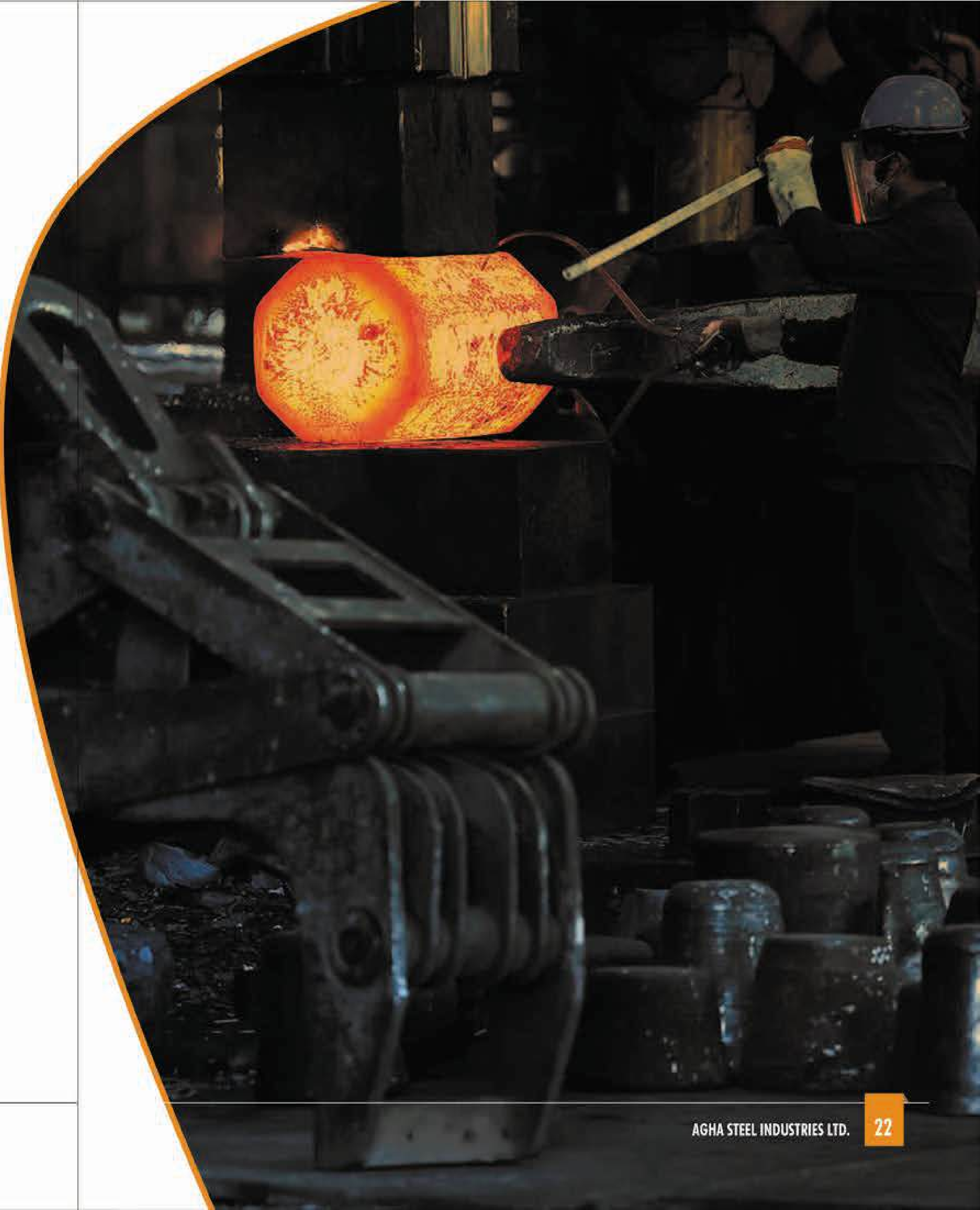
Agha Arcon Grade 80 Steel Announcement Event at Multan

Agha Steel, held an event in Multan to announce the introduction of a groundbreaking innovation, Agha Arcon Eco-Friendly Grade 80 Steel Rebars. This remarkable product is poised to revolutionize the construction industry. At this special event, Agha Steel invited industry professionals, consultants, architects, structural engineers, Agha Steel Dealers and other key stakeholders from Multan region.

Suki Kinari Hydropower Dam by Agha Steel

We're proud to have been the nation's trusted partner, supplying the high-quality steel that makes this landmark project of strategic importance stand tall.

With unbeatable strength and quality, Asal Steel has helped shape this engineering marvel. Together, we've built more than just a dam—we've laid the foundation for a promising future.



CORPORATE INFORMATION

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BOARD OF DIRECTORS

Mrs. Shazia Agha	Chairperson, Non-Executive Director
Mr. Hussain Iqbal Agha	Chief Executive Officer
Mr. Raza Agha	Executive Director
Mr. Muhammad Shahid	Independent Director/ Non- Executive Director
Mr. Asif Ahmad	Independent Director/ Non- Executive Director
Mr. Muhammad Asif	Independent Director/ Non- Executive Director
Mr. Saeed A Mirza	Independent Director / Non- Executive Director

AUDIT COMMITTEE

Mr. Saeed A. Mirza	Chairman
Mr. Muhammad Asif	Member
Mr. Asif Ahmad	Member

HUMAN RESOURCE & RUMENERATION COMMITTEE

Mrs. Shazia Agha	Chairman
Mr. Muhammad Asif	Member
Mr. Hussain Agha	Member

CHIEF FINANCIAL OFFICER

Mr. Kamran Ahmed

COMPANY SECRETARY

Mr. Muhammad Muneeb Khan

HEAD OF INTERNAL AUDIT

Mr. Khwaja Muhammad Akbar

EXTERNAL AUDITORS

Reanda Haroon Zakaria & Company Chartered
Accountants Progressive Plaza, Baumont
Road, Karachi, Pakistan

SHARE REGISTRAR

CDC Share Registrar Services Limited
CDC House, Main Shahrah-e-Faisal, Karachi, Pakistan

LEGAL ADVISOR

Asad Mehmood
Uni Shopping Center, Abdullah Haroon Road, Karachi, Pakistan

BANKERS

Bank Al Habib Limited
Askari Bank Limited
Habib Bank Limited
Bank Al Falah Limited
Meezan Bank Limited
Bank Islami Pakistan Limited
United Bank Limited
JS Bank Limited
Samba Bank Limited
Faysal Bank Limited
Habib Metro Bank Limited
MCB Islamic Bank Limited
MCB Bank Limited
Dubai Islamic Bank Limited
The Bank of Khyber
National Bank of Pakistan
Allied Islamic Bank Limited
Bank of Punjab
Soneri Bank

REGSITERED OFFICE

Plot No. N.W.I.Z/1/P-133, (SP-6), D-2,
Port Qasim Authority, Karachi, Pakistan
PTCL# 021-34156219-21

CORPORATE OFFICE

Office 801 & 804, 8th Floor,
Emerald Tower, G-19
Il Talwar, Block 5, Clifton, Karachi, Pakistan
UAN # 021-111-111-2442
Corporate@aghasteel.com

SYMBOL AT PAKISTAN STOCK EXCHANGE

AGHA

WEBSITE INFORMATION

www.aghasteel.com

CORPORATE GOVERNANCE

PROFILE OF DIRECTORS

MRS. SHAZIA AGHA

Chairperson

Mrs. Shazia Agha holds a post graduate Degree in Islamic Studies from University of Karachi, a PGD from Islamic College of Advance Studies (UK) and PGD in Higher Education from Middlesex University (UK).

Mrs. Shazia Agha is a well-known philanthropist and participates with significant dedication in welfare activities of different organizations. She established Al Hadi Educational Vocational Centre for women in various underprivileged areas in Karachi to eliminate the illiteracy, develop self-esteem, self-awareness of women with her distinctive coaching and training skills. Some of her other work comprises of conducting workshops on six skills for an empowered wife and women, teaching Islamic studies to undergraduate students at informatics institute.

Mrs. Shazia has been taking an active lead on the Agha Welfare Trust, a CSR Project of Agha Steel Industries Limited. With her experience, CSR projects of ASIL are being carried out in the true spirit and are expected to uplift the underprivileged on an aggressive scale.

MR. HUSSAIN IQBAL AGHA

Executive Director

Mr. Hussain Iqbal Agha is playing a pivotal role in transforming Pakistan's Steel Industry by spearheading Agha Steel Industries Limited enabling it to the leading Steel Manufacturer of the nation.

In 2005, Hussain Iqbal Agha graduated from Karachi American School as the salutatorian of his class. Upon graduation, Hussain Agha attended Bentley University, which is ranked amongst the top 20 Business Schools in North America. In 2009, Hussain Agha excelled to complete his undergraduate degree with a Bachelors of Management ranking in the top 10 percentile of his graduating class. Further pursuing to complete his MBA, he graduated with Honors from McCallum Graduate School of Business at Bentley University. After attaining an exceptional education, he attended many courses in Steel Making with the aim to re-define the Steel Industry of Pakistan.

Mr. Hussain is an active steel industry activist whereby he holds Chairmanship of BQATI (Bin Qasim Association for Trade and Industry). He has also attended ICAP's director training programs with approved credit hours for effective operations of Board.

MR. RAZA IQBAL AGHA

EXECUTIVE DIRECTOR

Mr. Raza I. Agha, the eldest son of Mr. Iqbal Agha, is leading the Denim International as Managing Director. He is also working as Director of ASIL. In 2002, Mr. Raza Iqbal Agha graduated from Karachi American School. Upon graduation, Raza Agha attended Mount Ida University located in Newton, Massachusetts USA. With a passion for business and marketing, he completed his Bachelors in Business Administration in 2006 with a concentration in Management and Marketing. In 2006, Mr. Raza Agha came back to Pakistan to join the Textile Division of the Group. His suave passion for marketing coupled with his keen management skills translated to tremendous year on year growth at Denim International.

MR. MUHAMMAD SHAHID

DIRECTOR

Highly accomplished professional with over 25 years of multifaceted experience in Finance, Corporate & Secretarial Affairs, Budgeting, Treasury, Taxation, Auditing and Compliance in different sector Companies.

- Currently working as Senior Manager Finance in Metro Capital (Pvt) Ltd a Metro Group Company, involved in Accounting & Finance, Treasury, Taxation, Corporate matters, further involved in determining financial objectives, designing & implementing system policies & procedures to facilitate internal financial and process control.

- Strong analytical skills with good negotiation & relationship management skills and abilities in liaising with internal departments, Business Units, bank, financial institutions, regulatory authorities, suppliers, customers and other agencies.

MR. MUHAMMAD ASIF

NON-EXECUTIVE DIRECTOR

Mr. Muhammad Asif is a non-executive director of Agha Steel Industries Limited. He holds a bachelor's degree in Commerce from University of Karachi. He has extensive business background which expands over 6 decades in various sectors.

MR. SAAED MIRZA

NON-EXECUTIVE DIRECTOR

Mr Saeed A. Mirza is as seasoned professional having diversified knowledge and experience on Board and as CEO in Multinational Companies - Alcatel-Lucent (Telecommunications) and GlaxoSmithKline (Healthcare). He has Demonstrated leadership and decision-making skills, has a Unique experience in setting up and implementing a Compliance and Business Integrity policy and function in the Middle East and Africa region for Alcatel-Lucent. This included a pro-active approach to train senior country management on anti-corruption, anti-fraud, anti- trust, Conflict of Interest, etc., the related local and international laws (FCPA, OECD convention, UN Compact, etc.) and the supporting accounting and financial reporting, H.R., procurement, legal and compliance framework. Mr Saeed A. Mirza also involves in strategizing the Development and Governance Vision of Corporate and Government entities, as a consultant or an Independent Director. To assist in identifying key long and short-term objectives and measures and initiatives to achieve these. To help in developing robust control and monitoring systems, to review and measure the progress on these objectives and provide an appropriate dashboard to the key decision makers to enable timely responses and actions to ensure that they are met

MR. ASIF AHMED

EXECUTIVE DIRECTOR

With over 20 years of dedicated experience in finance, tax and accounts, I bring a wealth of knowledge and expertise to any organization. As a seasoned professional, I have successfully navigated the complexities of financial management, strategic planning, auditing, corporate compliance and taxation.

MANAGEMENT PROFILE

AGHA STEEL
INDUSTRIES LIMITED

MR. HUSSAIN IQBAL AGHA

CEO

Mr. Hussain took charge as the CEO of entity in 2014. Ever since his placement, Mr. Hussain has been critically involved in Plant operations, Business Management and Strategic planning for sustainable growth of the Company. Mr. Hussain's vision was reflected when he urged Sponsors to convert the Business concern into a Public Company and be transparent in its operations.

For his relentless approach for sustainability through transparency, Mr. Agha urged respected Board to have the Company listed in Pakistan Stock exchange. This step is in line with his vision to have wide access to capital and optimum utilization of savings of general Public.

As a part of long term strategic plan, Mr. Hussain established an efficient Internal Audit Department and a Business Process Re-engineering Center. This enabled entity to find gaps in the processes and increased efficiencies in controls. Mr. Hussain is leading the current expansion plan of the Company that intends to increase production capacity by 3 times from its existing capacity along with cost reduction in the overall process.

Mr. Hussain works closely with Business Process Re-engineering Department in order to ensure that all gaps are measured and processes established are considered as best practices for the industry.

MR. AHMED

Deputy CEO

Mr. Ahmed is a fellow cost and management Accountant from UK , CGMA (USA) Charter-holder, and an Advance management Studies in Leadership and Corporate Governance from hardvard Kennedy School, Harward University

He has about 22 years of work experience with ABN amro N.V. - Management Jaahangir Siddiqui & Company Limited, Pak Oman Investment Company, Pak Brunei investment Co. Ltd, Primus Investment management Co. Ltd, JS Bank Limited His last assignment was with the Pak Brunei investment Company limited, where he was serving as Chief Operating Officer and primary responsibility include oversighting overall business and operations of the company and its subsidiaries

MR. KAMRAN AHMED

Chief Financial Officer

Seasoned and focused, Mr. Kamran Ahmed is a Fellow member of the prestigious Institute of Chartered Accountants ("ICAP") of Pakistan.

For over 20 years in prime regulatory bodies to growth champion entities, Mr. Kamran has rich experience in the field of finance and accounts in corporate environment both locally and internationally. Previously he served as Head of Finance at ICAP. Mr. Kamran achieved success with respect to unmatched excellence in Financial Reporting with close deadlines. Mr. Kamran was also secretary of Professional Accountants in Business ("PAIB") Committee at ICAP. PAIB Committee is a core committee of International Federation of Accountants ("IFAC") which strives to promote and contribute to the value of professional accountants in business by increasing the awareness of the important roles that professional accountants play.

For the past six years Mr. Kamran Ahmed is associated as CFO of Agha Steel Industries Limited, capitalizing his modernized skills to bring best practices and Professional accounting environment with respect to performance and conformance.

MR. AMIR RASOOL

Chief Operating Officer

An extraordinarily dynamic, enthusiastic and highly motivated engineering professional with a vast experience in Steel manufacturing Industries.

His passion for steel making is still sky high despite spending almost three decades in steel making. With interests and expertise progressed from a graduate to a competent Executive and have been associated with various well known steel making companies, Mr. Rasool has a strong background in plant operations and execution, varying from advisory and consulting, procurement and scrap selection to operating startup steel projects. He is a results-oriented professional with strong interpersonal, team-building, troubleshooting, problem-solving, planning, and execution abilities.
His previous employments included experiences at NASCO Dammam, Sohar Foundry Oman, Arabian Gulf steel Industries LLC UAE, Peoples Steel Mills Ltd & Aisha Steel Mills Limited

MR. SHAHID MEHDI

Business Development Advisor Sales/marketing

Mr. Shahid Mehdi started his career in 1970, in the field of sales and marketing, from the textile industry at Abbasi Textile Mills Ltd. Rahimyarkhan, Chaired by Syed Wajid Ali Shah.

He moved to Shabbir Tiles & Ceramics in 1986, as Manager Exports. It was under his management the company introduced its products in American, European and Middle Eastern markets.

In 1990, he stepped in to the building material industry by joining Razaque Steels and served the company as the Manager Sales/Marketing. He took the company to new heights, introducing new forms and growth opportunities.

A decade later, in 2001, he joined Amreli Steels as an Executive Manager Sales & Marketing. The company nurtured in terms of production and sales during this service period, and emerged as an epitome of success. It was because of his qualities and potentials, not to mention his experience in the field and industry, he was graced with contractual provisionof six years despite his retirement.

In December 2019, he joined Agha Steel Industries to deliver his expertise to the young blood for the future development of the company in corporate and retail market of the steel industry. His vibrant and dynamic personality leaves promising results on the company profile, aiming to expand and outgrow the odds in this competitive era.

MR.AJMAL KHAN

Gm Rolling Mill

Mr Ajmal Khan is a is a diligent professional with over 20 years' experience in steel industry where he has played a significant role in managing large and complex projects.

A brief walk through of his experience covers Project management, Equipment erection & commissioning, Rolling Mill & Roll Shop Operations, Mechanical maintenance, Workshop development, Fabrication & Machine Shop Operations primarily for Steel plants and Re-bar Rolling mills from raw material till end product.

Mr. Ajmal comes with a diverse experience and a proven track record of creating success stories. He has an experience that spans throughout mills across Pakistan. He has demonstrated proficiency, commitment and competency in revamping processes, systems and procedures to turn around underperforming operations. He possesses sound capabilities of leading, mentoring, motivating and monitoring large multinational teams eliciting superior performances. He is a proactive results-driven manager with excellent interpersonal, team building, troubleshooting, problem-solving, planning & execution skills

MR. MUHAMMAD MUNEEB KHAN

Company Secretary

Mr. Muhammad Muneeb Khan joined Agha Steel Industries Limited in year 2015 with a prime role to convert the Business from AOP to a Public Limited Company. During 2017 the Company was successfully converted to a public limited entity.

Mr. Muneeb is in charge with responsibilities of corporate compliances and effective management of Board meetings. Mr. Muneeb also played pivotal role in managing compliances for entity's Over the Counter Listing of Privately Placed Sukuk in year 2018. Mr. Muneeb is post graduate in Economics and Bachelors of Commerce from University of Karachi. Previously Mr. Muneeb has worked for Super net Limited (a wholly owned subsidiary of Tele card Limited) and was extensively trained in corporate affairs from RSRIR Chartered Accountants.

MR UMAR IRSHAD

Head of Internal Audit

Mr. Umar Irshad is a Highly skilled, capable and qualified financial managment professional having diverse portfolio spread over steel, auto banking and services industries. Expert and competent in elevating fiscal administration and regulatory compliance with help of internal controls, risk assessment, audits, systems and advanced procedures.

Mr. Umar Irshad is well committed to achieve cost reduction and revenue growth while positively impacting corporate bottom line through statagic allocation of financial resources.

He is Enthusiastic and motivated professional with capability to manage multiple tasks by enhancing efficiency in given timelines. Holds meticulous and particular expertise in practical application of SAP. He is a knowledgeable contriver and convincing communicator with demonstrated project and people management skills along with problem-solving and decision making abilities. Effective team player possessing excellent leadership, planning and analytical skills at stratagic and operation levels in dynamic environment

CHAIRPERSON REVIEW REPORT

Introduction

I am pleased to present the Chairman's Review Report for the year ended 30 June 2024. The Board of Directors of Agha Steel Industries Limited has diligently upheld the interests of our shareholders while effectively managing the Company's affairs in alignment with the Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2017.

Performance Highlights

1. **Diverse Board Composition:** The Board has ensured a balanced representation of executive, non-executive, and independent directors. Each member brings valuable skills and experience necessary for effective governance.

2. **Annual Performance Review:** We have established a formal mechanism for evaluating the Board's performance, as well as that of its Committees and individual Directors. Feedback indicates that our performance is recognized as good and effective.

3. **Committee Structure:** The Board formed the Audit, Human Resources, and Risk Management Committees, approving their terms of reference and providing the resources required for them to fulfill their responsibilities.

4. **Directors Training:** One Director is exempt from the Directors Training Program due to prior qualifications, while five Directors have successfully completed the certification. The remaining Director will pursue this certification soon.

5. **Meeting Efficiency:** All Board and Committee meetings were held with the necessary quorum, and minutes were accurately documented and maintained for transparency.

6. **Code of Conduct Development:** We have implemented a comprehensive code of conduct that articulates our professional standards and corporate values, ensuring alignment across the Company.

7. **Informed Decision-Making:** Significant issues were presented to the Board and its Committees throughout the year, promoting a structured and informed decision-making process.

8. **Robust Internal Controls**: The Board has ensured the establishment of an adequate system of internal controls to protect the Company’s assets and maintain reliable financial reporting.

9. **Director’s Report Compliance:** We have prepared and approved the Director’s report, ensuring its publication alongside the quarterly and annual financial statements in accordance with applicable regulations.

10. **Effective Communication:** Timely sharing of information among Board members has been prioritized, keeping everyone informed of relevant developments between meetings.

11. **Regulatory Adherence:** The Board has exercised its powers and responsibilities in line with the applicable laws and regulations governing the Company.

Conclusion

In conclusion, the Board of Agha Steel Industries Limited has played a crucial role in achieving our corporate objectives and meeting the expectations of our shareholders and stakeholders.

Acknowledgment

I would like to express my sincere gratitude to our employees, shareholders, and suppliers for their unwavering support. We also extend our appreciation to all stakeholders, especially our valued customers, for their continued cooperation and trust in us.

Shazia Agha
Chairperson

چیئرمین کا جائزہ رپورٹ

تعارف

میں 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے چیئرمین کا جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔ آغا اسٹیل انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز نے ہمارے شیئر ہولڈرز کے مفادات کا مؤثر طور پر دفاع کرتے ہوئے کمپنی کے امور کو کامیابی سے سنبھالا ہے، جو کہ کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کارپوریٹ حکمرانی کا ضابطہ) ریگولیشنز 2017 کے مطابق ہے۔

کارکردگی کے اہم نکات

1 **تنوع بورڈ کی تشکیل:** بورڈ نے ایگزیکٹو، غیر ایگزیکٹو، اور آزاد ڈائریکٹرز کی متوازن نمائندگی کو یقینی بنایا ہے۔ ہر رکن مؤثر حکمرانی کے لیے ضروری مہارتیں اور تجربہ فراہم کرتا ہے۔

2 **سالانہ کارکردگی کا جائزہ:** ہم نے بورڈ کی کارکردگی، اس کی کمیٹیوں، اور انفرادی ڈائریکٹرز کی جانچ کے لیے ایک رسمی طریقہ کار قائم کیا ہے۔ فیڈبیک سے پتہ چلتا ہے کہ ہماری مجموعی کارکردگی کو اچھی اور مؤثر سمجھا جاتا ہے۔

3 **کمیٹی کا ڈھانچہ:** بورڈ نے آڈٹ، ہیومن ریسورسز، اور رسک مینجمنٹ کمیٹیاں تشکیل دیں، ان کے کام کے دائرہ کار کی منظوری دی، اور ان کی ذمہ داریوں کو پورا کرنے کے لیے درکار وسائل فراہم کیے۔

4 **ڈائریکٹرز کی تربیت:** ایک ڈائریکٹر اپنے سابقہ اہلیت کی بنیاد پر ڈائریکٹرز ٹریننگ پروگرام سے مستثنیٰ ہے، جبکہ پانچ ڈائریکٹرز نے کامیابی کے ساتھ تصدیق مکمل کی ہے۔ باقی ڈائریکٹر جلد ہی یہ تربیت حاصل کرے گا۔

5 **اجلاسوں کی افادیت:** تمام بورڈ اور کمیٹی کے اجلاسوں میں ضروری کوارم کے ساتھ منعقد کیے گئے، اور منٹس کو درست طور پر دستاویز اور برقرار رکھا گیا تاکہ شفافیت کو یقینی بنایا جا سکے۔

6 **اخلاقی ضابطہ کی ترقی:** ہم نے ایک جامع اخلاقی ضابطہ متعارف کرایا ہے جو ہمارے پیشہ ورانہ معیار اور کارپوریٹ اقدار کو واضح کرتا ہے، جس سے کمپنی بھر میں ہم آہنگی یقینی بنائی جا سکے۔

7 **معلوماتی فیصلہ سازی:** اہم مسائل کو سال بھر بورڈ اور اس کی کمیٹیوں کے سامنے پیش کیا گیا، جس سے ایک منظّم اور معلوماتی فیصلہ سازی کا عمل فروغ پایا۔

8 **مضبوط اندرونی کنٹرول:** بورڈ نے ایک مناسب اندرونی کنٹرول کے نظام کے قیام کو یقینی بنایا ہے تاکہ کمپنی کے اثاثوں کی حفاظت کی جا سکے اور قابل اعتماد مالی رپورٹنگ کو برقرار رکھا جا سکے۔

9 **ڈائریکٹرز کی رپورٹ کی تعمیل:** ہم نے ڈائریکٹرز کی رپورٹ تیار اور منظور کی، اور یہ یقینی بنایا کہ اس کی اشاعت سہ ماہی اور سالانہ مالی بیانات کے ساتھ موجودہ قوانین کے مطابق ہو۔

10 **موثر مواصلت:** بورڈ کے اراکین کے درمیان معلومات کی بروقت شیئرنگ کو ترجیح دی گئی، جس سے ہر ایک کو اجلاسوں کے درمیان اہم ترقیات سے آگاہ رکھا جا سکے۔

11 **قانونی تعمیل:** بورڈ نے کمپنی پر لاگو قوانین اور ضوابط کے مطابق اپنے اختیارات اور ذمہ داریوں کا استعمال کیا ہے۔

نتیجہ

اختتاماً، آغا اسٹیل انڈسٹریز لمیٹڈ کا بورڈ ہمارے کارپوریٹ مقاصد کے حصول اور ہمارے شیئر ہولڈرز اور دیگر اسٹیک ہولڈرز کی توقعات پر پورا اترنے میں اہم کردار ادا کر رہا ہے۔

شکرگزاری

میں اپنے ملازمین، شیئر ہولڈرز، اور سپلائرز کا دل کی گہرائیوں سے شکریہ ادا کرنا چاہتا ہوں جنہوں نے ہمیں مستقل حمایت فراہم کی۔ ہم اپنے تمام اسٹیک ہولڈرز، خاص طور پر اپنے معزز گاہکوں، کے تعاون اور اعتماد کے لیے بھی شکر گزار ہیں۔

شازیہ آغا
چیئرپرسن

CEO'S MESSAGE

I'm excited to share the vision of Agha Steel Industries Limited as we celebrate nearly 72 years of pioneering efforts in the industrial manufacturing sector. Our aspiration is to establish ourselves as one of the largest conglomerates in the country, with a global footprint.

Recently, we introduced MiDa, a revolutionary steel rolling technology that sets a new standard in our industry. This innovative advancement not only gives us a competitive edge but also supports our goal of exporting high-quality steel from Pakistan.

The past year has not been without its challenges—inflation, currency fluctuations, power shortages, and foreign currency issues have tested our resilience. However, our outstanding management team has navigated these obstacles with determination, focusing on long-term value for you, our valued shareholders. We are dedicated to enhancing our operational efficiency and driving cost-effectiveness.

Even in the face of adversity, we believe our commitment to excellence, innovation, and customer satisfaction will propel our growth. Our employees, the backbone of our success, continue to motivate us with their dedication and passion. We prioritize their development, fostering a culture of transparency, integrity, and ethical practices that we are proud of.

Despite the hurdles, we have remained true to our commitments to all stakeholders. I would like to express my heartfelt appreciation to our teams for their relentless efforts this past year. Thank you for your continued support and trust in Agha Steel Industries. I also extend my gratitude to the government, our customers, vendors, financial institutions, and our management team for their unwavering dedication. Thank you for being part of our journey.

DIRECTOR'S REPORT

The Directors of your Company take pleasure in presenting the Annual Report together with your Company's Annual Audited Financial Statements for the year ended June 30, 2024.

Business Environment

The global economy demonstrates remarkable resilience, characterized by steady growth as inflation gradually moves towards the target. This journey has been marked by significant events, including supply-chain disruptions in the wake of the pandemic, a Russian-Ukraine conflict leading to a global energy and food crisis, and a substantial surge in inflation. The persistent challenges of high debt and limited fiscal space highlight an urgent need for coordinated efforts to address these issues and foster sustainable and inclusive economic growth. The momentum of international trade as a catalyst for growth is waning, evidenced by a slowdown in global trade growth to 0.3 percent in 2023. However, resurgence is anticipated, with projections indicating a recovery to 3.0 percent in 2024. Geopolitical tensions have emerged as the predominant risk facing the global economic landscape.

Economic Outlook

The restoration of macroeconomic stability is imperative for establishing a platform to stimulate growth, enhance employment, and improve the overall quality of life for the people. Recent years have been characterized by exacerbated challenges that have persisted since FY 2022. Pakistan has encountered multiple global shocks, including supply chain distortions from the Russia-Ukraine conflict, elevated global inflationary pressures leading to monetary tightening, and oil price shocks due to heightened geopolitical tensions in the Middle East.

During previous year, i.e., FY 2023-2024, the government confronted four critical challenges that threatened Pakistan's socioeconomic growth: achieving sustainable macroeconomic stability, reducing poverty, ensuring fiscal consolidation, and addressing external account vulnerabilities. Performance of Construction Sector in Pakistan

Pakistan's construction industry contracted by 5.2% in real terms in 2023, owing to headwinds caused by the weak economic, political and financial conditions in the country.

Pakistan's high inflation rate and surging energy and construction material prices are all expected to have weighed on construction activity this year. Pakistani construction industry is expected to record an annual average growth of 5.5%, supported by investment in transport, power, housing, telecommunication, and industrial infrastructure projects. The Sectors like Commercial construction and residential construction contributed a significant contribution amongst industrial construction, infrastructure construction, energy and utilities construction, institutional construction.

The commercial construction sector has shrunk in real terms in 2023-2024, amid headwinds such as high inflation and the rising cost of living. On the other hand, Residential construction has also shrunk in real terms during this fiscal year, owing to subdued investor and consumer confidence amid elevated inflation, high property prices, and increased interest rates.

CORPORATE GOVERNANCE

The Company has cultivated a resolute commitment to fostering a corporate culture deep rooted in the principles of good governance, harmoniously interwoven into its policies and practices. This unwavering dedication to sound corporate governance is essential for attaining sustainable progress and securing a thriving future. Guided by an astute Board, ASIL has been unwavering in ensuring that every facet of its operations aligns with the highest standards of excellence, benchmarked against prevailing best practices

In response to the evolving landscape of corporate governance, ASIL has demonstrated its proactive stance by embracing the changes implemented through the Listed Companies (Code of Corporate Governance) Regulations, 2019. While these regulations offer flexibility to comply or explain any divergences, ASIL steadfastly adheres to all requirements, underscoring its unwavering dedication to upholding the Code of Corporate Governance in its entirety. This steadfast adherence has garnered profound trust from investors, reinforcing the Company's reputation as a highly reliable and responsible entity.

The Board reviewed Company's strategic direction, annual corporate plans and targets. Board is committed to ensuring the highest standard of governance

The Current Board of Directors of the Company consists of:

Total Number of Directors	7
Executive Directors	2
Non-Executive Directors	5

The Total Number of Directors are Seven As per the Following:

a. Male: 06
b. Female: 01

During the year, 4 meetings of the Board of Directors were held. Attendance of the Directors are as follows:

Names	Attendance
Mrs. Shazia Agha	3
Mr. Hussain Iqbal Agha	4
Mr. Raza Iqbal Agha	4
*Mr. Akbar Pesnani	0
*Mr. Askari Asghar Agha	2
Mr. Muhammad Asif	4
Mr. Saad Iqbal	3
**Mr. Danish Iqbal	0
**Mr. Saeed A Mirza	2

*Outgoing Director
**Incoming Director

Mr. Saad Iqbal and Mr. Danish Iqbal resigned on February 29, 2024. To fill the casual vacancies created by their resignations, the Board appointed new directors through a circular resolution.

The attendance details of the newly appointed directors are as follows:

Names	Attendance
Mr. Muhammad Shahid	1
Mr. Asif Ahmad	1

Business Review

The long steel sector in Pakistan, especially the production of billets and rebars, is essential for the nation's construction and infrastructure development. However, this sector has encountered considerable challenges in recent years, including the current year, due to economic instability, changing demand patterns, and the effects of global market conditions.

The ongoing economic challenges in Pakistan—characterized by high inflation, rising energy costs, and a weakening currency—have significantly driven up production costs for long steel manufacturers, particularly those focused on compliance and documentation. These pressures, combined with a slowdown in construction activity due to higher interest rates and reduced government spending on infrastructure, have led to decreased domestic demand for rebars.

Pakistan's long steel industry heavily depends on imported raw materials, such as scrap metal, for billet production. In 2024, the continued depreciation of the Pakistani rupee has exacerbated import costs, placing additional strain on manufacturers. Furthermore, global disruptions in scrap supply and fluctuating international prices have led to rising production costs, which have increased the prices of billets and rebars in the domestic market.

The sector's reliance on energy-intensive processes for producing billets makes it particularly vulnerable to Pakistan's ongoing energy shortages. Frequent power outages, soaring electricity tariffs, and gas supply constraints have disrupted production, raised manufacturing costs, and diminished operational efficiency. Consequently, this has resulted in higher steel prices, making local products less competitive.

The tax exemptions provided to the FATA/PATA regions have created significant challenges for regulated steel producers. Originally designed to promote development, these exemptions have been widely misused, with around 90% of the steel produced being sold across the country without paying sales tax. This scenario places compliant, tax-paying companies at a severe disadvantage. Many of these businesses are struggling to survive under the weight of heavy taxation, while the government suffers substantial losses in tax revenue—estimated in the hundreds of billions of rupees—that are crucial for economic growth.

It is imperative for the government to address this unfair tax structure, which punishes compliant industries while benefiting those in unregulated regions. The current turnover tax rate is a significant burden on companies, particularly in the steel sector, where high capital investments and narrow profit margins prevail. Increasing production costs and declining demand have pushed already tight profit margins into the red, making the turnover tax even more oppressive as it is applied to gross revenue, irrespective of profitability.

Additionally, the short three-year adjustment period for turnover tax is inadequate for industries recovering from severe economic challenges. Advocacy groups like the Pakistan Business Council have suggested extending this period to at least 10 years, allowing businesses more time to mitigate the tax's financial impact. They also recommend reducing the turnover tax rate to 0.5% for the steel sector to better reflect current economic conditions and provide essential relief.

Political instability in Pakistan, combined with inconsistent industrial policies, has further eroded investor confidence in the steel sector. The absence of a stable, long-term policy framework—particularly concerning energy pricing, tax structure, and import tariffs—has created a challenging environment for compliant players in the market. Without a clear and consistent policy direction, the long steel industry faces significant hurdles that hinder sustainable growth and recovery.

To navigate these challenges effectively, immediate reforms in taxation and policy frameworks are essential. Addressing these issues will not only support the long steel sector but also contribute to the broader economic recovery of Pakistan. By fostering a more equitable and stable environment, the government can help ensure the long-term viability of this crucial industry.

Risk Management

Your Company's risk management framework is designed to assess and mitigate risks in order to minimize their potential impact and support the achievement of company's long term objectives and business strategy. Risk assessment is performed regularly to create a good understanding of the company's key risks, to allocate ownership to drive specific actions around them and take any relevant steps to address them. The uncertainties and risks that may influence the achievement of our corporate goals and objectives are managed while opportunities are tapped into. Due to their critical importance, our material issues and principal risks are integrated into our business planning processes and monitored on a regular basis by our Board of Directors. Strategic, Commercial, Operational, Financial and Compliance risks are ranked based on their impact on company and probability of occurrence. Upon identification of risks, mitigating strategies and action plans are developed, implemented and monitored.

Principal activity of the Company

The Principle activity of the company is manufacturing and sales of specialized grade Billets and Deformed Bars.
Vision, Mission and Overall Corporate Strategy Approval by the Board

The board of directors have carefully reviewed and approved the vision, mission and overall corporate strategy of your Company and believes that it comprehensively states the ideology with which Agha Steel Industries Limited was incorporated. We ensure that our vision and mission sets the direction for our overall corporate strategy and our future journey in everything we do at all levels. The entire organization is connected and driven by this purpose and it serves as the main decision making criterion in our day to day business.

Qualification of CFO and Head of Internal Audit

The Chief Financial Officer and Head of Internal Audit possess the requisite qualification and experience as prescribed in the Listed Companies (Code of Corporate Governance) Regulation 2019 (the Code).

Committees of the Board

The Board committees and their members are disclosed in the Annual Report.

Evaluation of the Board and Committees

Code of Corporate Governance has been adopted by the Board in its true spirit. Performance of the Board members, Committees of the Board and Board as a whole effectively shape the overall performance of the Company hence remains essential. Implementing best practices can improve performance of the Board and Committees while performance of the members of the Board can be enhanced by promoting professional corporate culture.

The Code of Corporate Governance requires the Board to put in place a formal and effective mechanism for annual evaluation of the board's own performance, members of the board and of its committees. As required, Board of Directors of the Company has developed and approved an internal mechanism to evaluate the efficacy of the Board, its members and its Committees on an annual basis.

During the year, the Board and its Committees were evaluated using this mechanism to further improve the effectiveness of the Board. Developments in corporate governance are constantly reviewed and implemented to align the Board with principles of good corporate governance.

Role of Chairperson and CEO

The Chairman heads the Board of Directors and is appointed by the Board from amongst the Non-Executive directors. Heading the meetings, defining agendas and signing the minutes are the primary responsibilities of the Chairman. The Chairman, at the start of the term of Directors, intimates them regarding their roles, responsibilities, duties and powers to help them manage the affairs of the Company effectively. He also manages conflicts of interests arising, if any, and makes recommendations to improve performance and effectiveness of the Board.

The CEO manages the Company and is responsible for all of its operations. The CEO designs and proposes strategies and implements decisions of the Board. The CEO reports to the Board regarding the Company's performance and profitability along with suggesting improvements to enhance shareholders' wealth.

The Board of Directors has clearly defined and segregated the roles and responsibilities of the Chairman and the CEO.

CEO Performance Review

The Board assesses the CEO's performance using key performance indicators set on financial and nonfinancial measures. The Board also discusses the prospects of the Company with the CEO to ascertain smooth operation of the Company's affairs. The Board is well contented with the CEO's performance for the year.

Chief Executive and Directors Remuneration

The remuneration of the Board members is approved by the Board itself. However, in accordance with Code, it is ensured that no Director takes part in the proceedings of the Board Meetings in deciding his own remuneration. Chairman, non-executive directors and independent directors are entitled only for the fee for attending the meetings. The levels of remuneration are appropriate and commensurate with the level of responsibility and expertise to govern the company successfully and with value addition. Remuneration of Chief Executive and Directors are disclosed in relevant notes to the Financial Statements for the year ended June 30, 2024.

Adequacy of Internal Financial Controls

The Board of Directors has established an efficient system of internal financial controls, for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations and reliable financial reporting. The independent Internal Audit function of Agha Steel regularly appraises and monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework and financial statements on quarterly basis.

Directors confirm compliance with highest standard of Corporate Governance and that the internal controls are sound in design and have been effectively implemented and monitored.

Statement of Corporate Financial Reporting Framework

Your Company has complied with all the requirements of the Code as required by the listing regulations. Accordingly, the Directors are pleased to confirm the following:

1. The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 2017. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
2. The principal business activity of the Company is manufacturing and sales of specialized grades low carbon Billets and Deformed Bars.
3. Proper books of accounts have been maintained by the Company.
4. Appropriate accounting policies have been consistently applied in the preparation of financial statements which conform to the International Accounting Standards as applicable in Pakistan.
5. The accounting estimates, wherever required are based on reasonable and prudent judgment.
6. International financial reporting standards (IFRSs), as applicable in Pakistan, have been followed in preparation of financial statements.

Summary of Financial Performance

Your Company recorded a gross sales revenue of Rs. 16.098 Billion as compared to Rs. 24.160 Billion in the corresponding year. The company stood at gross loss of Rs. 628 million as compared to gross profit of Rs. 4,820 million in the previous year. The gross profit percentage declined to to 28% in the corresponding year, this was mainly due to, after fire incident ASIL is operating at a lowest capacity enabling only to cover variable cost and partial fixed cost.

Administrative expenses stood at Rs. 329 million as against to the expenses of Rs. 310 million in the last year, the decrease was mainly attributable to the austerity directives of the board despite overall inflation.

Selling and distribution cost were also decreased to Rs. 280 million as compared to Rs. 319 million in the corresponding year, mainly as a result of sluggish demand and low purchasing power of the local market, the management decided to keep a lid on its selling costs. However, the reduced spending did not curtail on the strategy of penetration and exploration of new markets in the trading segments of industry.

Finance cost soared during this hyper-inflationary times whereby the country witnessed one of the all times highest offer rates in its history. Finance cost increased to 4,582 million as against 3,208 million in the corresponding year.

The company recorded impairment of asset destroyed due to fire amounting to Rs.673.801 million, and insurance claim against above asset receivable amounting to Rs.385 Million which is recorded as income. and provision against NRV of Stock amounting to Rs.959 Million

Current assets stood at Rs. 13,988 million as on 30 June 2024 as against Rs. 20,210 million as on 30 June 2023. The decrease was driven due to lean operations during the year.

(Loss) Earnings per Share

Diluted and Basic loss per share for the year ended June 30, 2024 was Rs. (8.41) compared with Rs. 1.50 per share last year.

Credit Rating

Credit rating is an assessment of the credit standing of entities in Pakistan. Your Company initiated its credit rating proceed in year 2017 and had maintained healthy credit scores since inception. VIS Credit Rating Company, during the year maintained Company's long term rating at CCC with negative outlook, while the short term rating is classified as C rating with negative outlook.
Agha Steel Industries Limited currently has a long-term entity rating of 'CCC', indicating significant credit risk and limited protection factors, with a short-term rating of 'C', reflecting doubts about timely payment capabilities. The ratings are sensitive to economic changes, and access to capital markets is constrained. The latest rating action was announced on May 22, 2024.

Corporate Social Responsibility

As part of its CSR mandate, Your Company has established a state of the art Advance Health Facility 'Agha Dialysis Center' that serves under privileged contingent of the society for free without any discrimination of caste, ethnicity or economic group. Currently the Agha Dialysis Center is operating at four machines with plans of making adding another six machines during next year and, in turn, making it the largest free of cost dialysis facility of Pakistan.

Your Company's dedication to sustainable environmental processes can be judged by its environment friendly green manufacturing unit. With green processes Company can save money and reduce environmental footprints by reducing waste, conserving energy, and maintaining environmentally safe manufacturing processes. Company is in process as acquiring Fume Treatment Technology to be added to its existing state of the art Electric Arc furnace.

Health, Safety and Environment - Impact of the Company's Business on the Environment

Your Company is committed to developing, promoting and achieving the highest standard of Health, Safety and Environment (HSE) operations and it;

- Responds positively to environmental developments by reviewing such issues with the relevant authorities, local communities and others.
- Works effectively to encourage environment awareness and identify and share best practices and new techniques to reduce environmental impact.
- Minimizes emissions and waste by evaluating operations and ensuring they are as efficient as possible.
- Reduces and where practical, eliminates hazardous and nuisance release to air, water and land.
- Inculcates sense of responsibility towards the environment among our employees.
- Periodically reviews the suitability, adequacy and effectiveness of the HSE management system.

- Educates, trains, encourages and motivates employees to carry out activities in a responsible manner in accordance with the requirements of generally accepted OHS & Environmental management system. Applies technologies that are not harmful to our employees' health and are environment friendly.
- Sets objectives and targets, key performance indicators and program for occupational health and safety.
- Strives to prevent any accident and to achieve continual improvement of the HSE management system and related performance.
- Consults with employees on matters affecting their health and safety.

Related Party Transaction

All related party transactions during the year were carried out on Arm's length bases. A summary of total transactions was presented at Audit Committee meeting and subsequently presented and approved by the Board. These transactions were in line with the requirements of International Financial Reporting Standards (IFRS) and the Companies Act, 2017. The Company maintains a thorough and complete record of all such transactions.
Financial Statement

The financial statements of the Company have been audited by M/s. Reanda Haroon Zakaria & Company, Chartered Accountants, the auditors, without any qualification.

Human Resource

Your Company always believed in the integral role a team plays in achieving exceptional results. It is the hard work and support of people that has enabled Agha Steel Industries Limited to achieve its goals during these challenging times. Our team strives to create value not only for external stakeholders but also for the economy and society at large. The biggest challenge for any business is to attract, develop and retain remarkable talent. Your Company has a team of highly qualified and competent professionals to look after the Talent Management Programs, Organizational Development, Total Rewards and Shared Services.

Investment in human resources will help in enhancing overall productivity, which will ultimately help produce sustainable business results. That is why your Company never hesitates to invest in people. Agha Steel strive become an 'Employer of Choice' by creating a strong culture based on respect, integrity, and teamwork. Apart from this, your Company strive to provide employees with many opportunities to learn and grow and ensure that the employees are provided market competitive remuneration. This enables your Company to attract and retain the right talent but also ensure that employees are able to exceed their potential.

At Agha Steel Industries Limited, we work towards a common vision of your shared goals. We do so by keeping the employees and management connected, engaged and motivated. We organize different activities to promote team building and interdepartmental interaction. During FY 2021-22, we launched different employee engagement activities and initiatives

Corporate Governance Matters

All matters pertaining to the Policy, Board and Governance are addressed in the Corporate Governance Section and considered to be part of the Directors' Report.

Future Outlook

Pakistan's macro-economic situation continues to present a challenge. However, the resilience of our nation and our people stand witness to sharp recoveries. Stability in the macro-economic perspective is heavily linked to political stability, and the interim government is focused on ensuring fiscal discipline and export orientation. These measures are likely to instill confidence of foreign investors to bring in investment to Pakistan and also to promote financial support from friendly countries to address immediate needs. Your Company is pleased to inform its stakeholders that our relationships with all banks are current and we are meeting our obligations on time as per agreements.

Slowdown in the economy in the preceding years restricted the Company to operate at its full capacity. However, the Company has continued to invest in its manufacturing facilities, human capital, ERP systems and product quality enhancements. These investments will enable to further strengthen the Company's already strong foothold in the engineering sector. Improved macroeconomic indicators, Enhanced GDP projections, stable economic outlook and increase in construction activities in the country following the announcement of the construction package by the government, bodes well for the future of the cement industry. Reduction in discount rates, launch of construction works on major dams and renewed focus on housing finance by the government through commercial banks are expected to have a positive impact on the demand for steel.

Dividend

Due to future financial plans of the Company, Board of Directors of the Company has decided not to declare dividend for this financial year.

Appointment of Auditors

The present auditors' M/s. Reanda Haroon Zakaria & Co, Chartered Accountants retire and being eligible, offer themselves for re-appointment and as required by the code of corporate governance. The Audit Committee have recommended appointment of M/s. Reanda Haroon Zakaria & Co, Chartered Accountants, as auditors of the Company for the financial year ending June 2025.

Subsequent Event

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this report.

Changes in Nature of Business

There has been no change in nature of the business of the Company during the year.
Appreciation

We would like to extend our sincere gratitude to our customers for their trust in us. We are thankful to our banker, shareholders and suppliers for their continued support. We also appreciate our employees for their relentless dedication and immense contribution to the Company.

On behalf of Board of Directors

Chief Executive

Director

Dated:30th September, 2024

مالی بیان

کمپنی کے مالی بیانات کی آڈٹ M/S. REANDA HAROON ZAKARIA & COMPANY, چارٹرڈ اکاؤنٹنٹس نے بغیر کسی قابلیت کے کی ہے۔

انسانی وسائل

آپ کی کمپنی ہمیشہ اس بات پر یقین رکھتی ہے کہ ایک ٹیم کی اہم کردار ادا کرتی ہے تاکہ شاندار نتائج حاصل کیے جا سکیں۔ لوگوں کی محنت اور حمایت نے آغا اسٹیل انڈسٹریز لمیٹڈ کو ان چیلنجنگ وقتوں میں اپنے اہداف کے حصول میں مدد دی ہے۔ ہماری ٹیم صرف بیرونی اسٹیک ہولڈرز کے لیے ہی نہیں بلکہ معیشت اور معاشرے کے لیے بھی قدر پیدا کرنے کی کوشش کرتی ہے۔ کسی بھی کاروبار کے لیے سب سے بڑا چیلنج قابل ذکر ہنر کو اپنی طرف متوجہ کرنا، ترقی دینا اور برقرار رکھنا ہے۔ آپ کی کمپنی میں انتہائی باصلاحیت اور اہل پیشہ ور افراد کی ایک ٹیم ہے جو ٹیلنٹ مینجمنٹ پروگرامز، تنظیمی ترقی، کل انعامات اور مشترکہ خدمات کا خیال رکھتی ہے۔

انسانی وسائل میں سرمایہ کاری مجموعی پیداواریت کو بڑھانے میں مددگار ثابت ہوگی، جو بالآخر پائیدار کاروباری نتائج پیدا کرنے میں مددگار ہوگی۔ یہی وجہ ہے کہ آپ کی کمپنی لوگوں میں سرمایہ کاری کرنے سے کبھی ہچکچاتی نہیں ہے۔ آغا اسٹیل 'امپلائر آف چوائس' بننے کی کوشش کرتی ہے، جو احترام، دیانت داری اور ٹیم ورک پر مبنی ایک مضبوط ثقافت تخلیق کرتی ہے۔ اس کے علاوہ، آپ کی کمپنی ملازمین کو سیکھنے اور ترقی کے بہت سے مواقع فراہم کرنے کی کوشش کرتی ہے اور یہ یقینی بناتی ہے کہ ملازمین کو مارکیٹ کے مطابق تنخواہیں دی جائیں۔ یہ آپ کی کمپنی کو نہ صرف صحیح ہنر کو اپنی طرف متوجہ اور برقرار رکھنے میں مدد دیتی ہے بلکہ یہ بھی یقینی بناتی ہے کہ ملازمین اپنی صلاحیتوں سے آگے بڑھ سکیں۔

آغا اسٹیل انڈسٹریز لمیٹڈ میں، ہم آپ کے مشترکہ اہداف کے ایک مشترکہ وژن کی طرف کام کرتے ہیں۔ ہم یہ ملازمین اور انتظامیہ کو منسلک، مصروف اور حوصلہ افزائی کے ذریعے کرتے ہیں۔ ہم ٹیم کی تعمیر اور بین شعباتی تعامل کو فروغ دینے کے لیے مختلف سرگرمیاں منعقد کرتے ہیں۔ مالی سال 2021-22 کے دوران، ہم نے مختلف ملازمین کی مشغولیت کی سرگرمیاں اور اقدامات شروع کیے۔

کارپوریٹ گورننس کے معاملات

پالیسی، بورڈ اور گورننس سے متعلق تمام امور کارپوریٹ گورننس سیکشن میں درج ہیں اور یہ ڈائریکٹرز کی رپورٹ کا حصہ سمجھے جاتے ہیں۔

مستقبل کا نقطہ نظر

پاکستان کی میکرو اقتصادی صورتحال ایک چیلنج پیش کرتی ہے، تاہم، ہماری قوم اور ہمارے لوگوں کی لچک تیز بحالی کی گواہی دیتی ہے۔ میکرو اقتصادی نقطہ نظر میں استحکام سیاسی استحکام سے بہت زیادہ جڑا ہوا ہے، اور عبوری حکومت مالی نظم و ضبط اور برآمدی کی سمت کو یقینی بنانے پر توجہ مرکوز کر رہی ہے۔ یہ اقدامات غیر ملکی سرمایہ کاروں کا اعتماد پیدا کرنے اور پاکستان میں سرمایہ کاری لانے میں مددگار ہوں گے اور فوری ضروریات کو پورا کرنے کے لیے دوست ممالک کی مالی مدد کو بھی فروغ دیں گے۔ آپ کی کمپنی اپنے اسٹیک ہولڈرز کو خوشخبری دیتی ہے کہ ہمارے تمام بینکوں کے ساتھ تعلقات موجود ہیں اور ہم معاہدوں کے مطابق اپنے واجبات کو بروقت پورا کر رہے ہیں۔

پچھلے سالوں میں معیشت میں سست روی نے کمپنی کو اپنی مکمل صلاحیت کے ساتھ کام کرنے سے روکا۔ تاہم، کمپنی نے اپنی پیداوار کی سہولیات، انسانی سرمائے، ERP سسٹمز اور مصنوعات کے معیار میں بہتری کی سرمایہ کاری جاری رکھی ہے۔ یہ سرمایہ کاری کمپنی کی انجینئرنگ کے شعبے میں پہلے سے ہی مضبوط موجودگی کو مزید مستحکم کرنے میں مدد دے گی۔ بہتر میکرو اقتصادی اشاریے، GDP کی بڑھتی ہوئی پیش گوئیاں، مستحکم اقتصادی نقطہ نظر اور حکومت کے ذریعہ تعمیراتی پیکج کے اعلان کے بعد ملک میں تعمیراتی سرگرمیوں میں اضافہ، سیمنٹ کی صنعت کے مستقبل کے لیے خوش آئند ہے۔ چھوٹے زخوں میں کمی، بڑے ڈیموں پر تعمیراتی کاموں کا آغاز اور حکومت کی طرف سے تجارتی بینکوں کے ذریعے ہاؤسنگ فنانس پر توجہ کا از سر نو آغاز اسٹیل کی طلب پر مثبت اثر ڈالنے کی توقع ہے۔

ڈیویڈنڈ

کمپنی کے مستقبل کے مالی منصوبوں کی وجہ سے، کمپنی کے بورڈ آف ڈائریکٹرز نے اس مالی سال کے لیے ڈیویڈنڈ نہ دینے کا فیصلہ کیا ہے۔

آڈیٹرز کی تقرری

موجودہ آڈیٹرز M/S. REANDA HAROON ZAKARIA & CO. چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور اپنی اہلیت کی بنا پر دوبارہ تقرری کی پیشکش کر رہے ہیں اور کارپوریٹ گورننس کے کوڈ کے مطابق۔ آڈٹ کمیٹی نے مالی سال ختم ہونے پر کمپنی کے آڈیٹرز کے طور پر M/S. REANDA HAROON ZAKARIA & CO. چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے۔

بعد کے واقعات

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حیثیت پر اثر انداز ہونے والی کوئی مادی تبدیلیاں اور عہد بندیاں نہیں ہوئی ہیں۔

کاروبار کی نوعیت میں تبدیلی

سال کے دوران کمپنی کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں آئی۔

شکریہ

ہم اپنے صارفین کا دلی شکریہ ادا کرنا چاہتے ہیں کہ انہوں نے ہم پر اعتماد کیا۔ ہم اپنے بینکروں، حصص یافتگان اور سپلائرز کے مسلسل تعاون کے لیے شکر گزار ہیں۔ ہم اپنے ملازمین کی بھی تعریف کرتے ہیں کہ انہوں نے کمپنی کے لیے انتھک محنت اور زبردست تعاون کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے

Director

Chief Executive

تاریخ:30 ستمبر 2024

6. بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRSS)، جو پاکستان میں قابل اطلاق ہیں، مالی بیانات کی تیاری میں اختیار کیے گئے ہیں۔

مالی کارکردگی کا خلاصہ

آپ کی کمپنی نے مجموعی فروخت کی آمدنی 16.098 بلین روپے ریکارڈ کی جبکہ پچھلے سال کے اسی عرصے میں 24.160 بلین روپے تھی۔ کمپنی کا مجموعی نقصان 628 ملین روپے رہا جبکہ پچھلے سال میں مجموعی منافع 4,820 ملین روپے تھا۔ مجموعی منافع کی شرح 28٪ تک کم ہو گئی، جو بنیادی طور پر آگ کے واقعے کے بعد آغا اسٹیل انڈسٹریز لمیٹڈ کی کم سے کم صلاحیت کی وجہ سے ہے، جس نے صرف متغیر لاگت اور جزوی مستقل لاگت کو پورا کرنے کے قابل بنایا۔

انتظامی اخراجات 329 ملین روپے رہے جبکہ پچھلے سال کے اخراجات 310 ملین روپے تھے، کمی بنیادی طور پر بورڈ کی سختی کی ہدایات کی وجہ سے ہوئی حالانکہ عمومی مہنگائی جاری رہی۔

فروخت اور تقسیم کے اخراجات بھی 280 ملین روپے تک کم ہوئے جو پچھلے سال کے 319 ملین روپے تھے، یہ بنیادی طور پر سست طلب اور مقامی مارکیٹ کی کم خریداری کی قوت کی وجہ سے تھا، جس کی وجہ سے انتظامیہ نے اپنی فروخت کے اخراجات کو کنٹرول رکھنے کا فیصلہ کیا۔ تاہم، کم ہونے والے اخراجات نے صنعت کے تجارتی شعبوں میں نئے مارکیٹس کی تلاش اور دراندازی کی حکمت عملی کو متاثر نہیں کیا۔

مالی اخراجات اس ہائپر مہنگائی کے دوران بڑھ گئے جہاں ملک نے اپنی تاریخ میں سب سے زیادہ پیشکش کی شرحوں میں سے ایک کا سامنا کیا۔ مالی اخراجات 4,582 ملین روپے تک پہنچ گئے جبکہ پچھلے سال میں یہ 3,208 ملین روپے تھے۔
کمپنی نے آگ کی وجہ سے تباہ شدہ اثاثوں کی کمی کو 673.801 ملین روپے ریکارڈ کیا، اور اوپر دیے گئے اثاثے کے خلاف بیمہ کی ادائیگی 385 ملین روپے ریکارڈ کی گئی جو آمدنی کے طور پر ظاہر کی گئی۔ اور اسٹاک کی نیٹ ریئلائزایبل ویلیو کے خلاف 959 ملین روپے کا پروویژن ریکارڈ کیا گیا۔
موجودہ اثاثے 30 جون 2024 کو 13,988 ملین روپے رہے جبکہ 30 جون 2023 کو یہ 20,210 ملین روپے تھے۔ کمی کا سبب اس سال کے دوران کم عملی سرگرمیاں تھیں۔

(نقصان) فی شیئر آمدنی

خالص اور بنیادی نقصانات فی شیئر 30 جون 2024 کو 8.41 روپے تھے جبکہ پچھلے سال 1.50 روپے فی شیئر تھے۔

کریڈٹ ریٹنگ

کر کریڈٹ ریٹنگ پاکستان میں اداروں کے کریڈٹ سٹینڈنگ کا اندازہ ہے۔ آپ کی کمپنی نے سال 2017 میں اپنی کریڈٹ ریٹنگ کو آگے بڑھایا اور شروع سے ہی صحت مند کریڈٹ سکور کو برقرار رکھا۔ VIS کریڈٹ ریٹنگ کمپنی، سال کے دوران CCC پر کمپنی کی طویل مدتی درجہ بندی کو منفی آؤٹ لک کے ساتھ برقرار رکھتی ہے، جبکہ مختصر مدت کی درجہ بندی کو منفی آؤٹ لک کے ساتھ C درجہ بندی کے طور پر درجہ بندی کیا جاتا ہے۔

آغا اسٹیل انڈسٹریز لمیٹڈ کے پاس فی الحال 'CCC' کی ایک طویل مدتی ہستی کی درجہ بندی ہے، جو اہم کریڈٹ رسک اور محدود تحفظ کے عوامل کی نشاندہی کرتی ہے، 'C' کی مختصر مدت کی درجہ بندی کے ساتھ، بروقت ادائیگی کی صلاحیتوں کے بارے میں شکوک وشبہات کو ظاہر کرتی ہے۔ درجہ بندی اقتصادی تبدیلیوں کے لیے حساس ہیں، اور کیپٹل مارکیٹوں تک رسائی محدود ہے۔ تازہ ترین درجہ بندی کا اعلان 22 مئی 2024 کو کیا گیا۔

کارپوریٹ سماجی ذمہ داری

اپنی CSR کی ذمہ داریوں کے تحت، آپ کی کمپنی نے ایک جدید صحت کی سہولت 'آغا ڈائیلاسز سینٹر' قائم کیا ہے جو معاشرے کے محروم طبقے کی خدمت کرتا ہے بغیر کسی ذات، نسل یا اقتصادی گروہ کی تفریق کے۔ اس وقت آغا ڈائیلاسز سینٹر میں چار مشینیں چل رہی ہیں اور اگلے سال مزید چھ مشینیں شامل کرنے کا منصوبہ ہے، اور اس طرح پاکستان کی سب سے بڑی مفت ڈائیلاسز کی سہولت بن جائے گا۔
آپ کی کمپنی کا پائیدار ماحولیاتی عمل کی جانب عزم اس کے ماحولیاتی دوست سبز پیداوار یونٹ سے واضح ہے۔ سبز عمل کے ذریعے کمپنی پیسہ بچا سکتی ہے اور فضلہ کو کم کر کے، توانائی کی بچت کر کے اور ماحولیاتی لحاظ سے محفوظ پیداوار کے عمل کو برقرار رکھ کر اپنے ماحولیاتی نقوش کو کم کر سکتی ہے۔ کمپنی اپنے جدید الیکٹرک آرک فرنس کے ساتھ فوم ٹریٹمنٹ ٹیکنالوجی حاصل کرنے کے عمل میں ہے۔

صحت، حفاظت اور ماحول- کمپنی کے کاروبار کا ماحول پر اثر

آپ کی کمپنی صحت، حفاظت اور ماحولیات (HSE) آپریشنز کے اعلیٰ ترین معیار کو ترقی دینے، فروغ دینے اور حاصل کرنے کے لیے پرعزم ہے اور یہ:

- ماحولیاتی ترقیات کا مثبت جواب دیتی ہے اور متعلقہ حکام، مقامی کمیونٹیوں اور دیگر کے ساتھ ایسے مسائل کا جائزہ لیتی ہے۔
- ماحولیاتی آگاہی کو فروغ دینے اور ماحولیاتی اثرات کو کم کرنے کے لئے بہترین طریقوں اور نئے طریقوں کی شناخت اور شیئر کرنے کے لیے موثر طریقے سے کام کرتی ہے۔
- اپنے عمل کا اندازہ لگا کر اخراجات اور فضلہ کو کم کرتی ہے اور یہ یقینی بناتی ہے کہ وہ جتنا ممکن ہو موثر ہیں۔
- ہوا، پانی اور زمین میں خطرناک اور پریشان کن اخراج کو کم کرتی ہے اور جہاں ممکن ہو اسے ختم کرتی ہے۔
- اپنے ملازمین میں ماحول کے بارے میں ذمہ داری کا احساس پیدا کرتی ہے۔
- وقتاً فوقتاً HSE کے انتظامی نظام کی موزونیت، کفایت اور موثریت کا جائزہ لیتی ہے۔
- ملازمین کو عمومی طور پر قبول شدہ OHS اور ماحولیاتی انتظامی نظام کی ضروریات کے مطابق ذمہ دارانہ طریقے سے سرگرمیاں انجام دینے کی تعلیم، تربیت، حوصلہ افزائی اور تحریک دیتی ہے۔ ایسی ٹیکنالوجیوں کا اطلاق کرتی ہے جو ہمارے ملازمین کی صحت کے لیے نقصان دہ نہیں ہیں اور ماحولیاتی لحاظ سے محفوظ ہیں۔
- صحت اور حفاظت کے لیے مقاصد اور اہداف، اہم کارکردگی کے اشارے اور پروگرام طے کرتی ہے۔
- کسی بھی حادثے کی روک تھام کے لیے کوشش کرتی ہے اور HSE کے انتظامی نظام اور متعلقہ کارکردگی میں مسلسل بہتری حاصل کرتی ہے۔
- ملازمین کے صحت اور حفاظت سے متعلق معاملات پر ان سے مشورہ کرتی ہے۔

متعلقہ فریقوں کے ساتھ کاروباری لین دین

سال کے دوران تمام متعلقہ فریقوں کے ساتھ ہونے والے کاروباری لین دین آرمز لینتھ کی بنیاد پر کیے گئے۔ ان لین دین کا خلاصہ آڈٹ کمیٹی کی میٹنگ میں پیش کیا گیا اور بعد میں بورڈ نے اس کی منظوری دی۔ یہ لین دین بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) اور کمپنیوں کے ایکٹ، 2017 کی ضروریات کے مطابق تھے۔ کمپنی ایسے تمام لین دین کا تفصیلی اور مکمل ریکارڈ رکھتی ہے۔

اور ہمارے مستقبل کے سفر کے لئے رہنما ثابت ہوتا ہے۔ پورے ادارے کی بنیاد اس مقصد پر ہے اور یہ ہمارے روزمرہ کے کاروبار میں فیصلہ سازی کا بنیادی معیار فراہم کرتا ہے۔

سی ایف او اور داخلی آڈٹ کے سربراہ کی اہلیت

چیف فنانشل آفیسر اور داخلی آڈٹ کے سربراہ کے پاس فہرست شدہ کمپنیوں (کارپوریٹ گورننس کا کوڈ) ریگولیشن 2019 (کوڈ) کے تحت درکار اہلیت اور تجربہ موجود ہے۔

بورڈ کی کمیٹیاں

بورڈ کی کمیٹیاں اور ان کے اراکین کو سالانہ رپورٹ میں ظاہر کیا گیا ہے۔

بورڈ اور کمیٹیوں کی تشخیص

بورڈ نے اپنے حقیقی روح میں کارپوریٹ گورننس کا کوڈ اپنایا ہے۔ بورڈ کے اراکین، بورڈ کی کمیٹیوں اور پورے بورڈ کی کارکردگی کمپنی کی مجموعی کارکردگی کو مؤثر طریقے سے تشکیل دیتی ہے، لہٰذا یہ بہت اہم ہے۔ بہترین طریقوں کے نفاذ سے بورڈ اور کمیٹیوں کی کارکردگی کو بہتر بنایا جاسکتا ہے جبکہ بورڈ کے اراکین کی کارکردگی کو پیشہ ورانہ کارپوریٹ ثقافت کو فروغ دے کر بڑھایا جاسکتا ہے۔

کارپوریٹ گورننس کا کوڈ بورڈ کو اپنی کارکردگی، اراکین کی کارکردگی اور اس کی کمیٹیوں کی سالانہ تشخیص کے لئے ایک باقاعدہ اور مؤثر طریقہ کار قائم کرنے کا تقاضا کرتا ہے۔ جیسا کہ مطلوب ہے، کمپنی کے بورڈ آف ڈائریکٹرز نے بورڈ، اس کے اراکین، اور اس کی کمیٹیوں کی کارکردگی کی سالانہ بنیاد پر تشخیص کرنے کے لئے ایک داخلی طریقہ کار تیار اور منظور کیا ہے۔

سال کے دوران، بورڈ اور اس کی کمیٹیوں کی اس طریقہ کار کے ذریعے تشخیص کی گئی تاکہ بورڈ کی مؤثریت کو مزید بہتر بنایا جاسکے۔ کارپوریٹ گورننس میں ترقیات کا مسلسل جائزہ لیا جاتا ہے اور انہیں اچھے کارپوریٹ گورننس کے اصولوں کے ساتھ ہم آہنگ کرنے کے لئے نافذ کیا جاتا ہے۔

چیئرپرسن اور سی ای او کا کردار

چیئرپرسن بورڈ آف ڈائریکٹرز کی صدارت کرتا ہے اور اسے بورڈ کی جانب سے غیر عملی ڈائریکٹرز میں سے منتخب کیا جاتا ہے۔ اجلاسوں کی صدارت کرنا، ایجنڈے کی تعریف کرنا، اور منٹس پر دستخط کرنا چیئرپرسن کی بنیادی ذمہ داریاں ہیں۔ چیئرپرسن، ڈائریکٹرز کی مدت کے آغاز پر، انہیں ان کے کردار، ذمہ داریوں، فرائض، اور اختیارات سے آگاہ کرتا ہے تاکہ وہ کمپنی کے امور کو مؤثر طریقے سے سنبھال سکیں۔ وہ پیدا ہونے والی مفادات کے تنازعات کا بھی انتظام کرتا ہے، اگر کوئی ہو، اور بورڈ کی کارکردگی اور مؤثریت کو بہتر بنانے کے لئے سفارشات کرتا ہے۔

سی ای او کمپنی کا انتظام کرتا ہے اور اس کے تمام آپریشنز کا ذمہ دار ہوتا ہے۔ سی ای او حکمت عملیاں ڈیزائن کرتا ہے اور تجویز کرتا ہے اور بورڈ کے فیصلوں کو نافذ کرتا ہے۔ سی ای او بورڈ کو کمپنی کی کارکردگی اور منافع کی رپورٹ دیتا ہے اور شیئر ہولڈرز کی دولت بڑھانے کے لئے بہتری کی تجاویز دیتا ہے۔

بورڈ آف ڈائریکٹرز نے چیئرپرسن اور سی ای او کے کرداروں اور ذمہ داریوں کو واضح طور پر متعین اور الگ کیا ہے۔

سی ای او کی کارکردگی کا جائزہ

بورڈ سی ای او کی کارکردگی کا اندازہ مالی اور غیر مالی معیارات پر مرتب کردہ اہم کارکردگی کے اشارے استعمال کرکے کرتا ہے۔ بورڈ کمپنی کی مستقبل کی توقعات پر سی ای او کے ساتھ بھی بات چیت کرتا ہے تاکہ کمپنی کے امور کی ہموار کارکردگی کو یقینی بنایا جاسکے۔ بورڈ سال کے لئے سی ای او کی کارکردگی سے مطمئن ہے۔

چیف ایگزیکٹیو اور ڈائریکٹرز کی تنخواہ

بورڈ کے اراکین کی تنخواہ خود بورڈ کی جانب سے منظور کی جاتی ہے۔ تاہم، کوڈ کے مطابق یہ یقینی بنایا جاتا ہے کہ کوئی ڈائریکٹر اپنی تنخواہ کے تعین کے سلسلے میں بورڈ کے اجلاسوں میں حصہ نہ لے۔ چیئرپرسن، غیر عملی ڈائریکٹرز اور آزاد ڈائریکٹرز صرف اجلاسوں میں شرکت کے فیس کے حقدار ہیں۔ تنخواہوں کی سطحیں مناسب ہیں اور کمپنی کو کامیابی سے چلانے اور قدر میں اضافہ کرنے کے لئے ذمہ داری اور مہارت کی سطح کے مطابق ہیں۔ چیف ایگزیکٹیو اور ڈائریکٹرز کی تنخواہیں مالی بیانات کی متعلقہ نوٹس میں سال ختم ہونے کی تاریخ 30 جون 2024 کے لئے ظاہر کی گئی ہیں۔

اندرونی مالی کنٹرول کی کافی مقدار

بورڈ آف ڈائریکٹرز نے اندرونی مالی کنٹرول کا ایک مؤثر نظام قائم کیا ہے، تاکہ آپریشنز کی مؤثر اور مؤثر انجام دہی کو یقینی بنایا جاسکے، کمپنی کے اثاثوں کی حفاظت، متعلقہ قوانین اور ضوابط کی تعمیل، اور قابل اعتماد مالی رپورٹنگ کی جاسکے۔ آغا اسٹیل کی آزاد داخلی آڈٹ کی فنکشن باقاعدگی سے مالی کنٹرول کی عمل داری کا جائزہ لیتی ہے اور اس کی نگرانی کرتی ہے، جبکہ آڈٹ کمیٹی داخلی کنٹرول کے فریم ورک اور مالی بیانات کی مؤثریت کا جائزہ سہ ماہی بنیاد پر کرتی ہے۔

ڈائریکٹرز کارپوریٹ گورننس کے اعلیٰ ترین معیار کی تعمیل کی تصدیق کرتے ہیں اور یہ کہ داخلی کنٹرول کا ڈیزائن مضبوط ہے اور اسے مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔

کارپوریٹ مالی رپورٹنگ کے فریم ورک کا بیان

آپ کی کمپنی نے لسٹنگ ریگولیشنز کے مطابق کوڈ کی تمام ضروریات کی تعمیل کی ہے۔ ACCORDINGLY, ڈائریکٹرز خوشی کے ساتھ درج ذیل کی تصدیق کرتے ہیں :

1. مالی بیانات اور ان کے نوٹس کو کمپنیز ایکٹ، 2017 کے مطابق تیار کیا گیا ہے۔ یہ بیانات کمپنی کی حالت، اس کے آپریشنز کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو درست طور پر پیش کرتے ہیں۔
2. کمپنی کی بنیادی کاروباری سرگرمی خصوصی گریڈز کے کم کاربن بلٹس اور ڈیفارمڈ بارز کی پیداوار اور فروخت ہے۔
3. کمپنی نے صحیح اکاؤنٹس کی کتابیں برقرار رکھی ہیں۔
4. مالی بیانات کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا مستقل استعمال کیا گیا ہے جو پاکستان میں قابل اطلاق بین الاقوامی اکاؤنٹنگ معیارات کے مطابق ہیں۔
5. جہاں بھی ضرورت ہو، اکاؤنٹنگ تخمینے معقول اور محتاط فیصلہ پر مبنی ہیں۔

نئے ڈائریکٹرز کی موجودگی کی تفصیلات درج ذیل ہیں:

نام	موجودگی
مسٹر محمد شاہد	1
مسٹر آصف احمد	1

بزنس ریویو

پاکستان میں طویل اسٹیل کا شعبہ، خاص طور پر بلٹس اور ریبار کی پیداوار، ملک کی تعمیر و ترقی کے لئے نہایت ضروری ہے۔ تاہم، حالیہ سالوں میں، موجودہ سال سمیت، اس شعبے کو کئی چیلنجز کا سامنا کرنا پڑا ہے، جس کی وجہ اقتصادی عدم استحکام، طلب کے نمونوں میں تبدیلی، اور عالمی مارکیٹ کے حالات کے اثرات ہیں۔

پاکستان میں جاری اقتصادی چیلنجز — جن کی خصوصیت بلند مہنگائی، بڑھتی ہوئی توانائی کی قیمتوں، اور کمزور ہوتی ہوئی کرنسی ہے — نے طویل اسٹیل کے ساز و سامان کی پیداوار کی قیمتوں کو نمایاں طور پر بڑھا دیا ہے، خاص طور پر ان کمپنیوں کے لئے جو تعمیل اور دستاویزات پر توجہ مرکوز کر رہی ہیں۔ یہ دباؤ، بلند سود کی شرحوں اور بنیادی ڈھانچے پر حکومت کی کم خرچی کی وجہ سے تعمیراتی سرگرمی میں کمی کے ساتھ مل کر، ریبار کی مقامی طلب میں کمی کا باعث بنے ہیں۔

پاکستان کی طویل اسٹیل کی صنعت بلٹس کی پیداوار کے لئے درآمد شدہ خام مال، جیسے کہ سکریپ دھات، پر بہت زیادہ منحصر ہے۔ 2024 میں، پاکستانی روپے کی مسلسل قیمت میں کمی نے درآمدی لاگت میں اضافہ کر دیا ہے، جو پروڈکشن میں مزید دقت پیدا کر رہا ہے۔ مزید یہ کہ، عالمی سکریپ کی فراہمی میں خلل اور بین الاقوامی قیمتوں میں اتار چڑھاؤ نے پیداوار کی قیمتوں میں اضافہ کیا ہے، جس کے نتیجے میں مقامی مارکیٹ میں بلٹس اور ریبار کی قیمتیں بڑھ گئی ہیں۔

بلٹس کی پیداوار کے لئے توانائی سے بھرپور طریقوں پر انحصار اس شعبے کو پاکستان کی جاری توانائی کی کمی کے لئے خاص طور پر حساس بنا دیتا ہے۔ بار بار بجلی کی بندش، بجلی کی بلند قیمتیں، اور گیس کی فراہمی کی مشکلات نے پیداوار میں خلل ڈالا ہے، پیداوار کی قیمتوں کو بڑھایا ہے، اور عملی کارکردگی میں کمی کی ہے۔ اس کے نتیجے میں، اس نے اسٹیل کی قیمتوں میں اضافہ کیا ہے، جس سے مقامی مصنوعات کم مسابقتی ہو گئی ہیں۔

ایف اے ٹی اے / پی اے ٹی اے کے علاقوں کو فراہم کردہ ٹیکس کی چھوٹ نے باقاعدہ اسٹیل پروڈیوسروں کے لئے بڑی مشکلات پیدا کی ہیں۔ ترقی کو فروغ دینے کے لئے ابتدا میں ڈیزائن کردہ یہ چھوٹ بڑے پیمانے پر غلط استعمال کی گئی ہیں، تقریباً 90٪ اسٹیل ملک بھر میں سیلز ٹیکس ادا کیے بغیر فروخت کی جا رہی ہے۔ یہ صورتحال باقاعدہ، ٹیکس دینے والی کمپنیوں کو سخت نقصان پہنچاتی ہے۔ ان میں سے بہت سی کمپنیاں بھاری ٹیکسوں کے بوجھ تلے زندہ رہنے کے لئے جدوجہد کر رہی ہیں، جبکہ حکومت کو ٹیکس کی آمدنی میں بڑے نقصانات کا سامنا کرنا پڑ رہا ہے — جو کہ ہزاروں ارب روپے میں تخمینہ لگایا جاتا ہے — جو اقتصادی ترقی کے لئے اہم ہیں۔

حکومت کے لئے یہ ضروری ہے کہ اس غیر منصفانہ ٹیکس کے ڈھانچے کو حل کرے، جو باقاعدہ صنعتوں کو سزا دیتا ہے جبکہ غیر باقاعدہ علاقوں میں موجود کمپنیوں کو فائدہ دیتا ہے۔ موجودہ ٹرن اوور ٹیکس کی شرح کمپنیوں پر خاص طور پر اسٹیل کے شعبے میں ایک اہم بوجھ ہے، جہاں بڑے سرمایہ کاری اور کم منافع کی شرحیں ہیں۔ پیداوار کی بڑھتی ہوئی قیمتوں

اور کم ہوتی طلب نے پہلے ہی تنگ منافع کی شرحوں کو نقصان پہنچایا ہے، جس سے ٹرن اوور ٹیکس اور بھی زیادہ دقت کا باعث بن گیا ہے، کیونکہ یہ مجموعی آمدنی پر لگایا جاتا ہے، چاہے منافع کی حالت میں ہو یا نہ ہو۔

مزید برآں، ٹرن اوور ٹیکس کے لئے تین سالہ ایڈجسٹمنٹ کی مدت ان صنعتوں کے لئے ناکافی ہے جو شدید اقتصادی چیلنجز سے گزر رہی ہیں۔ پاکستان بزنس کونسل جیسے وکالت کے گروپوں نے اس مدت کو کم از کم 10 سال تک بڑھانے کی تجویز دی ہے، تاکہ کاروباروں کو اس ٹیکس کے مالی اثرات کو کم کرنے کے لئے مزید وقت مل سکے۔ وہ یہ بھی تجویز کرتے ہیں کہ اسٹیل کے شعبے کے لئے ٹرن اوور ٹیکس کی شرح کو 0.5٪ تک کم کیا جائے تاکہ موجودہ اقتصادی حالات کی بہتر عکاسی ہو اور اہم ریلیف فراہم کیا جا سکے۔

پاکستان میں سیاسی عدم استحکام، غیر مستقل صنعتی پالیسیوں کے ساتھ مل کر، اسٹیل کے شعبے میں سرمایہ کاروں کے اعتماد کو مزید کمزور کر دیا ہے۔ مستحکم، طویل المدتی پالیسی کے فریم ورک کی غیر موجودگی — خاص طور پر توانائی کی قیمتوں، ٹیکس کے ڈھانچے، اور درآمدی ٹیکسوں کے حوالے سے — بازار میں باقاعدہ کھلاڑیوں کے لئے ایک چیلنجنگ ماحول پیدا کر رہی ہے۔ بغیر کسی واضح اور مستقل پالیسی کی سمت کے، طویل اسٹیل کی صنعت کو ایسے نمایاں مشکلات کا سامنا ہے جو پائیدار ترقی اور بحالی میں رکاوٹ بن رہی ہیں۔

ان چیلنجز کا مؤثر انداز میں مقابلہ کرنے کے لئے، ٹیکس اور پالیسی کے فریم ورک میں فوری اصلاحات کی ضرورت ہے۔ ان مسائل کا حل نہ صرف طویل اسٹیل کے شعبے کی حمایت کرے گا بلکہ پاکستان کی وسیع اقتصادی بحالی میں بھی مدد دے گا۔ ایک زیادہ منصفانہ اور مستحکم ماحول کی تشکیل سے، حکومت اس اہم صنعت کی طویل مدتی پائیداری کو یقینی بنانے میں مدد کر سکتی ہے۔

رسک مینجمنٹ

آپ کی کمپنی کا رسک مینجمنٹ فریم ورک خطرات کی تشخیص اور ان کے اثرات کو کم کرنے کے لئے ڈیزائن کیا گیا ہے تاکہ ان کے ممکنہ اثرات کو کم سے کم کیا جا سکے اور کمپنی کے طویل مدتی مقاصد اور کاروباری حکمت عملی کی حمایت کی جا سکے۔ رسک کی تشخیص باقاعدگی سے کی جاتی ہے تاکہ کمپنی کے اہم خطرات کی اچھی طرح سے تفہیم حاصل کی جا سکے، ان کے ارد گرد مخصوص اقدامات کے لئے ملکیت مختص کی جا سکے اور ان سے نمٹنے کے لئے کسی بھی متعلقہ اقدام کا آغاز کیا جا سکے۔ ان عدم یقینیوں اور خطرات کا انتظام کیا جاتا ہے جو ہمارے کارپوریٹ مقاصد کے حصول کو متاثر کر سکتے ہیں جبکہ مواقع کا فائدہ بھی اٹھایا جاتا ہے۔ ان کی اہمیت کی وجہ سے، ہمارے اہم مسائل اور بنیادی خطرات کو ہمارے کاروباری منصوبہ بندی کے عمل میں شامل کیا جاتا ہے اور باقاعدگی سے ہماری بورڈ آف ڈائریکٹرز کی نگرانی کی جاتی ہے۔ اسٹریٹجک، تجارتی، آپریشنل، مالیاتی، اور تعمیل کے خطرات کو کمپنی پر ان کے اثرات اور وقوع کی احتمال کی بنیاد پر درجہ بندی کیا جاتا ہے۔ خطرات کی شناخت کے بعد، تخفیفی حکمت عملیوں اور عمل کے منصوبوں کو تیار، نافذ اور مانیٹر کیا جاتا ہے۔

کمپنی کی بنیادی سرگرمی

کمپنی کی بنیادی سرگرمی خصوصی گریڈ بلٹس اور ڈیفارمڈ بارز کی پیداوار اور فروخت ہے۔

نظریہ، مشن اور مجموعی کارپوریٹ حکمت عملی کی منظوری بورڈ کی جانب سے

بورڈ آف ڈائریکٹرز نے آپ کی کمپنی کے نظریہ، مشن اور مجموعی کارپوریٹ حکمت عملی کا بغور جائزہ لیا ہے اور اسے منظور کیا ہے، اور یہ یقین رکھتے ہیں کہ یہ مکمل طور پر اس نظریے کو بیان کرتا ہے جس کے تحت آغا اسٹیل انڈسٹریز لمیٹڈ کی بنیاد رکھی گئی تھی۔ ہم یہ یقینی بناتے ہیں کہ ہمارا نظریہ اور مشن ہماری مجموعی کارپوریٹ حکمت عملی کی سمت طے کرتا ہے

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کو یہ بات بڑے فخر کے ساتھ پیش کرتے ہوئے خوشی ہو رہی ہے کہ وہ آپ کی کمپنی کی سالانہ رپورٹ اور 30 جون 2024 کو اختتام پذیر ہونے والے سال کے لیے سالانہ آڈٹ شدہ مالیاتی گوشوارے پیش کر رہے ہیں۔

کاروباری ماحول

عالمی معیشت شاندار لچک دکھاتی ہے، جس میں مستقل ترقی کا مظاہرہ کیا گیا ہے کیونکہ افراط زر بتدریج ہدف کی جانب بڑھ رہا ہے۔ یہ سفر اہم واقعات سے بھرا ہوا ہے، جن میں وبائی مرض کے نتیجے میں سپلائی چین کی رکاوٹیں، روس-یوکرین کا تنازع جس نے عالمی توانائی اور خوراک کے بحران کو جنم دیا، اور افراط زر میں زبردست اضافہ شامل ہیں۔ بلند قرض اور محدود مالی جگہ کے مستقل چیلنجز ان مسائل سے نمٹنے اور پائیدار اور جامع اقتصادی ترقی کو فروغ دینے کے لیے ہم آہنگ کوششوں کی فوری ضرورت کو اجاگر کرتے ہیں۔ بین الاقوامی تجارت کا عروج، جو ترقی کا ایک محرک ہے، کم ہو رہا ہے، جس کا ثبوت 2023 میں عالمی تجارت کی نمو میں 0.3 فیصد کی سست روی ہے۔ تاہم، 2024 میں 3.0 فیصد کی بحالی کی توقع کی جا رہی ہے۔ جغرافیائی تناؤ عالمی اقتصادی منظرنامے کے سامنے آنے والا اہم خطرہ بن چکا ہے۔

اقتصادی منظر

میکرو اکنامک استحکام کی بحالی ترقی کو فروغ دینے، ملازمت کو بڑھانے، اور لوگوں کی زندگی کے معیار کو بہتر بنانے کے لیے ایک پلیٹ فارم قائم کرنا ضروری ہے۔ حالیہ سالوں میں ایسے چیلنجز بڑھ گئے ہیں جو مالی سال 2022 سے جاری ہیں۔ پاکستان نے روس-یوکرین کے تنازع سے سپلائی چین کی بے قاعدگیوں، مالیاتی سختی کی جانب بڑھتے ہوئے عالمی افراط زر کے دباؤ، اور مشرق وسطیٰ میں بڑھتے ہوئے جغرافیائی تناؤ کی وجہ سے تیل کی قیمتوں میں اتار چڑھاؤ جیسے کئی عالمی دھچکے برداشت کیے ہیں۔

پچھلے سال، یعنی مالی سال 2023-2024 میں، حکومت نے پاکستان کی سماجی اقتصادی ترقی کو خطرے میں ڈالنے والے چار اہم چیلنجز کا سامنا کیا: پائیدار میکرو اقتصادی استحکام حاصل کرنا، غربت میں کمی، مالیاتی یکجہتی کو یقینی بنانا، اور خارجی اکاؤنٹ کی کمزوریوں کا سامنا کرنا۔

پاکستان میں تعمیراتی شعبے کی کارکردگی

پاکستان کی تعمیراتی صنعت 2023 میں حقیقی لحاظ سے 5.2 فیصد سکڑ گئی، جو کہ ملک کی کمزور اقتصادی، سیاسی اور مالی حالات کی وجہ سے ہے۔ پاکستان کی بلند افراط زر کی شرح اور بڑھتی ہوئی توانائی اور تعمیراتی مواد کی قیمتیں اس سال تعمیراتی سرگرمی پر منفی اثر ڈالنے کی توقع ہے۔ پاکستانی تعمیراتی صنعت کی سالانہ اوسط نمو 5.5 فیصد ریکارڈ ہونے کی توقع ہے، جو کہ نقل و حمل، توانائی، رہائش، ٹیلی مواصلات، اور صنعتی بنیادی ڈھانچے کے منصوبوں میں سرمایہ کاری کی بدولت ہے۔ تجارتی تعمیرات اور رہائشی تعمیرات جیسے شعبوں نے صنعتی تعمیرات، بنیادی ڈھانچے کی تعمیرات، توانائی اور خدمات کی تعمیرات، اور ادارہ جاتی تعمیرات میں نمایاں کردار ادا کیا ہے۔

تجارتی تعمیرات کا شعبہ 2023-2024 میں حقیقی لحاظ سے سکڑ گیا، اس کے پیچھے بلند افراط زر اور بڑھتی ہوئی زندگی کی لاگت جیسے چیلنجز ہیں۔ دوسری جانب، رہائشی تعمیرات بھی اس مالی سال کے دوران حقیقی لحاظ سے سکڑ گئی، جس کی وجہ بلند افراط زر، بلند جائیداد کی قیمتیں، اور بڑھتے ہوئے سود کی شرح کے باعث سرمایہ کاروں اور صارفین کے اعتماد میں کمی ہے۔

کارپوریٹ گورننس

کمپنی نے ایک مضبوط عزم کا مظاہرہ کیا ہے کہ وہ اچھی گورننس کے اصولوں پر مبنی ایک کارپوریٹ ثقافت کو پروان چڑھائے گی، جو اس کی پالیسیوں اور عملی اقدامات میں گہرائی سے شامل ہے۔ یہ مستقل عزم درست کارپوریٹ گورننس کے لیے ضروری ہے تاکہ پائیدار ترقی حاصل کی جا سکے اور ایک کامیاب مستقبل کو محفوظ بنایا جا سکے۔ ایک چالاک بورڈ کی رہنمائی میں، ASIL نے یہ یقینی بنانے میں کوتاہی نہیں برتی کہ اس کی ہر فعالیت اعلیٰ معیار کی شانداری کے ساتھ ہم آہنگ ہو، جو کہ موجودہ بہترین عملی طریقوں کے خلاف ہے۔

کارپوریٹ گورننس کے ترقی پذیر منظرنامے کے جواب میں، ASIL نے 2019 کے فہرست شدہ کمپنیوں (کارپوریٹ گورننس کے اصولوں) کے قوانین کے ذریعے لاگو ہونے والی تبدیلیوں کو اپناتے ہوئے اپنی پرو ایکٹو حیثیت کا مظاہرہ کیا ہے۔ حالانکہ یہ قوانین انحراف کی صورت میں مطابقت یا وضاحت کرنے کی لچک فراہم کرتے ہیں، ASIL تمام تقاضوں کی پابندی کرتے ہوئے اپنے عزم کا مظاہرہ کرتا ہے، جو اس کے کارپوریٹ گورننس کے اصولوں کو پورے طور پر برقرار رکھنے کی عزم کو اجاگر کرتا ہے۔ یہ مستقل پابندی سرمایہ کاروں میں گہرا اعتماد پیدا کرتی ہے، کمپنی کی حیثیت کو ایک قابل اعتبار اور ذمہ دار ادارے کے طور پر مزید مستحکم کرتی ہے۔

بورڈ نے کمپنی کی حکمت عملی کی سمت، سالانہ کارپوریٹ منصوبوں اور اہداف کا جائزہ لیا۔ بورڈ اعلیٰ معیار کی گورننس کو یقینی بنانے کے لیے عزم رکھتا ہے۔

کمپنی کے موجودہ ڈائریکٹرز کی کمیٹی میں شامل ہیں:

ڈائریکٹرز کی کل تعداد	7
ایگزیکٹو ڈائریکٹرز	2
نان ایگزیکٹو ڈائریکٹرز	5

کل ڈائریکٹرز کی تعداد سات ہے:

الف. مرد: 06

ب. عورت: 01

:اس سال، بورڈ آف ڈائریکٹرز کے 14 اجلاس ہوئے۔ ڈائریکٹرز کی موجودگی درج ذیل ہے

نام	موجودگی
مسز شازیہ آغا	3
مسٹر حسین اقبال آغا	4
مسٹر رضا اقبال آغا	4
مسٹر اکبر پسنانی*	0
مسٹر عسکری اسغر آغا*	2
مسٹر محمد آصف	4
مسٹر سعد اقبال	3
مسٹر دانش اقبال**	0
مسٹر سعید اے مرزا**	2

*ریاست کے ڈائریکٹر

**داخل ہونے والے ڈائری

مسٹر سعد اقبال اور مسٹر دانش اقبال نے 29 فروری 2024 کو استعفیٰ دیا۔ ان کے استعفوں سے پیدا ہونے والے عارضی خالی عہدوں کو بھرنے کے لیے، بورڈ نے ایک سرکیولر قرارداد کے ذریعے نئے ڈائریکٹرز کی تقرری کی۔

Corporate Social Responsibility

Since the partition and establishment of Pakistan, Agha Family has invested all its resources for not only the economic development of Pakistan but also for uplifting the life of common man through innovative ideas in order to supplement basic human needs.

The Pro Pakistani business and its sponsors inherited the pain for common man as the most cherished heritage of the family. Luckily, over the years this pain for underprivileged has been corporatized through the term denoted as 'Corporate Social Responsibility'.

Company's corporate social vision is based on the 3P's ... People, Planet and Profits.
For some the Profits might come first, but Company's first and foremost vision is to value people. Company's social responsibility's charter entails valuing natural resources, keeping a green process as well as earning higher profits.

Company believes that sustainable business not only excels on the traditional scorecard of return on financial assets and shareholder and customer value creation, but it also embraces community and stakeholder success. It holds its natural and cultural environments to be as precious as its technological portfolio and its employees' skills.

People

Company recognizes the responsibility to its employees and to the wider communities in which it works. Company understands how its practices affect the corporation, its workers, and wider stakeholders, and it works to promote all of their best interests. Beside high Quality health standards, Company provide its employees with retirement benefits, annual bonus, leave fare assistance and HNR insurance covering maternal expenditure as well. Company's HR department is striving for constant in-house and external training programs as a part of Company's overall CSR charter. This helps not only keeping employees abreast with the latest technological / organizational advancements but also provides corporate sector with quality professionals.

As a part of its CSR charter, Company has established a state of the art Advance Health Facility 'Agha Dialysis Center' that serves under privileged contingent of the society for free without any discrimination of caste, ethnicity or economic group. Currently the Agha Dialysis Center has sixteen operative dialysis machines through which 78,000 dialysis has been carried out, making it the largest free of cost dialysis facility of Pakistan.

Planet

Company's dedication to sustainable environmental processes can be judged by its environment friendly green manufacturing unit. With green processes Company can save money and reduce environmental footprints by reducing waste, conserving energy, and maintaining environmentally safe manufacturing processes. Company is in process as acquiring Fume Treatment Technology to be added to its existing state of the art Electric Arc furnace.

Profit

Company is continually reducing its costs since the inception of the business, achieving a contribution margin within 9 months of its commercial production. Vigilant Management intent is always seeking an opportunity to reduce cost without compromising the quality.

Clearly, making money is essential to business success. The company, recognizes that its own sustainability rests on its ability to work harmoniously in its social and environmental settings. For this reason, the costs of pollution, worker displacement, and other factors are included in profit calculations.

Agha Steel Industries organizes its Corporate Social Responsibility activity through the Agha Welfare Trust ("AGWT"). The basic structure of the activities is as follows:

AGHA WELFARE TRUST–OPERATIVE DIVISIONS

Some of the major projects which have been undertaken by AGWT include:

Agha Dialysis Center ("ADC")

Agha Dialysis Center (ADC) is established to provide world class hemodialysis health care facility. At ADC not only we provide patients with extended dialysis hours on world class Toray® Machines, but also council the patients through psychological sessions in order to facilitate them back to usual life. We believe that with state of the art modern equipment, quality nutrition and psychological counseling, a dialysis patient should not feel alienated in the society. ADC is rehabilitating hemodialysis patients back to the society so that they can contribute towards the growth of Pakistan as well.

Details could be found at www.aghadialysis.org

The first center was established in September 2015 at Bait-ul-Sukoon Cancer Hospital in Karachi. This six bed-three shift Hemodialysis facility has served free cost 7,000 plus dialysis to date. Second center was established in 2016 at Fatmiyah Hospital with a facility of 6 beds that were capable to cater 18 patients in 3 shifts. The third and state of the art facilitated dialysis center was established at Imam Clinic in 2018 with a total bed space of 11 beds that were capable to cater 33 patients in 3 shifts. At present ADC has served more than 78,000 dialysis free of cost from these three centers.

ADC, unlike any other dialysis center in Pakistan, not only provides extended dialysis hours to the patients but also facilitates free of cost labs and blood deficiency tests through its strategic partner, Hussaini Hematology & Blood Bank. Free of cost medicines are also provided during the dialysis procedure. The second and third center at Fatmiyah Hospital and Imam Clinic at Karachi is successfully catering the needs of dialysis patients.

POLICIES

AGHA STEEL
INDUSTRIES LIMITED

SUSTAINABILITY AND GUIDING PRINCIPLES

Sustainability is an integral part of our business strategy and a key driver in all of our business activities. Our innovative technologies, operational experience and expertise enable us to minimize our environmental impact and successfully manage the social challenges and inherent risk that are present in our industry.

Our guiding principles for sustainability are as follows:

- Maintain highest degree of corporate governance practices.
- Conduct business activities with the highest principles of honesty, integrity, truthfulness and honor.
- Promote ethical business practices.
- Respect the environment and communities in which we operate.
- Assure equal employment opportunities.
- Value diversity in the workplace.
- Provide healthy and safe working environments.
- Respect human rights and trade ethically.
- Act in utmost good faith and exercise due care, diligence and integrity in performing the office duties.
- Comply with all applicable laws and regulations.
- Ensure that all business transactions are recorded in true, fair and timely fashion in accordance with the accounting and fi¬nancial reporting standards, as applicable to the Company.
- Deliver superior value for our shareholders – our intent is to outperform our competitors by delivering superior growth, margins and returns to our shareholders.
- Lead the industry in innovation, technology development and conscientious stewardship of global resources – our intent is to develop technological solutions that give our customers economic
- Access to high quality construction material with maximum use of scarce resources and maximize the value of their existing assets.
- Enhance the economic and social well-being of our employees, their families and the communities in which we operate – our intent is to be a preferred employer and make a positive impact in the communities where we live and work.
- Be transparent in reporting and validating our progress – our intent is to provide our stakeholders with thorough and timely information on our progress.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

The Company's Social and Environmental Responsibility Policy envisages an active commitment and participation on the part of the Company in various social work initiatives as part of its corporate social responsibility various social and charitable causes including towards health and education sectors. In this regard, it has worked with many reputable organizations and NGOs in Pakistan. Being a conscientious member of the corporate community, the Company contributes generously to various social and charitable including towards health and education sectors. In this regard, it has worked with many reputable organizations and NGOs in Pakistan.

Agha Dialysis Center is a CSR project taken up by Agha Steel Industries. We, as an organization, recognize that social welfare of our community is as important as any other aspect of our business, and keeping that in mind, we have undertaken a project to provide free dialysis treatments to kidney patients all over Pakistan. We believe that nobody deserves to die, just because they cannot afford to live. And keeping this in mind, we have been on mission to save as many lives as possible from the 21 million renal disease patients in our country.

The Company is fully committed to acting in an environmentally responsible manner. To achieve this result, we:

1. Ensure our product and operations comply with relevant environmental legislation and regulations.

2. Maintain and continually improve our environmental management systems to conform to the ISO-14001 Standard or more stringent requirements as dictated by specific markets or local regulations.

3. Operate in a manner that is committed to continuous improvement in environmental sustainability through recycling, conservation of resources, prevention of pollution, product development, and promotion of environmental responsibility amongst our employees.

4. Ensure that no emission of hazardous materials emits from the company factory.

5. Inform suppliers, including contractors, of our environmental expectations and require them to adopt environmental management practices aligned with these expectations.

BUSINESS CONTINUITY AND DISASTER RECOVERY POLICY

The Board of Directors has approved and continuously reviews the IT Policy and Business Continuity Plan of the Company. The management has arranged offsite data storage facilities. All the key records are being maintained at different locations. Employees are aware of the steps required to be taken in case of any emergency

Business Continuity and Disaster Recovery Plan

Introduction

The concept of Business Continuity Planning has over the past few years, become a major business management requirement. Business Continuity Planning is a process used to develop a practical plan for how a business could recover or partially restore critical business activities within a predetermined timeframe after a crisis or disaster. The resulting plan is called a Business Continuity Plan.
Business Continuity Plan

Manufacturing Facilities

Manufacturing facility of the Company is in Port Qasim Karachi. The Company's manufacturing facility is a state of the art construction and the structure is earthquake proof. The building is fire resilient and is fully equipped with modern firefighting equipment. It also meets HSE requirements at all levels. Despite of all these arrangements, insurance coverage is made at the maximum level. In case of any natural disaster, the company would be able to recover its financial loss through insurance coverage. Hence, partial loss would not affect the company operations. Moreover, other locations of the Group are available as alternate locations therefore; interruptions, if any, can be managed.

Identification of Potential Issues and the Plan Update

Potential issues are identified and updated from time to time to have an up to the mark solution for the anticipated problems. For such identification, independent studies are conducted and drills are carried out. Plans are updated based on the results of the studies and drills.

Disaster Recovery Plan and IT Infrastructure

The Company has its production server facility at Port Qasim Karachi with backup server facility at Lahore and Islamabad. In case of any disaster, the company would be able to continue its operations smoothly. Availability of servers at such distant locations enables the Company to perform its IT functions without any glitches in case of any infrastructural damage at any one location. Moreover, the company has multiple locations within Pakistan. Operations can be carried through all of the locations situated in Pakistan. During Lockdowns imposed by Government. In view of COVID-19, company's employees worked from home smoothly via Cloud.

HUMAN RESOURCE POLICY

At Agha Steel Industries Limited we attribute our continued success to our people. Our employees are our enduring advantage and it is our ability to create high performance teams in a culture of inclusiveness, professionalism and excellence that drives our growth. To maintain our HR competitiveness, we remain focused on areas of talent Program. We undertook several recruitment drives with an aim to find the best talent that would build the company-wide pipeline of emerging leaders and also to be part of our enterprising organizational culture.

Industrial Relations

We maintain excellent relations with our employees and labor. There is a formal labor union in place which represents of workers and independently takes care of all labor related issues. The Company takes every reasonable step for swift all classes and amicable resolution of all their issues.

Succession Planning

Our Succession Planning policy is aimed at building a pipeline for future leadership and creating backups for critical roles. The salient features of this policy are detailed as under:

- Talent Assessment is conducted based on achievements, Competencies and Group Values.
- Gap Analysis is done to determine time period and tools needed to groom / develop them as possible successors.
- Put through an outbound Leadership Course to determine areas of development vis-a-vis leader-ship.
- On-going coaching / rotation / training and developmental plans are in place bring out best in class talent for succession.
- To deep reach successors at all levels, upward mobility is a pre-requisite in the hiring program.

Core Values

Values are what support the vision, shape the culture and reflect what an organization values. They are the essence of the organization's identity the principles, beliefs or philosophy of values. We have recently relaunched our Core Values (Respect, Fairness, Quality, Ownership and have imbedded them in our recruitment process, performance appraisals and recognition initiatives.

WHISTLE BLOWING POLICY

'SPEAK UP' With Confidence

AGHA STEEL INDUSTRIES LIMITED (AGHA) is committed to conducting its business and working with all stakeholders, including employees, suppliers, customers, and shareholders in a manner that is lawful and ethically responsible. Therefore, Whistle Blowing Policy has been issued to enable all stakeholders to make fair and prompt disclosure of circumstances where it is genuinely believed that the company's business is being carried out in an inappropriate manner or in violation of applicable laws, company policies, procedures and ethical values.

Actions covered under the Policy

This policy covers any action which results, or is likely to result, in any misconduct which goes against company values, such as fraud, breach of Code of Conduct, theft, any action endangering the health and/ or safety of any individual, etc.

Method of filing Whistle Blowing Complaint

Various modes of Whistle Blowing complaint filing are being introduced under the policy, which includes direct email to the Board Audit confidence, Committee at muhammad.azam@aghasteel.com.pk

Confidentiality and Protection Mechanism

The policy assures that all complaints will be handled in complete and that the identity of the complainant will not be revealed to the management. In the unlikely event that the identity of whistle blower is revealed to any person in the company, it will be ensured that the complainant is not subjected to any form of detrimental treatment.

Success of the Policy and its Implementation. All stakeholders are responsible for the success of this policy and should ensure that they use it to disclose suspected danger or wrongdoing. If a stakeholder has any question about the content or application of this policy, he or she may contact the Internal Audit Department for obtaining necessary clarification.

This is an abridged version of the Whistle Blowing Policy.

DIVERSITY POLICY

The Company is committed to fostering, cultivating and preserving a culture of diversity and inclusion. Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and Company's achievement as well.

We embrace and encourage our employees' differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, socio-economic status, veteran status, and other characteristics that make our employees unique. Agha Steel Industries Limited's 'diversity initiatives are applicable but not limited to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programs; layoffs; terminations; and the ongoing development of a work environment built on the premise of gender and diversity equity that encourages and enforces:

- Respectful communication and cooperation between all employees.
- Teamwork and employee participation, permitting the representation of all groups and employee perspectives.
- Employer and employee contributions to the communities we serve to promote a greater understanding and respect for the diversity.

All employees of Agha Steel Industries Limited have a responsibility to treat others with dignity and respect at all times. All employees are expected to exhibit conduct that reflects inclusion during work, at work functions on or off the work site, and at all other company-sponsored and participative events. Any employee found to have exhibited any inappropriate conduct or behavior against others may be subject to disciplinary action.

CONFLICT OF INTEREST POLICY

A Conflicts of Interest Policy has been developed by the Company to provide a framework for all directors of the Company ("Directors") to disclose actual, potential or perceived conflicts of interest. The policy provides guidance on what constitutes a conflict of interest and how it will be managed and monitored by the Company.

The policy is applicable to Directors as the Company strongly believes that a Director owes certain fiduciary duties, including the duties of loyalty, diligence and confidentially to the Company which requires that the Directors act in good faith on behalf of the Company and to exercise his or her powers for stakeholders' interests and not for their own or others interest.

Management of Conflict of Interest

The Company stands fully committed to the transparent disclosures, management and monitoring of actual potential or perceived conflicts of interest. All Directors under the policy are obligated and have a duty to avoid actual, potential or perceived conflicts of interest.

Any Director with personal interest, relationship or responsibility which conflicts with the interest of the Company or its shareholders shall excuse himself or herself from any discussions on the matter that would give rise to the conflict of interest and, if necessary, from the Board meeting, or applicable part thereof.

INSIDER TRADING POLICY

The Company has taken definitive steps in ensuring that all employees, officers, members of the Board and all such relevant persons follow strict guidelines while trading in the shares of the Company. The Insider Trading Policy codifies the Company's standards on trading and enabling the trading of securities of the Company or other publicly-traded companies while in possession of material non-public information.

The general guidelines within the policy state that:

1. No trading in the securities of the Company is permitted for directors and all employees who are "Executives" as defined in the relevant laws within the Closed Periods announced by the Company.

2. No insider may purchase or sell any Company's security while in possession of material non-public information about the Company, its customers, suppliers, consultants or other companies with which the Company has contractual relationships or may be negotiating transactions.

3. No insider who knows of any material non-public information about the Company may communicate that information to any other person, including family and friends.

4. In addition, no insider may purchase or sell any security of any other company, whether or not issued by the Company, while in possession of material non-public information about that company that was obtained in the course of his or her involvement with the Company in the way of conducting official business. No insider who knows of any such material non-public information may communicate that information to any other person, including family and friends.

The Company's Responsibility to Disclose Inside Information

The Company's responsibility, in case of inside information made known to a third party, shall be to ensure that in such case the knowledge is given full public disclosure or if such information still needs to be kept non-public then the Company must ensure that the third party, is placed under legal obligation to maintain confidentiality.

INVESTOR GRIEVANCE POLICY

The Company has an Investors' Grievance Policy in place. Any complaint or observation received either directly by the Corporate Department or during General Meetings are addressed by the Company Secretary. The Shareholders are given the information as desired by them as per the law well in time. All the written complaints are replied in writing. Our share registrar is CDC Share Registrar Services Limited (CDCSRSL) which is leading name in the field. The Company has many loyal shareholders, which shows the trust of the shareholders in the management of the Company.

INFORMATION TECHNOLOGY GOVERNANCE POLICY

The Company has a well-conceived and Implemented IT Governance Policy which seeks to ensure that IT is aligned with AGHA'S organizational goals and strategies and delivers value to the organization. The policy is designed to promote effective, efficient, timely, and informed decision-making concerning AGHA'S IT investments and operations. Specifically the policy aims to establish the IT governance structure and its associated procedures, roles, and responsibilities, as a critical component of the overall IT Management (ITM) Framework, which guides the management, implementation, and monitoring of IT investments for AGHA Steel Industries Limited.

The Company's IT Governance Policy is mainly charged with:

- Establishing a shared vision of how information technology can add value to the organization;
- Establishing information technology goals, and the strategies for achieving those goals;
- Establishing principles and guidelines for making information technology decisions and managing initiatives;
- Overseeing the management of institutional information technology initiatives;
- Establishing and communicating organizational information technology priorities;
- Determining information technology priorities in resource allocation;
- Establishing, amending and retiring, as necessary, organizational information technology and other technology related policies, and
- Determining the distribution of responsibility between the IT Department and end users

INFORMATION SYSTEMS SECURITY POLICY

OBJECTIVE

The objective of Information Security is to ensure continuity of business of the company and to minimize business damage by preventing and limiting the impact of security incidents.

POLICY

1. The purpose of the Policy is to protect Company information assets from all threats, whether internal or external, deliberate or accidental. These assets relate to information stored and processed electronically.

2. **It is the Policy of the company to ensure that:**

    a. Information will be protected against unauthorized access.

    b. Confidentiality of information will be assured by protection from unauthorized disclosure or intelligible interruption.

    c. Integrity of information (its accuracy and completeness) will be maintained by protecting against unauthorized modification.

    d. Regulatory and legislative requirements will be met, including record keeping, according to Information Security Management System standard.

    e. Disaster Recovery Plans will be produced, maintained and tested, to ensure that information and vital services are available to Company when needed.

    f. Information on security matters will be made available to all staff.

    g. All breaches of information security, actual or suspected, will be reported to and investigated by the Information Security Officer / Internal Audit.

3. Standards will be produced to support the policy. These standards will include regulations, guidelines and procedures covering matters such as (not limited to) data security, backup, virus control and passwords.

4. Business requirements for the available of information and information system will be met.

5. The role and responsibility for managing information security will be assigned to a designated Information Security Officer / Internal Audit.

6. The information Security Officer / Internal Audit will be responsible for maintaining the Policy and providing advice and guidance on its implementation.

7. All managers are responsible for implementing the Policy within their business areas, and for adherence by their staff.

8. It is responsibility of each employee to adhere to the Policy.

Safety of Records Policy

The Company is effectively implementing the policy to ensure the safety of records. All records must be retained for as long as they are required to meet legal, administrative, operational, and other requirements of the Company. The main purposes of the Company Policy are:

- To ensure that the Company's records are created, managed, retained, and disposed off in an effective and efficient manner;

- To facilitate the efficient management of the Company's records through the development of a coordinated Records Management Program;

- To ensure preservation of the Company's records of permanent value to support both protection of privacy and freedom of information services throughout the Company to promote collegiality and knowledge sharing;

- Information will be held only as long as required and disposed off in accordance with the record retention policy and retention schedules; and

- Records and information are owned by the Company, not by the individual or team.

TERMS OF REFERENCE

1) AUDIT COMMITTEE:

Following terms have been adopted from the Listed Companies (Code of Corporate Governance) Regulations, 2019:

a. Determination of appropriate measures to safeguard the Company's assets.
b. Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:

    (i) major judgmental areas;
    (ii) significant adjustments resulting from the audit;
    (iii) going concern assumption;
    (iv) any changes in accounting policies and practices;
    (v) compliance with applicable accounting standards;
    (vi) compliance with these regulations and other statutory and regulatory requirements; and
    (vii) all related party transactions.

c. Review of preliminary announcements of results prior to external communication and publication.
d. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).
e. Review of management letter issued by external auditors and management's response thereto.
f. Ensuring coordination between the internal and external auditors of the Company.
g. Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.
h. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto.
i. Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective.
j. Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports.
k. Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive Officer and to consider remittance of any matter to the external auditors or to any other external body.
l. Determination of compliance with relevant statutory requirements.
m. Monitoring compliance with the Regulations and identification of significant violations thereof.
n. Review of arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures.
o. Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements. The Board of Directors shall give due consideration to the recommendations of Audit Committee and where it acts otherwise it shall record the reasons thereof.
p. consideration of any other issue or matter as may be assigned by the Board of Directors.

2) HUMAN RESOURCE AND REMUNERATION COMMITTEE (HR & RC)

HR&RC has been delegated the role of assisting the Board of Directors in following matters:

a. Recommendation to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors);
b. Undertaking, annually, a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant.
c. Recommendation to the Board the selection, evaluation, compensation (including retirement Benefits) and Succession Planning of the Managing Director & Chief Executive Officer;
d. Recommendation for Human Resource Management policies to the Board;
e. Recommendation to the Board the selection, evaluation, development, compensation (including retirement benefits) of Chief Financial Officer, Company Secretary and Chief Internal Audit or as well as all General Managers and above; and
f. Consideration and approval on recommendations of Chairman & Chief Executive Officer on such matters relating to Steel Leadership Team.

3) RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company have determined the following terms of references of the Audit Committee. The Board shall provide adequate resources and authority to enable the Audit Committee carry out its responsibilities effectively.

a. Advise the Board in relation to its determination of overall risk appetite, tolerance and strategy, taking account of the Company's values and public interest purpose, as well as the current and prospective regulatory, macroeconomic, technological, environmental and social developments and trends that may be relevant for the Company's risk policies;

b. Oversee and advise the Board on the current risk exposures of the Company, appropriate determination of risk appetite and future risk strategy, as regards the following families of risk: strategic, operational, financial and compliance, conduct and reputational risks;

c. Consider and review the prevailing risk culture in the company (values, beliefs, knowledge, attitudes and understanding about risk) and maintain oversight of relevant work streams and projects to bring about the desired risk culture;

d. Review the Company's capability to identify and manage new risk types;

e. Review the integration of risk management and control objectives (and consequences) in the compensation structure;

f. Oversee the development, maintenance and implementation of appropriate policies and approve or recommend for approval such policies to the Board;

g. Review reports on any material breaches of risk limits and the adequacy of proposed action;

h. Consider and periodically report to the Board on the Group's risk culture demonstrated through observed behaviors and decisions, the control environment and achievement of agreed risk outcomes;

i. Review and approve the statements to be included in the annual report concerning risk management;

j. Overseeing risk appetite and risk tolerance appropriate to each business area;

k. Annually review and approve the Executive Committee's objectives, goals and remuneration in relation to risk management.

FINANCIAL PERFORMANCE

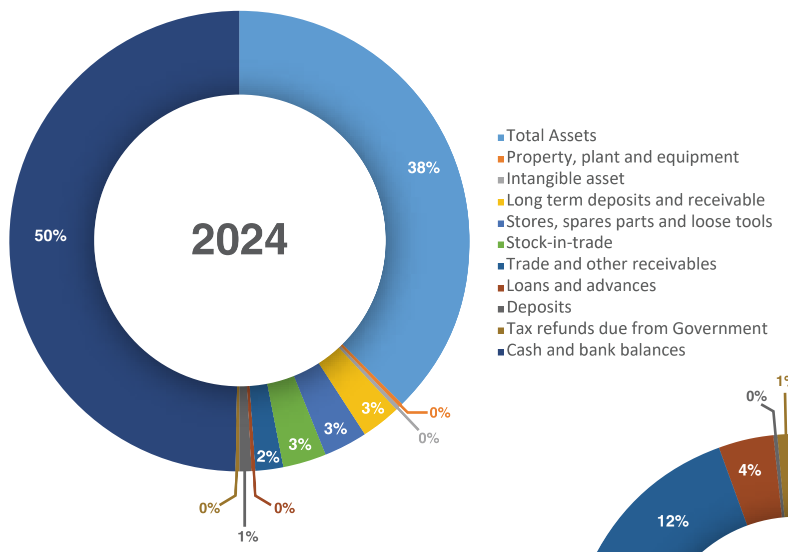
AGHA STEEL
INDUSTRIES LIMITED

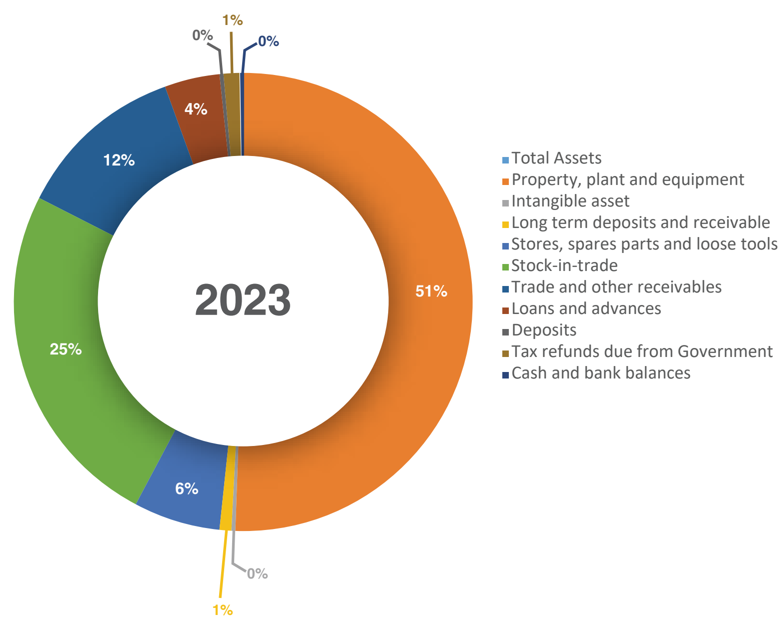
FINANCIAL RATIOS

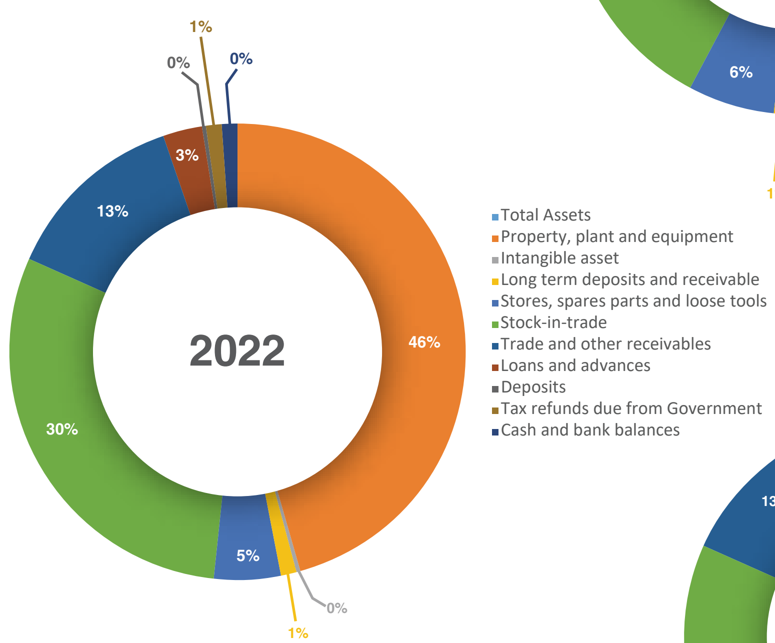
		FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Profitability ratios							
Gross Margin	%	-5%	23%	21%	23%	25%	19%
Operating Margin	%	-43%	5%	10%	13%	9%	5%
Pre tax Margin	%	-55%	6%	9%	13%	10%	6%
Net Margin	%	-37%	4%	7%	10%	9%	4%
Return on equity before tax	%	-46%	7%	17%	31%	22%	11%
Return on equity after tax	%	235%	-25%	13%	25%	20%	14%
Return on Assets before tax	%	-13%	3%	6%	9%	6%	3%
Return on Assets after tax	%	4%	2%	11%	7%	5%	4%
Return on Capital employed before tax	%	-14%	5%	11%	18%	11%	7%
Return on Capital employed after tax	%	-9%	4%	21%	15%	10%	8%
Ebtida to sales	%	-19%	23%	19%	21%	23%	19%
Liquidity Ratio							
Current Ratio	Times	0.52	1.04	1.13	1.28	1.08	1.20
Quick ratio	Times	0.28	0.48	0.56	0.47	0.35	0.40
Cash flow from Operation to sales	Times	0.09	0.13	-0.07	0.04	-0.00274	(0.19)
Investment/ Market Ratio							
(LPS) / EPS	Rs.	(8.41)	1.5	3.07	3.62	2.96	2.13
Activity Turnover ratio							
Inventory turnover ratio	Times	4.04	1.39	1.85	1.80	1.22	1.31
Inventory held	Days	90	263	197	203	298.12	278.63
Debtor turnover days	Times	4.00	4.88	6.36	7	2.24	3.34
Receivable days	Days	91	75	57	53	163.02	109.27
Total asset Turnover ratio	%	27%	58%	78%	61%	49%	12%
Fixed asset Turnover ratio	%	35%	57%	73%	73%	88%	89%
Capital Structure Ratio							
Long term Debt to Equity	%	3%	50%	56%	48%	69%	93%
Long term Debt to Assets	%	1%	20%	13%	19%	19%	24%
Gearing Ratio	%	48%	58%	60%	58%	71%	69%
Cost of Debt	%	21%	14%	10%	8%	10%	7%
Debt to equity	Times	0.83	1.34	1.46	1.27	2.16	2.58
Interest Cover ratio	Times	0.50	1.51	2.27	2.99	1.81	1.80

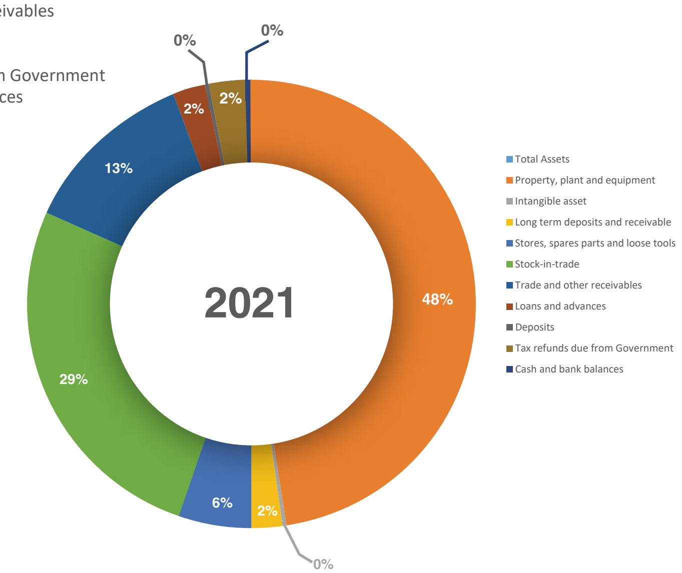
GRAPHICAL PRESENTATION

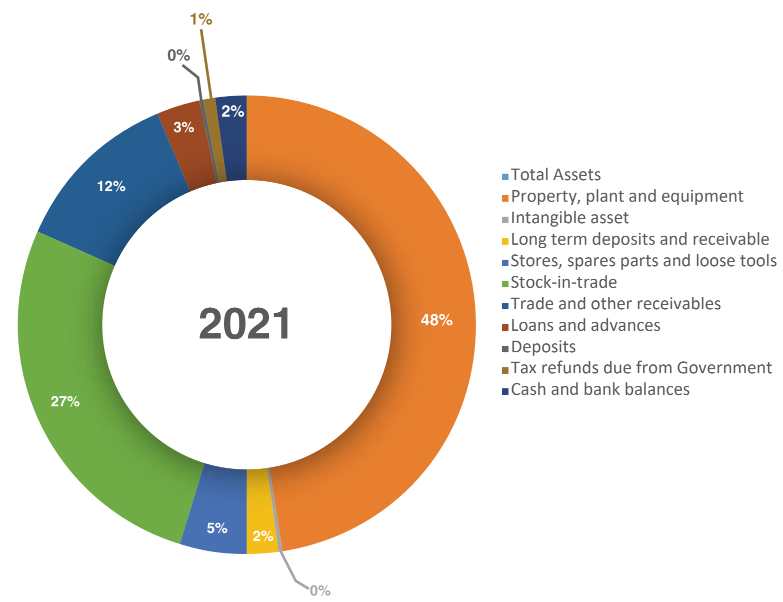
	2024	2024	2023	2023	2022	2022	2021	2021	2020	2020
Total Assets										
Property, plant and equipment	45,575,831	76%	21,277,380	51%	19,149,088	46%	17,066,357	48%	13,825,569	46%
Intangible asset	36,110	0%	42,390	0%	48,670	0%	54,950	0%	61,230	0%
Long term deposits and receivable	387,360	1%	449,463	1%	477,311	1%	507,759	1%	539,972	2%
Stores, spares parts and loose tools	2,869,749	5%	2,360,897	6%	2,054,803	5%	1,726,320	5%	1,846,521	6%
Stock-in-trade	3,545,206	6%	10,439,863	25%	12,299,705	30%	9,505,307	27%	8,627,400	29%
Trade and other receivables	4,024,456	7%	4,948,795	12%	5,271,889	13%	4,047,003	11%	3,839,963	13%
Loans and advances	2,752,355	5%	1,815,346	4%	1,439,288	3%	1,156,155	3%	593,644	2%
Deposits	33,063	0%	17,632	0%	21,227	0%	41,928	0%	38,337	0%
Tax refunds due from Government	524,053	1%	540,924	1%	500,242	1%	471,731	1%	517,046	2%
Cash and bank balances	239,134	0%	87,295	0%	215,063	1%	833,205	2%	68,366	0%
Total Assets	59,987,317	100%	41,979,985	100%	41,477,286	100%	35,410,715	100%	29,958,048	100%
Equities and liabilities										
Share Capital & Reserves	28,138,240	47%	15,665,554	38%	15,665,554	38%	13,810,784	39%	8,160,062	27%
Non Current liabilities	4,832,816	8%	6,570,539	16%	6,570,539	16%	7,711,069	22%	7,477,814	25%
Current liabilities	27,016,261	45%	19,241,193	46%	19,241,193	46%	13,888,862	39%	14,320,172	48%
Total Equity and Laibilities	59,987,317	100%	41,477,286	100%	41,477,286	100%	35,410,715	100%	29,958,048	100%

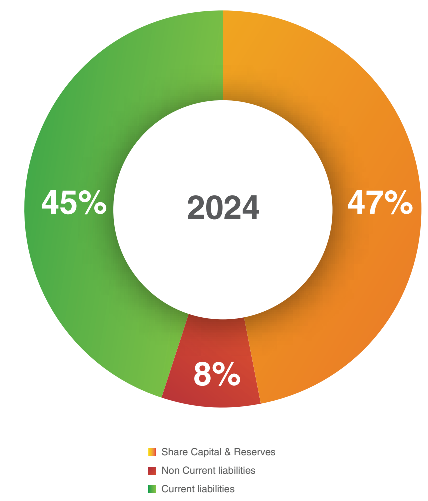

2024
38%
50%
3%
3%
3%
2%
0%
0%
0%
0%
1%
Total Assets
Property, plant and equipment
Intangible asset
Long term deposits and receivable
Stores, spares parts and loose tools
Stock-in-trade
Trade and other receivables
Loans and advances
Deposits
Tax refunds due from Government
Cash and bank balances

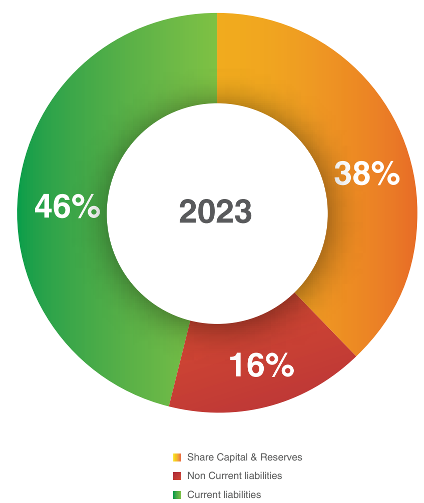

2023
51%
25%
12%
4%
6%
1%
0%
0%
1%
0%
Total Assets
Property, plant and equipment
Intangible asset
Long term deposits and receivable
Stores, spares parts and loose tools
Stock-in-trade
Trade and other receivables
Loans and advances
Deposits
Tax refunds due from Government
Cash and bank balances

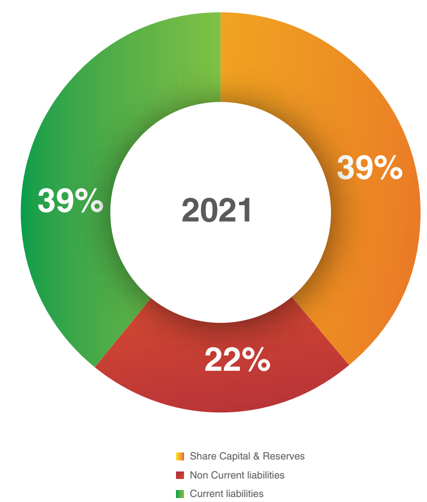

2022
46%
30%
13%
3%
5%
1%
0%
1%
0%
0%
Total Assets
Property, plant and equipment
Intangible asset
Long term deposits and receivable
Stores, spares parts and loose tools
Stock-in-trade
Trade and other receivables
Loans and advances
Deposits
Tax refunds due from Government
Cash and bank balances

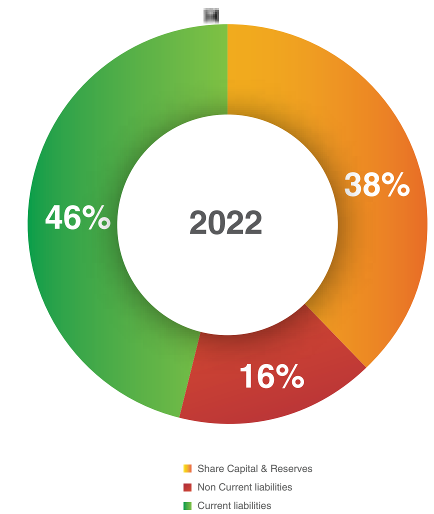

2021
48%
29%
13%
2%
2%
6%
2%
0%
0%
0%
Total Assets
Property, plant and equipment
Intangible asset
Long term deposits and receivable
Stores, spares parts and loose tools
Stock-in-trade
Trade and other receivables
Loans and advances
Deposits
Tax refunds due from Government
Cash and bank balances

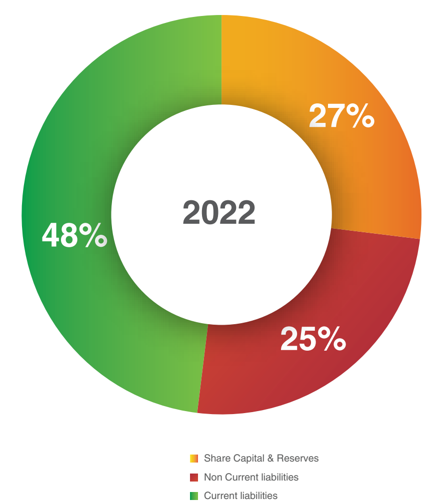

2021
48%
27%
12%
3%
2%
5%
2%
1%
0%
0%
Total Assets
Property, plant and equipment
Intangible asset
Long term deposits and receivable
Stores, spares parts and loose tools
Stock-in-trade
Trade and other receivables
Loans and advances
Deposits
Tax refunds due from Government
Cash and bank balances


2024
47%
8%
45%
Share Capital & Reserves
Non Current liabilities
Current liabilities


2023
38%
16%
46%
Share Capital & Reserves
Non Current liabilities
Current liabilities


2021
39%
22%
39%
Share Capital & Reserves
Non Current liabilities
Current liabilities


2022
38%
16%
46%
Share Capital & Reserves
Non Current liabilities
Current liabilities


2022
27%
25%
48%
Share Capital & Reserves
Non Current liabilities
Current liabilities

FINANCIAL HIGHLIGHTS

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Financial Position						
Property, plant and equipment	45,575,831	21,277,380	19,149,088	17,066,357	13,825,569	10,374,109
Intangible asset	36,110	42,390	48,670	54,950	61,230	59,330
Long term deposits and receivable	387,360	449,463	477,311	507,759	539,972	605,202
Current Assets	13,988,016	20,210,752	21,802,217	17,781,649	15,531,277	13,468,623
Total Assets	59,987,317	41,979,985	41,477,286	35,410,715	29,958,048	24,507,264
Finance By						
Shareholders' Equity	28,138,240	16,570,450	15,665,554	13,810,784	8,160,062	6,182,132
Deferred liabilities	4,010,148	1,063,819	1,057,122	968,745	2,486,392	723,567
Long Term Financing	750,000	4,723,940	5,402,833	6,631,523	4,944,318	6,323,429
Lease liabilities	72,668	108,721	110,584	109,434	47,104	54,381
Deferred Grant Income	-	-	-	1,367	-	
Current Liabilities	27,016,261	19,513,055	19,241,193	13,888,862	14,320,172	11,223,755
Total Funds Invested	59,987,317	41,979,985	41,477,286	35,410,715	29,958,048	24,507,264
Turnover & Profit						
Sales Revenue	16,111,739	24,160,372	30,008,098	23,234,144	15,710,054	10,482,191
Sales Tax	(2,419,924)	(3,578,167)	(4,360,151)	(3,375,901)	(2,283,470)	-
Sales Revenue	13,691,815	20,582,205	25,647,947	19,858,243	13,426,584	10,482,191
Gross (loss) /Profit	(628,308)	4,820,013	5,490,289	4,502,519	3,396,752	2,031,125
Operating (loss) / Profit	(5,819,865)	980,542	2,666,177	2,511,373	1,211,139	564,948
(Loss) / Profit Before Tax	(7,794,911)	1,168,303	2,288,369	2,553,391	1,389,594	606,844
(Loss) / Profit after tax	(5,088,565)	904,896	1,854,770	2,035,997	1,235,592	768,733
Total Comprehensive income	11,567,789	904,896	1,854,770	2,035,997	1,235,592	768,733
(Loss) /Earning Per Share	(8.41)	1.50	3.07	3.62	2.96	2.13
Cash Flow Summary						
Cash flow from Operating activities	1,192,005	2,665,442	(1,803,774)	761,440	(36,787)	(1,962,455)
Cash flow from Investing activities	(2,331,095)	(2,549,598)	(2,468,507)	(3,557,306)	(1,778,428)	(2,096,760)
Cash flow from Financing activities	1,290,929	(243,612)	3,654,139	3,560,705	1,640,910	4,268,149
Increase / (decrease in cash & cash Equivalents)	151,839	(127,768)	(618,142)	764,839	(174,305)	208,934
Cash& Bank at beginning of the year	87,295	215,063	833,205	68,366	242,671	33,737
Cash& Bank at end of the year	239,134	87,295	215,063	833,205	68,366	242,671
ANALYSIS OF STATEMENT OF FINACIAL POSITION						
Vertical analysis %						
Share Capital & Reserves	47%	39%	38%	39%	27%	25%
Non Current liabilities	8%	14%	16%	22%	25%	29%
Current liabilities	45%	46%	46%	39%	48%	46%
Total Equity and Laibilities	100%	100%	100%	100%	100%	100%
Non Current Assets	77%	52%	47%	50%	48%	45%
Current Assets	23%	48%	53%	50%	52%	55%
Total Assets	100%	100%	100%	100%	100%	100%

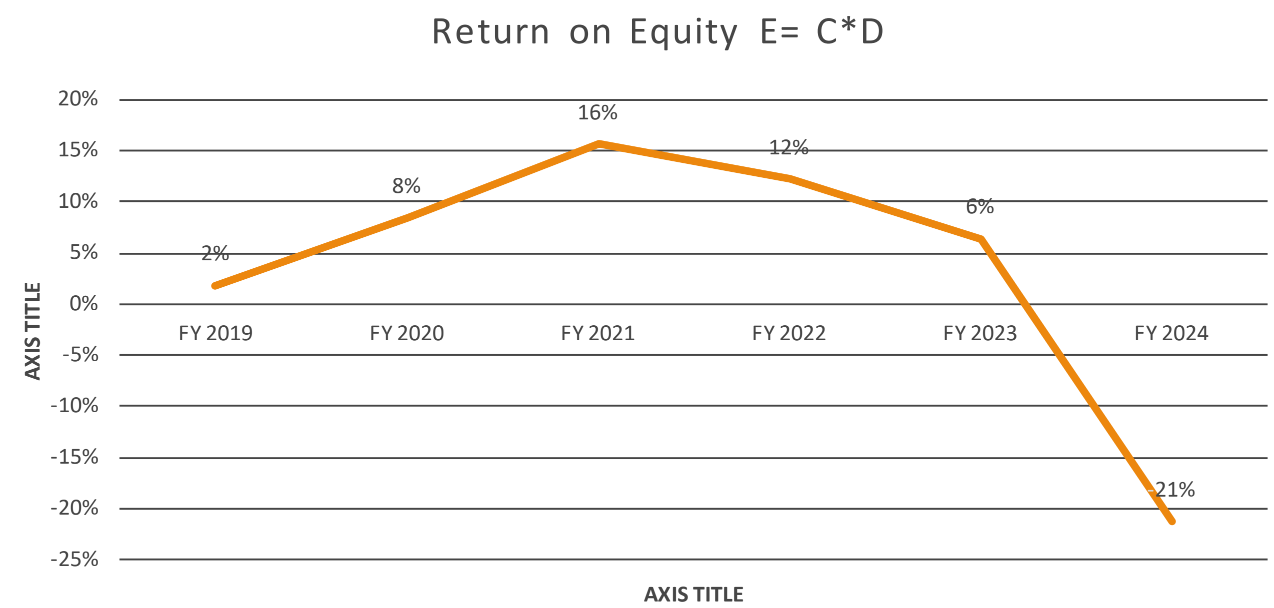
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Horizantal Analysis (i) Cumulative						
Share Capital & Reserves	420%	206%	189%	155%	51%	14%
Non Current liabilities	315%	10%	10%	0%	158%	-25%
Current liabilities	-80%	26%	44%	76%	31%	68%
Total Equity and Laibilities						
Non Current Assets	498%	236%	213%	191%	156%	119%
Current Assets	37%	98%	114%	75%	53%	32%
Total Assets	309%	216%	214%	182%	154%	126%
Horizantal Analysis (ii) Year On Year Basis						
Share Capital & Reserves	70%	6%	13%	69%	32%	14%
Non Current liabilities	277%	1%	9%	-61%	244%	-25%
Current liabilities	-84%	-13%	-19%	34%	-22%	68%
Total Equity and Laibilities	-33%	-2%	1%	132%	-13%	-23%
Non Current Assets	111%	11%	12%	22%	31%	19%
Current Assets	-30%	-7%	22%	14%	14%	30%
Total Assets	19%	-2%	19%	17%	19%	27%

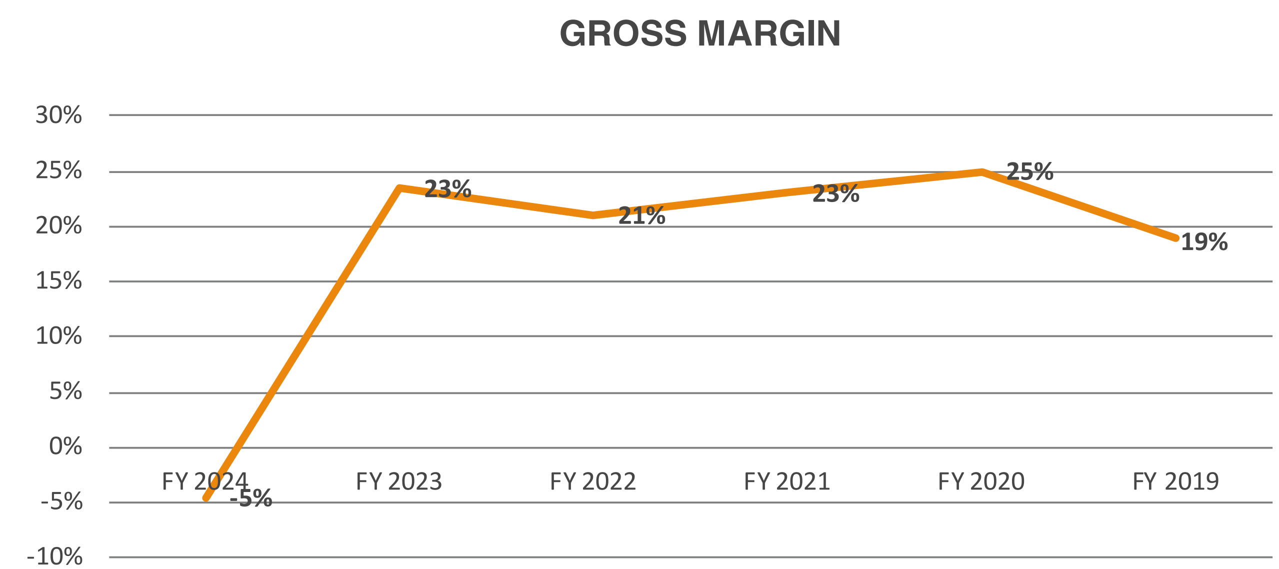
FINANCIAL HIGHLIGHTS

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Analysis of Profit & loss Account						
Turnover - net	13,691,815	20,582,205	25,647,947	19,858,243	13,426,584	10,482,191
Cost of sales	(14,320,123)	(15,762,192)	(20,157,658)	(15,355,724)	(10,029,832)	(8,451,066)
Gross (loss) / profit	(628,308)	4,820,013	5,490,289	4,502,519	3,396,752	2,031,125
Administrative expenses	(329,110)	(310,906)	(334,601)	(296,737)	(269,648)	(208,041)
Selling and distribution costs	(280,063)	(319,830)	(353,682)	(285,429)	(213,445)	(123,561)
Finance costs	(4,582,384)	(3,208,735)	(2,135,829)	(1,408,980)	(1,702,520)	(1,134,575)
Operating profit	(5,819,865)	980,542	2,666,177	2,511,373	1,211,139	564,948
Other expenses	(2,428,857)	(163,315)	(681,044)	(197,369)	(114,553)	(34,702)
Other income	655,043	351,076	303,236	239,387	293,008	76,598
Profit before taxation	(7,593,679)	1,168,303	2,288,369	2,553,391	1,389,594	606,844
Taxation - net	2,505,114	(263,407)	(433,599)	(517,394)	(154,002)	161,889
Profit after taxation	(5,088,565)	904,896	1,854,770	2,035,997	1,235,592	768,733
Other comprehensive income	16,656,354	-	-	-	-	-
Total comprehensive income	11,567,789	904,896	4,424,531	2,035,997	1,235,592	768,733
Vertical Analysis						
Turnover - net	100	100	100	100	100	100
Cost of sales	(105)	(77)	(79)	(77)	(75)	(81)
Gross profit	(5)	23	21	23	25	19
Administrative expenses	(2)	(2)	(1)	(1)	(2)	(2)
Selling and distribution costs	(2)	(2)	(1)	(1)	(2)	(1)
Finance costs	(33)	(16)	(8)	(7)	(13)	(11)
Operating profit	(43)	5	10	13	9	5
Other expenses	(18)	(1)	(3)	(1)	(1)	(0)
Other income	5	2	1	1	2	1
Profit before taxation	(55)	6	9	13	10	6
Taxation - net	18	(1)	(2)	(3)	(1)	2
Profit after taxation	(37)	4	7	10	9	7
Other comprehensive income	122	-	-	-	-	-
Total comprehensive income	84	4	**7**	**10**	**9**	**7**
Horizantal Analysis (i) Cumulative						
Turnover - net	31%	96%	145%	89%	28%	0%
Cost of sales	-237%	-250%	-292%	-246%	-196%	0%
Gross profit	-106%	-54%	-48%	-57%	-68%	0%
Administrative expenses	-103%	-103%	-103%	-103%	-103%	0%
Selling and distribution costs	-103%	-103%	-103%	-103%	-102%	0%
Finance costs	-144%	-131%	-120%	-113%	-116%	0%
Operating profit	-156%	-91%	-75%	-76%	-88%	0%
Other expenses	-123%	-102%	-106%	-102%	-101%	0%
Other income	-94%	-97%	-97%	-98%	-97%	0%
Profit before taxation	-172%	-89%	-78%	-76%	-87%	0%
Taxation - net	-76%	-103%	-104%	-105%	-101%	0%
Profit after taxation	-149%	-91%	-82%	-81%	-88%	0%
Other comprehensive income	59%	-100%	-100%	-100%	-100%	0%
Total comprehensive income	10%	-91%	-58%	-81%	-88%	0%
Horizantal Analysis (ii) Year On Year Basis						
Turnover - net	-33%	-20%	29%	48%	28%	-2%
Cost of sales	-9%	-22%	31%	53%	19%	6%
Gross profit	-113%	-12%	22%	33%	67%	-25%
Administrative expenses	6%	-7%	13%	10%	30%	16%
Selling and distribution costs	-12%	-10%	24%	34%	73%	-43%
Finance costs	43%	50%	52%	-17%	50%	171%
Operating profit	-694%	-63%	6%	107%	114%	-70%
Other expenses	1387%	-76%	245%	72%	230%	-76%
Other income	87%	16%	27%	-18%	283%	133%
Profit before taxation	-750%	-49%	-10%	84%	129%	-66%
Taxation - net	-1051%	-39%	-16%	236%	-195%	-153%
Profit after taxation	-662%	-51%	-9%	65%	61%	-47%
Other comprehensive income	100%	0%	0%	0%	0%	-100%
Total comprehensive income	1178%	-80%	117%	65%	61%	-55%

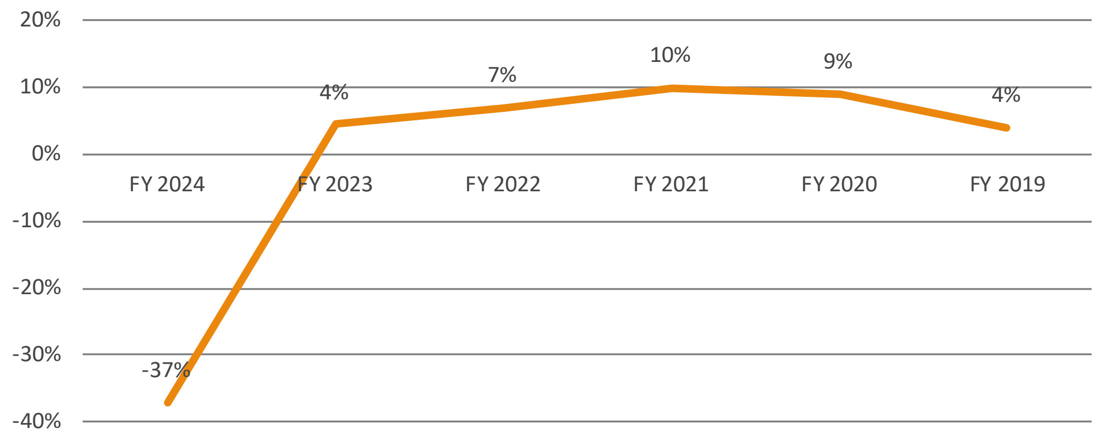
DUPONT ANALYSIS

Year	Net Margin	Total assets turnover	Return Assets	Equity Multiplier	Return on Equity
	A	B	C= A*B	D	E= C*D
FY 2019	4%	12%	0.477%	3.79	2%
FY 2020	9%	49%	4.437%	1.90	8%
FY 2021	10%	61%	6.097%	2.56	16%
FY 2022	7%	67%	4.670%	2.61	12%
FY 2023	4%	58%	2.530%	2.53	6%
FY 2024	-37%	27%	-9.982%	2.13	-21%

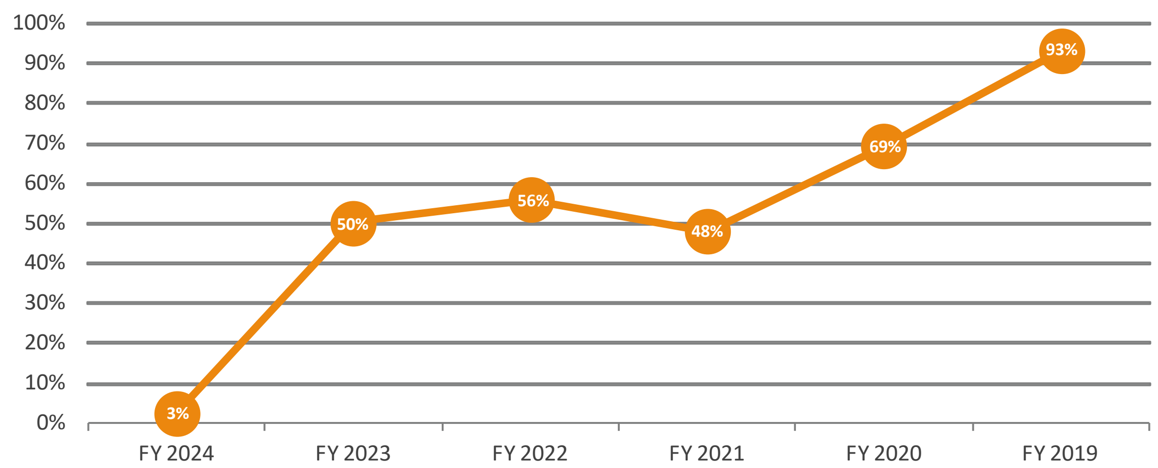




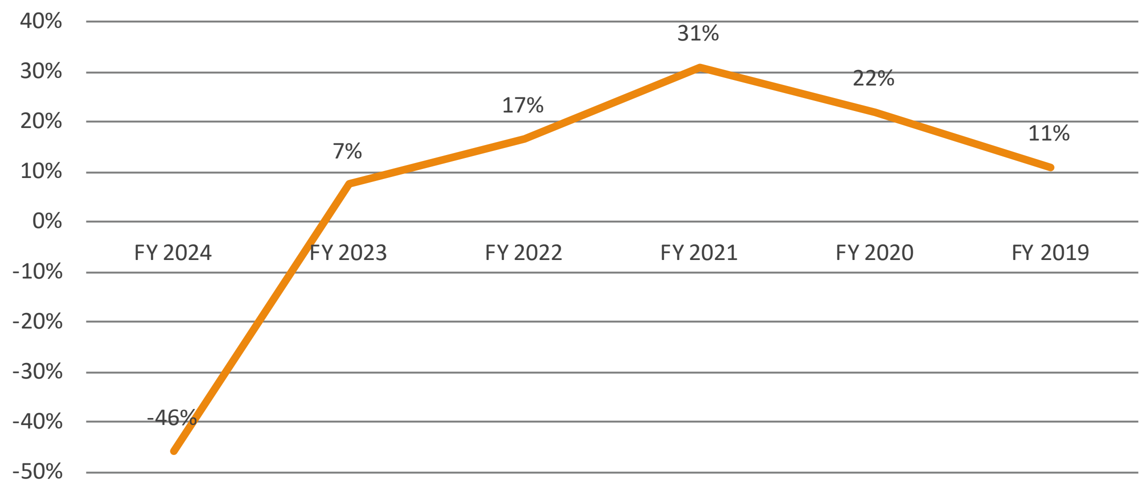
NET MARGIN



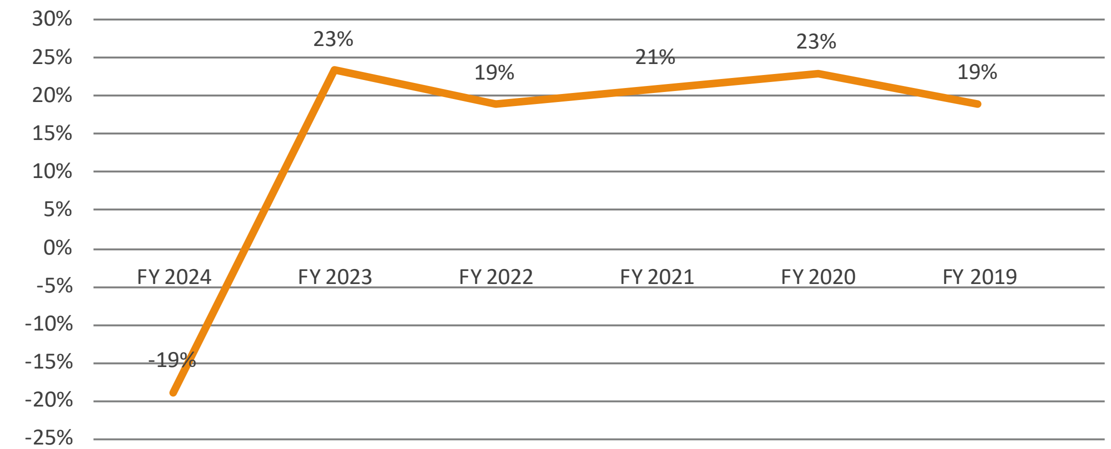
LONG TERM DEBT TO EQUITY



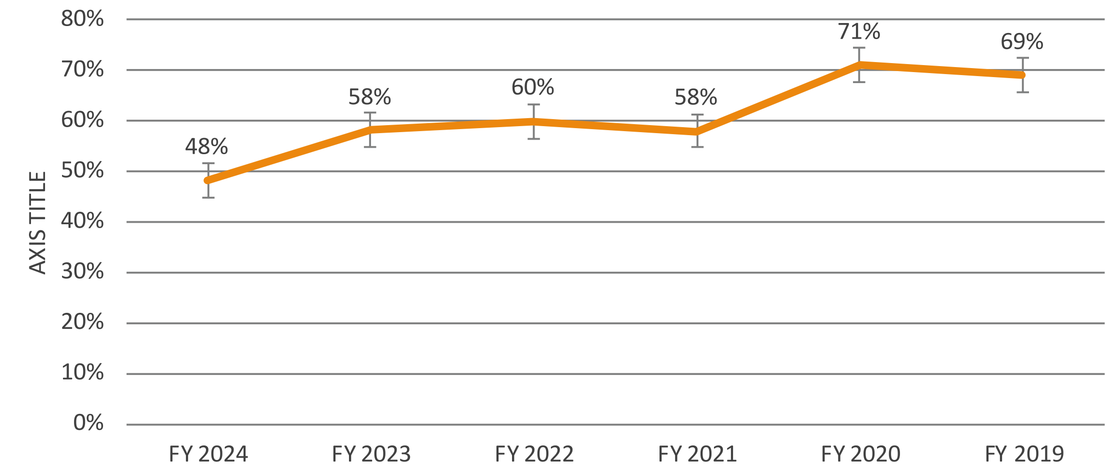
RETURN ON EQUITY BEFORE TAX



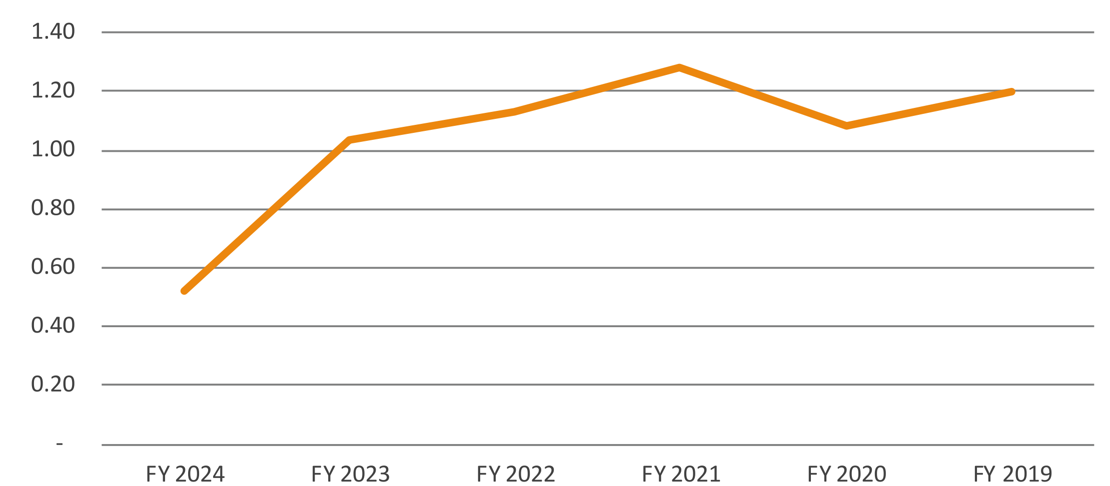
EBTIDA TO SALES



GEARING RATIO



CURRENT RATIO TIMES



PATTERN OF SHAREHOLDING
as at June 30, 2024

Categories of Shareholders	Shareholders	Shares Held	Shareholders
Directors, Chief Executive Officer and their spouse(s) and minor children	1	500	0.00
MUHAMMED SHAHID	1	151,952,057	25.12
HUSSAIN IQBAL AGHA	1	18,856,625	3.12
SHAZIA IQBAL AGHA	1	145,551,502	24.06
RAZA IQBAL AGHA	1	500	0.00
ASIF AHMED	1	56,194	0.01
MUHAMMAD ASIF			
Associated Companies, undertakings and related parties	1	329,000	0.05
NIT and ICP	-	-	-
Banks Development Financial Institutions, Non-Banking Financial Institutions	3	10,543,579	1.74
Insurance Companies	5	19,812,451	3.28
Modarabas and Mutual Funds	12	1,109,040	0.18
General Public			
a. Local	6,054	241,326,086	39.90
b. Foreign	226	2,268,849	0.38
Foreign Companies	1	490,350	0.08
Others	49	12,582,325	2.08
Totals	6,357	604,879,058	100.00

Share holders holding 10% or more	Shares Held	Shareholders
HUSSAIN IQBAL AGHA	151,952,057	25.12
RAZA IQBAL AGHA	145,551,502	24.06

PATTERN OF SHAREHOLDING
as at June 30, 2024

No of Shareholders	Share holding			Total Shares Held
585	1	to	100	20,384
507	101	to	500	179,868
1166	501	to	1000	785,158
2297	1001	to	5000	5,334,636
616	5001	to	10000	4,756,064
265	10001	to	15000	3,302,283
189	15001	to	20000	3,386,358
124	20001	to	25000	2,849,610
79	25001	to	30000	2,241,437
56	30001	to	35000	1,827,312
56	35001	to	40000	2,120,150
32	40001	to	45000	1,370,746
57	45001	to	50000	2,800,932
31	50001	to	55000	1,631,181
26	55001	to	60000	1,521,152
13	60001	to	65000	820,101
22	65001	to	70000	1,494,857
12	70001	to	75000	882,525
12	75001	to	80000	944,104
6	80001	to	85000	489,435
7	85001	to	90000	617,334
8	90001	to	95000	746,011
29	95001	to	100000	2,876,900
7	100001	to	105000	720,307
4	105001	to	110000	433,570
4	110001	to	115000	451,150
6	115001	to	120000	704,134
5	125001	to	130000	619,700
3	130001	to	135000	392,075
6	135001	to	140000	829,005
5	140001	to	145000	712,950
3	145001	to	150000	450,000
3	150001	to	155000	462,100
2	155001	to	160000	316,780
2	160001	to	165000	326,750
3	170001	to	175000	507,713
4	175001	to	180000	714,500
0	180001	to	185000	0
1	185001	to	190000	188,000
1	190001	to	195000	191,780
15	195001	to	200000	2,999,000
4	200001	to	205000	811,858
2	205001	to	210000	414,500
1	210001	to	215000	213,210
2	215001	to	220000	439,000

PATTERN OF SHAREHOLDING
as at June 30, 2024

No of Shareholders	Share holding			Total Shares Held
4	225001	to	230000	900,149
0	230001	to	235000	0
2	235001	to	240000	479,384
4	245001	to	250000	986,600
1	250001	to	255000	252,559
1	255001	to	260000	257,500
1	260001	to	265000	262,500
0	265001	to	270000	0
0	270001	to	275000	0
2	280001	to	285000	564,125
7	295001	to	300000	2,092,650
5	340001	to	345000	1,625,750
2	355001	to	360000	710,000
1	360001	to	365000	365,000
2	365001	to	370000	734,557
1	375001	to	380000	378,271
0	385001	to	390000	0
2	395001	to	400000	791,265
0	415001	to	420000	0
3	435001	to	440000	1,286,719
4	455001	to	460000	1,799,200
2	465001	to	470000	922,729
5	495001	to	500000	2,464,350
3	520001	to	525000	1,538,047
0	545001	to	550000	0
2	565001	to	570000	1,130,000
0	610001	to	615000	0
2	615001	to	620000	1,236,125
1	635001	to	640000	634,648
0	695001	to	700000	0
2	705001	to	710000	1,407,038
1	710001	to	715000	714,000
0	735001	to	740000	0
1	740001	to	745000	740,775
0	785001	to	790000	0
1	820001	to	825000	822,150
0	935001	to	940000	0
1	1495001	to	1500000	1,225,000
0	1610001	to	1615000	0
1	1715001	to	1720000	1,643,250
3	2395001	to	2400000	6,540,751
0	2400001	to	2405000	0
0	2665001	to	2670000	0
1	3785001	to	3790000	3,750,000
1	4195001	to	4200000	3,878,000

PATTERN OF SHAREHOLDING
as at June 30, 2024

No of Shareholders	Share holding			Total Shares Held
0	4735001	to	4740000	0
0	5040001	to	5045000	0
0	5285001	to	5290000	0
1	9490001	to	9495000	5,702,200
1	10070001	to	10075000	9,942,579
2	13175001	to	13180000	22,455,049
1	25965001	to	25970000	18,856,625
3	112250001	to	112255000	152,389,334
2	168490001	to	168495000	297,503,559
6,357				604,879,058

AGHA STEEL
INDUSTRIES LIMITED

FINANCIAL REPORT

REANDA

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AGHA STEEL INDUSTRIES LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Agha Steel Industries Limited** (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Sr. No.	*Regulation Reference*	*Paragraph(s) Reference*	*Description*
1.	28.2	12 and 19(a)	The Chairman of the HR and Remuneration Committee is not an independent director.

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Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi
Dated: 30 SEP 2024
UDIN: CR202410136kseuilc9p

Engagement Partner
Muhammad Haroon

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants
Suite Nos. M1-M4 & 709-710, Progressive Plaza, Beaumont Road, Karachi - 75530, Pakistan
Tel: +92 (21) 3567 4741-44 I Fax: +92 (21) 3567 4745 I Email: info@hzasrkhi.pk I www.hzasr.pk
Other offices at:
Lahore and Islamabad

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (THE REGULATIONS)

Agha Steel Industries Limited (the Company) has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are seven as per the following:

a. Male: 06
b. Female: 01

2. Following the election of directors at the Annual General Meeting (AGM) of the Company on 16 October 2023, the Board of Directors has reconstituted both the Audit Committee and the HR&R Committee. We would like to confirm that there have been no changes to the composition or the Terms of Reference for either committee.

Category	Names
Independent / Non-Executive Directors	Mr. Saad Iqbal Mr. Danish Iqbal Mr. Saeed A . Mirza
Other Non-Executive Directors	Ms. Shazia Iqbal Agha (Female Director)
Executive Directors	Mr. Hussain Iqbal Agha Mr. Raza Iqbal Agha

*Best practices of code of corporate governance requires that the Company's Executive Directors shall not be more than one third (2.3) of its total Directors (7). However, the fraction (2.3) has been rounded down to two because the Company has elected two Executive Directors.

*Changes in Board of Directors

Names of Outgoing Director	Names of Incoming Director
Mr. Danish Iqbal Resigned w.e.f. _ January, 2023	Mr. Asif Ahmed Resigned w.e.f. _ January, 2023
Mr. Saad Iqbal w.e.f. ___ January, 2023	Mr. Muhammad Shahid Resigned w.e.f. _ January, 2023

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;

4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of the significant policies along with their date on which they were approved or amended has been maintained;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (“the Act”) and these Regulations;

7. The meetings of the Board were presided over by the Chairperson and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;

8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;

9. Four directors on the Board have acquired the prescribed certification as mentioned under Regulation Number 19. The Company is currently in the process of organizing the Directors’ Training Program certification for the remaining director. Following Directors have already gone through Directors’ Training program:

1. Mr. Hussain Iqbal Agha
2. Mr. Raza Iqbal Agha
3. Mr. Muhammad Asif
4. Mr. Saeed Mirza

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and the head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer (CEO) duly endorsed the financial statements before approval of the Board;

12. The Board had formed committees comprising of members given below:

Name of Committee	Name	Designation
Audit Committee	Mr. Saeed Mirza	Chairman
	Mr. Asif Ahmed	Member
	Mr. Muhammad Asif	Member
HR and Remuneration Committee	Ms. Shazia Iqbal Agha	Chaiperson
	Mr. Muhammad Shahid	Member
	Mr. Raza Iqbal Agha	Member

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committees for compliance;

14. The frequency of meetings of the Committees were as per following:

Name of Committee	Frequency of Meetings
Audit Committee	Quarterly
HR and Remuneration Committee	Annual

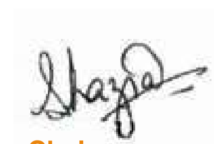
15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

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

On Behalf of the Board,



Chairperson
Dated:

REANDA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGHA STEEL INDUSTRIES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the annexed financial statements of **Agha Steel Industries Limited** (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit except for the matter stated in the *Basis for Qualified Opinion* section of our report.

In our opinion, except for the possible effects of the matter referred to in the *Basis for Qualified Opinion* section of our report, and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

During the course of our audit, we requested confirmation of the balances for trade debts amounting to Rs. 3,237.512 million as at June 30, 2024. As of the date of this report, we have not received direct confirmations from the respective debtors.

The absence of direct confirmations from the trade debtors has limited the scope of our audit procedures in this regard. In the absence of these confirmations, we have performed alternative procedures, including the examination of subsequent receipts and inquiries from management However, we were unable to obtain sufficient appropriate audit evidence regarding the existence and completeness of trade debts. As a result, we are unable to determine whether any adjustments to the carrying amounts of trade debts may be necessary.

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

RHZASRCO

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants
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Tel: +92 (21) 3567 4741-44 | Fax: +92 (21) 3567 4745 | Email: info@hzasrkhi.pk | www.hzasr.pk
Other offices at:
Lahore and Islamabad

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Material Uncertainty relating to Going Concern

We draw attention to note 2 to the accompanying financial statements, which indicates that the Company has experienced financial constraints due to low business volumes during the year and has incurred gross loss of Rs. 628.308 million, loss before levy and taxes amounting to Rs. 7,593.679 million and loss after taxation amounting to Rs. 5,088.565 million. Additionally, the net operating cash inflows of Rs. 1,192.005 million were not sufficient to meet its short-term obligations towards lenders and it has breached financial covenants stipulated with various borrowing agreements with the banking companies. Further, its current liabilities exceed its current assets by Rs. 13,028.245 million.

As stated in note 2 to the accompanying financial statements, these events or conditions along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business, and also discusses the reasons for preparing the financial statements on going concern basis including the expectation of future profitability based on forecasted financial projections. These plans are subject to inherent uncertainty as future events are always subject to change. Our opinion is not modified in respect of this matter.

Emphasis of Matters

a) We draw attention to note 1.4 to the accompanying financial statements, which describe the details of a non-binding offer received from potential acquirer to acquire the shares and control of the Company. Our opinion is not modified in respect of this matter.

b) We draw attention to note 6.2 to the accompanying financial statements, which describe the effects of the fire in the Company's production facilities. Our opinion is not modified in respect of this matter.

c) We draw attention to note 18.1 to the accompanying financial statements, which describe the effects of non-payment of bank borrowings on time and breach of other covenants stipulated with the respective loan agreements. Our opinion is not modified in respect of this matter.

d) We draw attention to note 26 to the accompanying financial statements, which describes the contingent liabilities and asset arising from ongoing litigations. The outcome of these matters cannot be determined with certainty at this time, and no adjustments have been made to the financial statements in respect of these contingencies. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matters described in the "*Basis for Qualified Opinion*" section and "*Material Uncertainty Related to Going Concern*" section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report:

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Following are the key audit matters

S. No.	*Key audit matters*	*How the matter was addressed in our audit*
1.	***Capital expenditure***	
	(Refer note(s) 4.1 and 6 to the accompanying financial statements) During the year, as disclosed in note 6 to the accompanying financial statements, The Company has incurred capital expenditure of Rs. 3,072.448 million including capital work in progress amounting to Rs. 2,531.876 million under balancing, modernization, and replacement to enhance the production capacity and to support the company's operation. The Company has financed the aforesaid expenditure through operational cash flows and bank borrowings obtained during the year as disclosed in note 18 to the accompanying financial statements. Further, the Company has changed its accounting policy during the year for the subsequent measurement of lease hold land, buildings on lease hold land and plant and machinery (owned operating fixed assets) from the cost model to the revaluation model, in accordance with IAS 16 – Property, Plant, and Equipment which has resulted in an increase in the carrying amount of property, plant, and equipment by Rs. 22,331.742 million. Capital expenditures incurred and change in accounting policy as mentioned above during the year represent significant transactions and involve significant judgements in respect of the respective costs and revalued carrying amounts of assets, capitalization of eligible components of costs including borrowing costs, to determine when the assets are available for use and estimation of useful lives.	Our audit procedures to address the matter, amongst others, includes the following: • we obtained understanding of the Company's process with respect to capital expenditure including determination of useful lives; • we physically verified the newly acquired plant and machinery and reviewed the underlying contracts and documents supporting components of the capitalized cost, related payments and enhanced production capacities; • we reviewed the underlying financing agreements and inquired from the management with respect to the future compliance of the covenants and tested controls related to such compliance and circularized confirmations to the financial institutions with respect to outstanding loan balances at year end; • we performed a range of audit procedures in respect of revalued assets including physical verification of operating fixed asset, recalculation of book values before and after revaluation, evaluation of the adequacy of expert's work related to market valuation of revalued fixed assets and their appropriateness in accordance with the applicable financial reporting framework; • we considered whether the capital expenditure incurred, including borrowing costs, meets the recognition criteria of an asset in accordance with the applicable financial reporting standards; and • we assessed the adequacy of the disclosures as per the guidelines set out in the applicable financial reporting framework.

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S. No.	*Key audit matters*	*How the matter was addressed in our audit*
	Accordingly, we have identified the capital expenditures as a key audit matter.	
2.	***Stock-in-trade***	
	(Refer note 9 to the accompanying financial statements) The stock-in-trade balance constitutes 5.91% of total assets of the Company. We focused on stock-in-trade as it represents significant portion of the Company's total assets and it also involves work performed by the management's expert that is used by the Company to assist in counting quantities of stock in trade at year end and to determine the market valuation of stock in trade as at year end. Accordingly, we have considered this as a key audit matter.	Our audit procedures to address the matter, amongst others, includes the following: • we performed a range of audit procedures in respect of inventory items including physical observation of inventory counts, testing valuation methods including the evaluation of the adequacy of expert's work related to market valuation of stock in trade and their appropriateness in accordance with the applicable financial reporting framework; • we performed testing on a sample of items to assess the net realizable value (NRV) of the inventories held and evaluated whether any write down to NRV is required in the Company's financial statements; and • we assessed the adequacy of the related disclosures made in accordance with the applicable financial reporting framework.
3.	***Revenue from contract with customers***	
	(Refer note 4.16 and 27 annexed financial statements) We considered revenue as a key audit matter due to revenue being one of the key performance indicators of the Company and for the year revenue has decreased significantly as compared to last year. In addition, revenue was also considered as an area of significant audit risk as part of the audit process. Accordingly, we have considered this as a key audit matter.	Our audit procedures to address the matter, amongst others, includes the following: • understood and evaluated the design, implementation and operating effectiveness of controls over revenue; • evaluated appropriateness of Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; • performed verification of revenue transactions with the underlying documentation including gate pass, delivery order, sales invoice etc.; • performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period; • performed analytical review procedures and inquired unusual fluctuations, if any; and • reviewed the adequacy of the disclosures made by the Company in this area with regard to applicable accounting and reporting standards.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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REANDA

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) except for the possible effects of the matter stated in the *Basis for Qualified Opinion* Section of our report, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) except for the possible effects of the matter stated in the *Basis for Qualified Opinion* Section of our report, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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

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

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

RHZASRCO Reanda Haroon Zakaria Aamir Salman Rizwan & Co

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi
Dated: 30 SEP 2024
UDIN:AR202410136Tx5LuWqDe

Statement of Financial Position

As at June 30, 2024

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	45,575,831	21,277,380
Intangible asset	7	36,110	42,390
Long term deposits and receivable	8	387,360	449,463
		45,999,301	21,769,233
Current Assets			
Stores, spare parts and loose tools		2,869,749	2,360,897
Stock-in-trade	9	3,545,206	10,439,863
Trade and other receivables	10	4,024,456	4,948,795
Loans and advances	11	2,752,355	1,815,346
Deposits	12	33,063	17,632
Tax refunds due from Government	13	524,053	540,924
Cash and bank balances	14	239,134	87,295
		13,988,016	20,210,752
Total Assets		59,987,317	41,979,985
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital	15	10,250,000	6,250,000
Share Capital			
Issued, subscribed and paid up capital	15	6,048,791	6,048,791
Capital reserve			
Share Premium	16	2,126,687	2,126,687
Surplus on revaluation of fixed assets - net	17	16,656,355	-
Revenue Reserve			
Unappropriated profit		3,306,407	8,394,972
Total Shareholders' Equity		28,138,240	16,570,450
Non-Current Liabilities			
Long term borrowings	18	-	4,223,940
Advance against preference shares	19	750,000	500,000
Lease liabilities	20	72,668	108,721
Deferred liability	21	4,010,148	1,063,819
		4,832,816	5,896,480
Current Liabilities			
Trade and other payables	22	645,548	829,386
Accrued markup	23	3,193,826	807,704
Short term borrowings	24	15,226,851	13,728,859
Current and overdue portion of non-current liabilities	25	7,950,036	4,147,106
		27,016,261	19,513,055
Contingencies and Commitments	26		
Total Equity and Liabilities		59,987,317	41,979,985

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

Statement of Profit Or Loss And Other Comprehensive Income

For The Year Ended June 30, 2024

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
Turnover - net	27	13,691,815	20,582,205
Cost of sales	28	(14,320,123)	(15,762,192)
Gross (loss) / profit		(628,308)	4,820,013
Administrative expenses	29	(329,110)	(310,906)
Selling and distribution costs	30	(280,063)	(319,830)
Finance costs	31	(4,582,384)	(3,208,735)
		(5,191,557)	(3,839,471)
Operating (loss) / profit		(5,819,865)	980,542
Other expenses	32	(2,428,857)	(163,315)
Other income	33	655,043	351,076
(Loss) / profit before levy and tax		(7,593,679)	1,168,303
Levy	34	(201,232)	(263,827)
(Loss) / profit before income tax		(7,794,911)	904,476
Taxation - net	35	2,706,346	420
(Loss) / profit after taxation		(5,088,565)	904,896
Other comprehensive income for the year			
- Items that will not be reclassified to profit or loss in subsequent year(s)			
Surplus on revaluation of fixed assets		22,331,742	-
Deferred tax		(5,675,388)	-
		16,656,354	-
Total comprehensive income for the year		11,567,789	904,896
(Loss) / earnings per share			
Basic and diluted - Rupees	36	(8.41)	1.50

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

Statement Of Changes In Equity

For The Year Ended June 30, 2024

Particulars	Issued, subscribed and paid up capital	Reserves - Capital - *Share Premium	Reserves - Capital - ***Surplus on revaluation of fixed assets	Reserves - Revenue - **Unappropriated profit	Total reserves	Total shareholders' equity
	Rupees in '000'					
Balance as at June 30, 2022	6,048,791	2,126,687	-	7,490,076	9,616,763	15,665,554
Total comprehensive income for the year						
Profit after taxation	-	-	-	904,896	904,896	904,896
Other comprehensive income	-	-	-	-	-	-
	-	-	-	904,896	904,896	904,896
Balance as at June 30, 2023	6,048,791	2,126,687	-	8,394,972	10,521,659	16,570,450
Total comprehensive income for the year						
Loss after taxation	-	-	-	(5,088,565)	(5,088,565)	(5,088,565)
Other comprehensive income - net	-	-	16,656,354	-	16,656,354	16,656,354
	-	-	16,656,354	(5,088,565)	11,567,789	11,567,789
Balance as at June 30, 2024	6,048,791	2,126,687	16,656,354	3,306,407	22,089,448	28,138,239

* Share premium is held for utilization for purposes as stated in Section 81 of the Companies Act, 2017.

** Unappropriated profit can be utilized for meeting contingencies and distribution of profits by way of dividends.

*** Surplus on revaluation of fixed assets is a capital reserve, and is not available for distribution to the share holders in accordance with section 241 of the Companies Act, 2017.

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

Statement Of Cash Flows

For The Year Ended June 30, 2024

	Note	2024	2023
A. CASH FLOWS FROM OPERATING ACTIVITIES		---- Rupees in '000'----	
(Loss) / profit before taxation			
Adjustments for:			
Depreciation	6.5	429,292	451,578
Amortization	7.1.1	6,280	6,280
Impairment loss on trade receivables - net	10.1	796,055	83,083
Provision for write-down to NRV	32	959,001	-
Finance cost	31	4,566,244	3,198,708
Finance lease markup	31	16,140	10,027
Workers welfare fund	32	-	61,821
Workers profit participation fund	32	-	6,297
Gain on disposal of fixed assets - net	33	(2,802)	(2,424)
Amortization of government grant	33	-	(1,367)
Exchange loss - net	32	-	12,114
Cash (used in) / generated from operations before working capital changes		(823,469)	4,994,420
Changes in working capital			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(508,852)	(306,094)
Stock-in-trade	9	5,935,656	1,859,842
Trade and other receivables	10	128,284	240,011
Loans and advances	11	(937,009)	(376,058)
Deposits	12	(15,431)	3,595
		4,602,648	1,421,296
(Decrease) / increase in current liabilities			
Trade and other payables		(79,464)	(237,466)
Net cash generated from operations		3,699,715	6,178,250
Short term lease payments		-	(2,578)
Taxes paid - net	13.1	(207,074)	(369,634)
Workers profit participation fund paid	22.2	(104,374)	(67,300)
Financial charges paid		(2,196,262)	(3,073,296)
Net cash generated from operating activities		1,192,005	2,665,442
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Long term deposits and receivable recovered - net	8	62,103	27,848
Additions in capital work in progress - net	6.4.2	(2,531,876)	(2,444,535)
Proceeds from disposal of property, plant and equipment		5,449	7,684
Damage of property, plant and equipment	6.2	673,801	-
Additions in property, plant and equipment	6.1	(540,572)	(140,595)
Net cash used in investing activities		(2,331,095)	(2,549,598)

Statement Of Cash Flows

For The Year Ended June 30, 2024

C. CASH FLOWS FROM FINANCING ACTIVITIES	Note	2024	2023
		- - - - Rupees in '000'- - - -	
Repayments of long-term borrowings - net	18	(413,939)	(430,288)
Advance received against shares	19	250,000	500,000
Leases obtained during the period - net	20	-	42,951
Lease rentals paid	20	(43,124)	(39,188)
Receipts / (repayments) of short-term borrowings - net	24	1,497,992	(317,087)
Net cash generated from / (used in) financing activities		1,290,929	(243,612)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		151,839	(127,768)
Cash and cash equivalents at the beginning of the year	14	87,295	215,063
Cash and cash equivalents at the end of the year	14	239,134	87,295

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

Notes To The Financial Statements

For The Year Ended June 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Agha Steel Industries Limited (the Company) was incorporated in Pakistan on November 19, 2013, as a private limited company under the repealed Companies Ordinance, 1984, now the Companies Act, 2017 (the Act). On April 07, 2015, the Company was converted into public limited company. During the financial year 2019, the Company has listed its privately placed Sukuk certificates. The company is listed on Pakistan Stock Exchange on November 02, 2020. The Company is principally engaged in manufacturing and sale of steel bars, wire rods and billets, and its registered office and production plants are situated at plot no. N.W.I.Z. /1/ P-133, (SP-6 & 6A), D-2, Port Qasim Authority, Karachi.

1.2 The company has been listed on Pakistan Stock Exchange (PSX) on November 02, 2020 by offering 120,000,000 ordinary shares of Rs. 10 each to the general public at the strike price of Rs. 32 per share including premium of Rs.22 per share which resulted in IPO proceeds of Rs. 3,840 million.

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

Location	Address
Head Office and Factory	Plot no. N.W.I.Z./1/P-133, (SP-6 & 6A) D-2 and E-1, Port Qasim Authority, Karachi.
Corporate Office	Plot no. G-19, Office # 801, 803 & 804, 8th Floor, Emerald Tower, II Talwar, Block # 5, Clifton, Karachi.
Sales Offices	Suit # 103 floor 6, Dawood Mart Autobahn Road, Latifabad, Hyderabad.
	Street No 10 Sector I-9/2 Opposite Star Weighbridge adjacent, Hassan Steel Industrial Area, Islamabad.

1.4 The Company's major shareholders are Mr. Hussain Iqbal Agha (Chief Executive Officer) and Mr Raza Iqbal Agha (Executive Director), who holds 25% shares and 24% shares respectively of the Company as at June 30, 2024 (June 30, 2023: 26% and 24% respectively). The Company has received a notice of Public Announcement of intention from potential Acquirer i.e., Fauji Foundation, wherein the potential acquirer has expressed its intention to acquire Shares and Control of the Company. Number of Shares related to intended acquisition are not determinable at this stage (to be determined in accordance with the Regulations and after finalization of due diligence and Agreements). Directors have agreed to evaluate the non-binding offer, subject to compliance with requirements under applicable laws and regulations.

2 GOING CONCERN ASSUMPTION

During the year, the Company experienced financial difficulties due to low business volumes in terms of quantities sold resulting in major revenue shortfall. Further, the Company's production activities were severely affected by a fire at its manufacturing facilities on December 29, 2023 as fully disclosed in note 6.2 to these financial statements. This fire incident led to a temporary halt in production significantly affecting the already deteriorated revenue generation. As a result of these conditions, the Company incurred gross loss of Rs. 628.308 million, net loss before levy and taxes of Rs. 7593.679 million and loss after taxation amounting to Rs. 5088.565 million.

The Company's current liabilities exceeds its current assets by Rs. 13028.245 million. Additionally, the Company's net operating cash flows for the current of Rs. 1192.005 million were not sufficient to meet its short term obligations towards lenders (especially the banking companies) and it has breached certain financial covenants related to its borrowing facilities with various banking companies. These factors led to non-payment of various loan installments due since November 29, 2023 under both the short term and long term borrowings arrangements with various banks [refer note 18, 24 and 25]. These breaches have not yet been rectified or waived as of the reporting date.

In view of the above circumstances, the management and the Board has taken the following steps to assess the financial condition and sustainability of the future operations of the Company:

- The Company is actively negotiating with its lenders to restructure both its long-term and short-term loans, excluding the TERF and IFRE facilities. The proposed restructuring plan spans nine years, including a two-year grace period starting in January 2025. As of June 30, 2024, the Master Restructuring Agreement (MRA) had not been finalized or signed.

- The Company has initiated an insurance claim process to recover the carrying value of the damaged assets. As of the reporting date, the Company has recognized an insurance receivable of Rs. 385 million. This amount represents management's best estimate of the compensation expected from the insurance company based on discussions with the insurer and legal advisors.

- The management has prepared ten-year financial projections of the Company based on the current information available to estimate the future business cashflows. These financial projections are based on various financial and business assumptions such as expected business volumes, restructured repayments of bank loan, foreign exchange and interest rates, and inflation factor. Such financial projections envisages that the Company would be able to generate sufficient cashflows through its operations and will meet its financial obligations particularly the amounts due to its lenders in terms of its contractual obligations.

- The Company recognizes that the above financial plan is subject to inherent risks and uncertainties including the ability of the Company to achieve the results set out in financial projections for the years 2025 - 2034. In this respect, particular challenges include (but not limited to), stability in the economic factors such as foreign exchange and interest rates and overall economic conditions of the country which may impact the Company's ability to maintain and improve the sales volumes, retention of its customer base and repayments of loan installments as per the potential revised schedule under the Master Restructuring Agreement and payments to its creditors.

The above facts and circumstances along with the risk and uncertainties, represents a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. In case, the Company is unable to continue as a going concern, the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. Nevertheless, after considering the financial projections, the Board has reasonable expectations that the Company will have adequate resources to continue its business for the foreseeable future. Accordingly, these financial statements have been prepared on going concern basis.

Notes To The Financial Statements
For The Year Ended June 30, 2024

3 BASIS OF PREPARATION

3.1 Statement Of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs), issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except otherwise stated. Further, accrual basis of accounting is followed in the preparation of these financial statements except for cash flow information.

3.3 Functional and presentation currency

The financial statements are presented in Pakistan Rupees, which is also the Company's functional currency.

3.4 Critical accounting estimates and judgments

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

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

The areas where assumptions and estimates are significant to the Company's financial statements or where judgment is exercised in application of accounting policies are as follows:

a) Property, plant and equipment - note 4.1 and 6;
b) Intangible assets - note 4.2 and 7;
c) Stores, spare parts and loose tools - note 4.5;
d) Stock-in-trade - note 4.6 and 9;
e) Recognition of financial instruments - note 4.4;
f) Recognition of expected credit losses - note 4.4.5 , 10 and 4.7
g) Tax refunds due from Government - note 4.10 and 13;
h) Recognition of levies, current tax and deferred tax - note 4.10, 34 and 35;
i) Accrued liabilities - note 4.12;
j) Revenue recognition - note 4.16 and 27;
k) Provision and estimation of contingent liability - note 4.14 and 26 .

However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

3.5 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan which are effective in current period

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	Effective for period beginning on or after
Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the disclosure of accounting policies.	January 1, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Amendments regarding the definition of accounting estimates.	January 1, 2023
Amendments to IAS 12 'Income Taxes': Amendments regarding deferred tax on leases and decommissioning obligations and amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.	January 1, 2023

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

3.6 Amendments to standards and IFRS interpretations that are not yet effective

The following standards, amendments to standards and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	Effective from accounting period beginning on or after
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures': Sale or contribution of assets between an investor and its associate or joint venture.	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
Amendments to IAS 7 'Statement of Cash Flows': Amendments regarding supplier finance arrangements.	January 1, 2024

	Effective from accounting period beginning on or after
Amendments to IFRS 16 'Leases': Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.	January 1, 2024
Amendments to IFRS 9 'Financial Instruments: Disclosures' and IAS 7 'Statement of Cash Flows': Amendments regarding supplier finance arrangements.	January 1, 2026
Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the classification of liabilities and debt with covenants.	January 1, 2024
IFRS 17 - Insurance Contracts	January 1, 2026

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1 - First Time Adoption of International Financial Reporting Standards

IFRS 18 - Presentation and Disclosures in Financial Statements

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S2 - Climate-related Disclosures

4 MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Property, plant and equipment

4.1.1 Change in accounting policy - transition from cost model to revaluation model

During the current year, the Company has changed its accounting policy for the subsequent measurement of lease hold land, buildings on lease hold land and plant and machinery (owned operating fixed assets) from the cost model to the revaluation model, in accordance with IAS 16 – Property, Plant, and Equipment. Under the previous cost model, these class of assets were carried at cost less accumulated depreciation and impairment losses.

Following the adoption of the revaluation model, these class of assets are now measured at fair value, with revaluation surpluses or deficits recognized in other comprehensive income and accumulated in equity under the revaluation reserve.

The decision to transition to the revaluation model was based on management's assessment that fair value measurement provides more relevant and reliable information, particularly due to changes in market conditions that significantly affect the value of the company's assets. The revaluation model better reflects the current economic benefits associated with the revalued assets.

In line with the requirements of IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors and IAS 16 – Property, Plant, and Equipment, the Company has applied the new accounting policy prospectively from June 28, 2024 being the effective date of revaluation of underlying assets. No adjustments have been made to the financial statements of prior periods. As a result, no restatement of comparative information for prior periods was required. The change in accounting policy will only impact the financial results of the current and future periods.

The transition to the revaluation model has resulted in an increase in the carrying amount of property, plant, and equipment by Rs. 22,331.742 million . This increase is recognized as a revaluation surplus of Rs. 22,331.742 million, net of deferred tax of Rs. 5,675.388 million, in other comprehensive income. The revaluation of property, plant, and equipment has resulted in a deferred tax liability of Rs. 5,675.388 million, arising from the difference between the carrying amount of the assets for accounting purposes and their tax base. The corresponding tax effect has been recognized in other comprehensive income.

4.1.2 Operating fixed assets

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any, except for leasehold land which is stated at revalued amount and buildings on leasehold land and plant and machinery which are stated at revalued amount less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to profit or loss so as to write off the carrying amount of depreciable assets (other than land) over their estimated useful lives, applying the reducing balance method at the rates specified in the note 6.1 to these financial statements. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions up to the date when the asset is de-recognized.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to profit or loss, as and when incurred.

An item of property, plant and equipment is derecognized when disposed or when no future economic benefits are expected from the continued use of the asset. Gains or losses on disposal of assets, if any, are recognized in profit or loss, as and when incurred.

Right-of-use assets and lease liabilities

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets are initially measured based on the initial amount of lease liabilities adjusted for any principle lease payments made at or before the commencement date, plus any initial direct costs incurred. Right-of-use assets are depreciated on same basis as owned assets at the rates as disclosed in note 6.1 to these financial statements.

The related lease liabilities are initially measured at the present value of remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease. The lease liabilities are subsequently measured at amortized cost using the effective interest rate method. They are remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, any change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its estimate of whether it will exercise a purchase or termination option. The corresponding adjustment is made to the carrying amount of the respective right-of-use asset, or is recorded in profit or loss if the carrying amount of that right-of-use has been reduced to zero.

4.1.3 Capital work in progress

These are stated at cost less impairment loss (if any) and represent expenditure incurred and advances made in respect of assets in the course of their acquisition, construction and installation. These are transferred to relevant category of assets as and when they are available for use.

4.1.4 Surplus on revaluation of fixed assets

The company revalue its leasehold land, buildings on leasehold land and plant and machinery (revalued assets) on a regular basis to ensure that the carrying amount does not differ materially from fair value at the reporting date. The frequency of revaluations will depend on changes in market conditions that affect the value of the assets and as required by the IFRSs.

Any revaluation increase in the carrying amount of revalued assets is recognized, net of tax, in other comprehensive income and presented as a separate component of equity as "surplus on revaluation of fixed assets", except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognized in the statement of profit or loss, in which case the increase is first recognized in the statement of profit or loss to the extent of the decrease previously charged.

Any decrease that reverses previous increase of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset, all other decrease are charged to the statement of profit or loss.

Each year, the difference between depreciation based on the revalued carrying amount of the assets charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus to retained earnings as incremental depreciation

4.2 Intangible asset

Intangible assets acquired separately are initially recognized at cost. After initial recognition, these are measured at cost less accumulated amortization and accumulated impairment losses. Costs associated with routine maintenance of intangible assets are recognized as an expense when incurred. However, costs that are directly attributable to identifiable intangible assets and which enhance or extend the performance of intangible assets beyond the original specification and useful life is recognized as capital improvement and added to the original cost of the software.

These are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged so as to allocate the cost of assets over their estimated useful lives, using straight line method at the rates disclosed in note 7 to these financial statements. Amortization on additions to intangible assets is charged from the date when the asset is acquired or capitalized upto the date when the asset is de-recognized.

4.3 Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that assets, other than deferred tax asset, may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit or loss. The recoverable amount is the higher of an asset's 'fair value less costs to sell' and 'value in use'.

When impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized. Reversal of impairment loss is recognized as income.

4.4 Financial assets and liabilities

4.4.1 Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortized cost as the case may be.

4.4.2 Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at amortized cost.
- at fair value through other comprehensive income ("FVTOCI"), or
- at fair value through profit or loss ("FVTPL"),

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at amortized cost
Financial assets that meet the following conditions are subsequently measured at amortized cost:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes To The Financial Statements
For The Year Ended June 30, 2024

Financial assets at fair value through OCI
Financial assets that meet the following conditions are subsequently measured at FVTOCI:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income provided that the investment is neither held for trading nor is a contingent consideration in a business combination.

Financial assets at fair value through P&L

A financial asset is measured at fair value through P&L unless it is measured at amortized cost or at fair value through OCI.

4.4.3 Financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or

- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

4.4.4 Subsequent measurement

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in OCI.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income. Currently, there are no financial liabilities designated at FVTPL.

4.4.5 Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses (ECLs) on financial assets that are measured at amortized cost. Loss allowances are measured on the basis of life time (ECLs) that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL is only recognized if the credit risk at the reporting date has increased significantly relative to the credit risk at initial recognition. Credit risk on a financial asset is assumed to be increased significantly if it is more than past due for a reasonable period of time decided by the management of the Company. Further, the Company considers information based on Company's historical experience and the impact of forward looking information that is available without undue cost. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity and the cash flows that the Company expects to receive).

Financial assets that are subject to ECL model includes long term receivable, deposits and trade and other receivables.

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

4.4.6 Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to revenue reserve.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the

financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and other comprehensive income.

4.4.7 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.5 Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at lower of moving average cost and net realizable value, less provision for impairment if any. Items in transit are valued at cost comprising invoice value plus other directly attributable charges incurred thereon. Valuation of items is reviewed at each reporting date to record any provision for obsolete and slow moving items if required.

Net realizable value signifies the estimated market prices (being replacement cost) in the ordinary course of business less the estimated costs necessary to make the sale.

4.6 Stock-in-trade

These are valued at the lower of weighted average cost and net realizable value.

Cost in relation to raw material comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost in relation to billets (work in process) and finished goods represents cost of raw material and an appropriate portion of manufacturing overheads.

Raw material in transit consist of invoice value plus other charges paid thereon up to the reporting date.

Valuation of stock items are reviewed at each reporting date to record any provision for obsolete and slow moving items if required.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

4.7 Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost after deducting allowance for uncollectable amounts, if any. The Company applies the IFRS 9 simplified approach to measure the expected credit losses (ECL) which uses a lifetime expected loss allowance for trade and other receivables. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. Trade and other receivables considered irrecoverable are written off.

4.8 Loans, advances and deposits

Loans and advances are recognized initially at fair value and subsequently measured at amortized cost after deducting allowance for uncollectable amounts, if any. Loans and advances considered irrecoverable are written off.

4.9 Cash and bank balances

Cash and bank balances consist of cash in hand and cash at banks in current accounts at amortized cost.

4.10 Taxation

The Company designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21/IAS 37.

a) Current

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and adjustment, if any, to tax payable or receivable in respect of previous years.

b) Deferred

Deferred tax is recognized using the balance sheet liability method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realization or the settlement of the carrying amounts of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit for the foreseeable future will be available against which such assets can be utilized.

c) Levy

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

4.11 Staff retirement benefits - defined contribution plan

The Company operates a recognized approved employees provident fund scheme for all permanent employees eligible for the benefit. Equal contributions are made, both by the Company and the employees, in accordance with the terms of the scheme. These contributions are transferred to a separate provident fund trust, where these are invested as per the requirements of the Act and rules made thereunder.

4.12 Trade and other payables

Liabilities for trade and other amounts payable including accrued liabilities are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

4.13 Foreign currency transaction

Transactions in foreign currencies are translated into reporting currency at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling on the reporting date. Non-monetary assets and liabilities are recorded using exchange rates that existed when the values were determined. Exchange differences on foreign currency translations are included in profit or loss.

4.14 Provisions

Provisions are recognized 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 amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.15 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 year in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.16 Revenue recognition

- Revenue is recognized at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognized on the following basis:

- Revenue from sale of goods is measured based on the consideration specified in a contract with a customer and is recognized when control of goods have been transferred to a customer at a point in time when the performance obligations are met. The transaction price of Company's contracts with customers for the sale of goods does not include any variable consideration, any significant financing component, any non cash consideration or any consideration payable to its customers. The credit term ordinarily ranges from 30 to 120 days.

4.17 Other income

- Interest income is recognized on a time-apportioned basis using the effective rate of return method.
- Gain / (loss) arising on disposal of fixed assets is recognized on the date when the transaction takes place.
- Miscellaneous income is recognized on occurrence of transactions.

4.18 Dividend and appropriation to/from reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period, in which these are approved. However, if these are approved after the reporting period but before the financial statements are authorized for issue, they are disclosed in the notes to the financial statements.

4.19 Share Capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.20 Advance against preference shares

These are carried at the amount of consideration received for issuance of preference shares in subsequent year. The terms of preference shares are disclosed in note 19.1 to these financial statements.

4.21 Earning Per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Whereas, diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.22 Deferred grant

Government grant is recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant related to an expense item, it is recognized in the statement of profit or loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

4.23 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand.

4.24 Segment reporting

For management's decision making purposes, the activities of the Company are organized into single reportable operating segment based on the similarity of the nature of the products, risks and returns, organizational and management structure, and internal financial reporting systems. Accordingly, the figures reported in the financial statements are related to the Company's only reportable segment.

Notes To The Financial Statements
For The Year Ended June 30, 2024

4.25 Restatement

During the year, the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of cash flows and earning per share as a result of this change. The impact on statement of profit or loss and other comprehensive income is as follows;

	For the year ended June 30, 2024			For the year ended June 30, 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporatin g effects of change in accounting policy
	Rupees in '000'					
Loss / profit before income tax	(7,593,679)	(201,232)	(7,794,911)	1,168,303	(263,827)	904,476
Levies	-	(201,232)	(201,232)	-	(263,827)	(263,827)
Income tax expense	2,505,114	201,232	2,706,346	(263,407)	263,827	420

5 DETAILS OF RELATED PARTIES

Followings are the names of those related parties with whom the company has made transactions during the current financial year.

Name of related parties	% of holding	Basis of relationship
Denim International (Private) Limited	-	Common Directorship
Nitro Chemical And Gases (Private) Limited	-	Common Directorship
Agha Welfare Trust	-	Key management personnel is also a Trustee of the trust
Agha Steel Industries	-	Key management personnel are also Partners of the firm
Agha Steel Industries Staff Provident Fund	-	Employees' Provident Fund

Name of related parties	% of holding	Basis of relationship
Mr. Hussain Iqbal Agha - Chief Executive (sponsor)	25%	Key management personnel
Mrs. Shazia Iqbal Agha - Chairperson	3%	Key management personnel
Mr. Raza Iqbal Agha - Director (sponsor)	24%	Key management personnel
Mr. Asif Ahmed - Director	0.00008%	Key management personnel
Mr. Muhammad Shahid - Director	0.00008%	Key management personnel
Mr. Muhammad Asif - Director	0.0093%	Key management personnel
Mr. Saeed Mirza - Director	0.0%	Key management personnel

6 PROPERTY, PLANT AND EQUIPMENT

	Note	2024	2023
		- - - - Rupees in '000' - - - -	
Operating fixed assets	6.1	31,921,242	10,154,667
Capital work in progress (CWIP)	6.4	13,654,589	11,122,713
		45,575,831	21,277,380

6.1 Operating fixed assets

Particulars	Owned Asset							Right-of-use Assets	Total
	Leasehold land	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Major spare parts and stand - by equipment	Computer	Vehicles	Vehicles	
	- - - - - Rupees in '000' - - - - -								
Year ended June 30, 2024									
Opening net book value	748,561	1,541,022	7,354,363	16,708	314,875	6,559	30,448	142,131	10,154,667
Additions	-	-	536,428	958	1,635	1,206	345	-	540,572
Revaluation	2,761,439	1,338,945	18,231,358	-	-	-	-	-	22,331,742
Impairment losses - 6.2									
Cost	-	(44,276)	(784,089)	-	-	-	-	-	(828,365)
Accumulated depreciation	-	5,078	149,486	-	-	-	-	-	154,564
		(39,198)	(634,603)						(673,801)
Transfer from CWIP	-	-	-	-	-	-	-	-	-
Transfers - net									
Cost	-	-	-	-	-	-	26,395	(26,395)	-
Accumulated depreciation	-	-	-	-	-	-	(16,246)	16,246	-
	-	-	-	-	-	-	10,149	(10,149)	-
Disposals - 6.3									
Cost	-	-	-	-	-	-	(10,053)	-	(10,053)
Accumulated depreciation	-	-	-	-	-	-	7,407	-	7,407
	-	-	-	-	-	-	(2,646)	-	(2,646)
Depreciation for the year	-	(41,039)	(271,568)	(2,635)	(78,827)	(2,457)	(8,183)	(24,583)	(429,292)
Closing net book value	3,510,000	2,799,730	25,215,978	15,031	237,683	5,308	30,113	107,399	31,921,242
As at June 30, 2024									
Cost	3,510,000	3,081,531	26,444,866	29,625	882,626	21,521	120,025	185,915	34,276,109
Accumulated depreciation	-	(281,801)	(1,228,888)	(14,594)	(644,943)	(16,213)	(89,912)	(78,516)	(2,354,867)
As at June 30, 2024	3,510,000	2,799,730	25,215,978	15,031	237,683	5,308	30,113	107,399	31,921,242

Notes To The Financial Statements
For The Year Ended June 30, 2024

Particulars	Owned Asset							Right-of-use Assets	Total
	Leasehold land	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Major spare parts and stand - by equipment	Computer	Vehicles	Vehicles	
	- - - - - Rupees in '000' - - - - -								
Year ended June 30, 2023									
Opening net book value	748,561	1,583,193	7,422,816	13,442	359,550	7,168	39,995	126,106	10,300,831
Additions	-	-	34,546	5,809	50,916	2,228	538	46,558	140,595
Transfer from CWIP	-	-	170,079	-	-	-	-	-	170,079
Transfers - net									
Cost	-	-	-	-	-	-	6,784	(6,784)	-
Accumulated depreciation	-	-	-	-	-	-	(4,292)	4,292	-
	-	-	-	-	-	-	2,492	(2,492)	-
Disposals									
Cost	-	-	-	-	-	-	(10,776)	-	(10,776)
Accumulated depreciation	-	-	-	-	-	-	5,516	-	5,516
	-	-	-	-	-	-	(5,260)	-	(5,260)
Depreciation for the year	-	(42,171)	(273,078)	(2,543)	(95,591)	(2,837)	(7,317)	(28,041)	(451,578)
Closing net book value	748,561	1,541,022	7,354,363	16,708	314,875	6,559	30,448	142,131	10,154,667
As at June 30, 2023									
Cost	748,561	1,786,862	8,461,169	28,667	880,991	20,315	103,338	212,310	12,242,213
Accumulated depreciation	-	(245,840)	(1,106,806)	(11,959)	(566,116)	(13,756)	(72,890)	(70,179)	(2,087,546)
As at June 30, 2023	748,561	1,541,022	7,354,363	16,708	314,875	6,559	30,448	142,131	10,154,667
Rate of depreciation (%)	0%	(2.5 to 3)%	(3 to 5)%	15%	25%	33%	20%	20%	

6.2 Fire Incident - Impairment losses and related insurance claim

On December 29, 2023, a fire accident occurred at the Electric Control Room (ECR) of Rolling Mill Plant. The incident caused damage to the ECR and components of Furnace and Rolling mill halting Company's production. The total carrying value of the damaged assets at the time of the fire was Rs. 673.801 million. Till the year end, the Company successfully restored the furnace production, however, restoration of rolling machinery is underway.

As a result of the fire, the Company has written down the carrying value of the damaged assets to nil resulting in an impairment loss of Rs. 673.801 million classified under "Other Expenses" in the profit or loss. This impairment loss has been recognized in the statement of profit or loss for the current year.

The Company maintains insurance coverage for its damaged assets that covers damage due to fire. The company has initiated an insurance claim of Rs. 924.663 million on the basis of replacement cost for the damaged assets having carrying value of Rs. 673.801 million. As of June 30, 2024, the Company has recognized an insurance receivable of Rs. 385 million in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

In accordance with IFRSs, the insurance compensation for the impairment of assets has been recognized only when it is virtually certain that the company will receive the compensation. Subsequent to the reporting period, the Company received confirmation from the insurer regarding settlement of the insurance claim. Accordingly, as at year end, the Company has recognized an insurance receivable of Rs. 385 million, which is included under "Other Receivables" on the statement of financial position. The expected insurance compensation is recognized as 'Other Income" in the profit or loss, as it offsets part of the impairment loss.

6.3 The details of operating fixed assets sold, having net book value in excess of Rs.500,000 each are as follows :

Description	Cost	Accumulated Depreciation	Written Down Value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Name of buyer	Relationship
	---------------- Rupees in '000'							
- Honda City MT	2,646	(1,792)	854	1,988	1,134	As per company policy	Mr. Asif	Employee
- Honda Civic 18 CVT Oriel	3,945	(2,973)	972	1,053	81	As per company policy	Colonel Nasir	Employee
2024	6,591	(4,765)	1,826	3,041	1,215			
2023	10,776	(5,516)	5,260	7,684	2,424			

	Note	2024	2023
		---- Rupees in '000'----	
6.4 Capital work in progress			
Machinery in transit	6.4.1	13,654,589	11,122,713

6.4.1 Machinery in transit

	Note	2024	2023
Opening		11,122,713	8,848,257
Additions during the year	6.4.2	1,851,677	1,763,761
Borrowing costs	6.4.3	680,199	680,774
Transfer during the year		-	(170,079)
	6.4.2	13,654,589	11,122,713

6.4.2 Represents expenditure incurred for acquisition and installation of Mi. Da. Rolling Mill under balancing modernization and replacement to enhance production capacity of Deform Steel Rebars by 400,000 metric tonnes. The management expects that these will be available for commercial production in the coming financial year.

6.4.3 The rate used to determine the amount of borrowing costs eligible for capitalisation was 10.74% (2023: 17.73%), which is the EIR of the specific borrowings.

	Note	2024	2023
		---- Rupees in '000'----	
6.5 Depreciation has been allocated as follows:			
Cost of sales	28	375,011	384,031
Administrative expenses	29	16,181	16,682
Selling and distribution costs	30	9,718	10,129
Other income - Air Separation Unit	33.1	28,382	40,736
		429,292	451,578

6.6 Had there been no revaluation, the written down value of specific classes of property, plant and equipment would have been as follows;

	2024	2023
	---- Rupees in '000'----	
Leasehold land	748,561	748,561
Buildings on leasehold land	1,460,785	1,541,022
Plant and machinery	6,984,620	7,354,363
	9,193,966	9,643,946

6.7 Particulars of immovable property in the name of the Company are as follows:

Location	Total Area (Acres)	Covered Area (Acres)
Lease hold land and building thereon Plot No. N.W.I.Z. /1/ P-133,SP-6 D-2, Port Qasim Authority, Karachi.	10	4.25*
Lease hold land Plot No. N.W.I.Z. /1/ P-133, SP-6 E-1 Port Qasim Authority, Karachi.	17	-
Corporate Office Plot no. G-19, Office # 801, 803 & 804, 8th Floor, Emerald Tower, II Talwar, Block # 5, Clifton, Karachi.	0.34	0.34

* Represents multi storey buildings.

	Note	2024	2023
		---- Rupees in '000'----	
7 INTANGIBLE ASSET			
Computer software - net book value	7.1	36,110	42,390

7.1 Computer software - net book value

	Note	2024	2023
Gross carrying amount - cost		62,800	62,800
Less: Accumulated amortization	7.1.1	(26,690)	(20,410)
Net book value		36,110	42,390

7.1.1 Accumulated amortization

	Note	2024	2023
Opening balance		20,410	14,130
Amortization during the year	29	6,280	6,280
		26,690	20,410
Amortization rates		10%	10%

8 LONG TERM DEPOSITS AND RECEIVABLE

	2024	2023
Security Deposits		
Against lease liabilities	53,595	61,855
Less: Current portion shown under current assets	(28,006)	(4,842)
	25,589	57,013
Against utilities	8,981	8,981
	34,570	65,994

	Note	2024	2023
		---- Rupees in '000'----	
Receivable - considered good			
- Unsecured			
Due from associated undertaking (related party)	8.1	383,764	419,144
Less: Current portion shown under current assets	10	(30,974)	(35,675)
		352,790	383,469
		387,360	449,463

8.1 Represents receivable from Agha Steel Industries - an associated undertaking on account of deferred tax liability recorded in the books of the Company upon acquisition of net assets of the associated undertaking by the Company as related tax benefits were already availed by the associated undertaking. As per addendum to the business transfer agreement, the associated undertaking will pay the amount to the extent of payment of tax to be made in subsequent years by the Company on yearly basis against the aforementioned deferred tax liability. Maximum aggregate amount outstanding at any month end was Rs. 419.144 (2023: Rs. 460.650) million. It carries markup 3 months KIBOR + 1% per annum (2023: 3 months KIBOR + 1%).

9 STOCK-IN-TRADE

	Note	2024	2023
		---- Rupees in '000'----	
Raw materials		685,664	4,803,583
Raw materials in transit		825,017	889,304
Work in process	9.1	733,457	2,703,979
Finished goods	9.1	1,301,068	2,042,997
		3,545,206	10,439,863

9.1 As at year end, the Company performed an assessment of its inventory in accordance with IAS 2 - Inventories. As a result of this assessment, certain items of stock-in-trade (work in process and finished goods) were written down to their net realizable value (NRV).

The write-down of stock-in-trade was necessary due to gross losses incurred during the year as a result of fire incident halting the production activities fully disclosed in note 6.2 to these financial statements and increase in paroduction costs. The NRV of these items was determined to be lower than their original cost.

The total inventory write-down of Rs. 959.001 million relates to work in process (billets) and finished goods (deformed bars) and has been recognized in the statement of profit or loss for the current year ended June 30, 2024 under "Other Expenses." The carrying amount of the inventories after the write-down are as follows;

	Note	2024	2023
		---- Rupees in '000'----	
Work in process			
Cost		1,141,684	-
Provision for write down to NRV	32	408,227	-
		733,457	-
Finished goods			
Cost		1,851,842	-
Provision for write down to NRV	32	550,774	-
		1,301,068	-
		2,034,525	-

The NRV measurement of inventory is carried at June 30, 2024 by an independent valuer Messer MYK Associates. The NRV was determined based on the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

10 TRADE AND OTHER RECEIVABLES

	Note	2024	2023
		---- Rupees in '000'----	
- Considered good			
Trade receivables from contracts with customers		4,482,654	5,005,501
Allowance for expected credit losses	10.1	(1,245,142)	(449,087)
		3,237,512	4,556,414
- from associated undertakings			
- markup	10.2 & 33	93,369	79,105
- current maturity of long term receivable	8	30,974	35,675
- sales tax	10.3	277,601	277,601
		401,944	392,381
Other receivables			
Insurance claim receivable	6.2 & 33	385,000	-
		4,024,456	4,948,795

10.1 Allowance for expected credit losses

	2024	2023
Opening	449,087	366,004
Impairment losses recognized during the year - net	796,055	83,083
Closing	1,245,142	449,087

10.2 Represents markup on receivable from Agha Steel Industries (related party) amounting to Rs. 93.369 (2023: 79.105) million, respectively, at the interest rate disclosed in note 8 to these financial statements. The maximum aggregate amount outstanding at any , end was Rs. 93.369 (2023: 79.105) million respectively. The outstanding amount at the reporting date is not past due.

10.3 Represents receivable from M/s. Agha Steel Industries (related party) on account of sales tax refundable which will be transferred to the Company once refund is allowed to related party. Maximum aggregate amount outstanding at any month end was Rs. 277.601 (2023: Rs. 449.837) million. Further, the outstanding amount is past due for more than one year but not impaired as the management, based on the advice of its tax counsel is confident for the recovery of full amount.

11 LOANS AND ADVANCES

	Note	2024	2023
		---- Rupees in '000'----	
- Considered good			
Loans			
- to employees	11.1	24,141	5,599
		24,141	5,599
Advances			
- against supplies		2,145,197	1,299,057
- against sales tax		583,017	510,690
		2,728,214	1,809,747
		2,752,355	1,815,346

11.1 Represents interest free loans given to executives and other employees of the Company for their personal use in accordance with their terms of employment. These loans are to be repaid over a period of one year in equal monthly installments and are secured against the post employment benefits.

	Note	2024	2023
12 DEPOSITS		---- Rupees in '000'----	
- Deposits against			
Current portion of lease liabilities	8	28,006	4,842
Containers		100	-
Rent		-	5,394
Earnest money		1,126	2,774
Others		3,831	4,622
		33,063	17,632
13 TAX REFUNDS DUE FROM GOVERNMENT			
Income tax refundable	13.1	524,053	540,924
13.1 Income tax refundable			
Opening		540,924	500,242
Refund during the year		(92,599)	-
Paid during the year		299,673	369,634
Prior year tax (charge) / credit	35	(22,713)	19,460
Current tax	35	(201,232)	(276,170)
Adjustment of WWF		-	(72,242)
Closing		524,053	540,924
14 CASH AND BANK BALANCES			
Cash in hand		5,412	3,439
Cash at banks			
Current accounts		226,212	80,436
Deposit account	14.1	7,510	3,420
		233,722	83,856
		239,134	87,295

14.1 Deposit account carries profit ranging from 2.95% to 20.50% (2023: 3.9% to 5.03%) per annum.

15 SHARE CAPITAL

15.1 Authorized Capital

2024	2023		2024	2023
--- Number of shares ---			---- Rupees in '000'----	
9,250,000	6,250,000	Ordinary shares of Rs. 10 each	9,250,000	6,250,000
1,000,000	-	Preference shares of Rs. 10 each	1,000,000	-
10,250,000	625,000,000		10,250,000	6,250,000

	2024	2023
	---- Rupees in '000'----	
15.1.1 Movement in Authorized capital		
Opening	6,250,000	6,250,000
Increased during the year:		
Ordinary Shares	3,000,000	-
Preference Shares	1,000,000	-
Closing	10,250,000	6,250,000

15.1.2 Subsequent to member's approval in the general meeting dated 23rd June 2023 and completion of related statutory formalities during the year, the Company has increased its authorized capital by 3,000,000 ordinary shares having face value of Rs. 10 each and 1,000,000 preference shares having face value of Rs. 10.

15.2 Issued, subscribed and paid up capital

2024	2023		Note	2024	2023
--- Number of shares ---				---- Rupees in '000'----	
		Ordinary shares of Rs. 10 each			
1,000,000	1,000,000	fully paid in cash		10,000	10,000
360,401,293	360,401,293	for other than cash	15.3	3,604,013	3,604,013
94,674,000	94,674,000	for other than cash	15.4	946,740	946,740
120,000,000	120,000,000	fully paid in cash	1.2	1,200,000	1,200,000
28,803,765	28,803,765	bonus shares		288,038	288,038
604,879,058	604,879,058		15.5 & 15.6	6,048,791	6,048,791

15.3 Represents ordinary shares issued by the Company to the partners of M/s. Agha Steel Industries (the Firm), who are also directors of the Company, for acquisition of net assets of the Firm in accordance with the Business Transfer Agreement dated June 01, 2017.

15.4 Represents ordinary shares issued last year against conversion of directors' loan amounting to Rs. 946.740 million.

15.5 The ordinary share holders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares, as and when declared by the Company. All shares carry one vote per share without restriction.

	Note	2024	2023
		---- Number of shares ----	
15.6 Shares held by the related parties of the Company			
Name of the shareholders			
Mr. Hussain Iqbal Agha - Chief Executive		151,952,057	155,552,057
Mrs. Shazia Iqbal Agha - Chairperson		18,856,625	18,856,625
Mr. Raza Iqbal Agha - Director		145,551,502	147,201,502
Mr. Muhammad Asif - Director		56,194	56,194
Mr. Asif Ahmed - Director		500	-
Mr. Shahid - Director		500	-

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
16 CAPITAL RESERVE			
Share premium		2,126,687	2,126,687
17 SURPLUS ON REVALUATION OF FIXED ASSETS - NET			
Leasehold land			
Opening		-	-
Surplus on revaluation during the year		2,761,439	-
	A	2,761,439	-
Buildings on leasehold land			
Opening		-	-
Surplus on revaluation during the year		1,338,945	-
	B	1,338,945	-
Plant and machinery			
Opening		-	-
Surplus on revaluation during the year		18,231,359	-
	C	18,231,359	-
	D=B+C	19,570,304	-
Related deferred tax liability			
Opening		-	-
Surplus on revaluation of depreciable fixed assets during the year		(5,675,388)	-
	E	(5,675,388)	-
	F=D+E	13,894,916	-
	A+F	16,656,355	-

17.1 On June 28, 2024, the Company decided to measure leasehold land, buildings on leasehold land and plant and equipment using the revaluation model. The fair value of these assets are determined by an independent professionally qualified valuer namely Messer's Iqbal A. Nanjee & Co. (Pvt) Ltd & MYK Associates. The fair value of the revalued assets was determined based on the market comparable approach that reflects recent transaction prices for similar properties. The fair values and forced sales values of underlying revalued assets are as follows;

	Market value	Surplus on revaluation	Forced sale value
	- - - - - - - - - - - - Rupees in '000' - - - - - - - - - - -		
Leasehold Land	3,510,000	2,761,439	2,808,000
Buildings on leasehold land	2,799,730	1,338,945	2,026,506
Plant and machinery	25,215,978	18,231,358	15,129,587
	31,525,708	22,331,742	19,964,093

17.2 The revaluation surplus is recognized on June 30, 2024, therefore, the impact of incremental depreciation is not accounted for in these financial statements.

Notes To The Financial Statements
For The Year Ended June 30, 2024

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
18 LONG TERM BORROWINGS			
Secured			
- From banking companies			
- Conventional			
Samba Bank Limited - TF	18.2	150,000	200,000
United Bank Limited - NIDF	18.3	29,188	87,500
JS Bank Limited - TERF	18.4	485,847	491,105
JS Bank Limited - STFF	18.5	2,459,291	2,450,794
Askari Bank Limited - STFF	18.6	1,307,957	1,565,584
		4,432,283	4,794,983
- Shariah compliant			
Meezan Bank Limited - IFRE	18.7	115,388	124,744
Sukuk certificates I	18.8	-	3,416,882
Sukuk certificates II	18.9	3,374,999	-
		3,490,387	3,541,626
		7,922,670	8,336,609
Less: Current portion & overdue amount shown under current liabilities	25	(1,553,001)	(4,112,669)
		6,369,669	4,223,940
Less: On demand portion due to breach of covenants	18.1	(6,369,669)	-
		-	4,223,940

18.1 During the year, the Company due to financial constraints as fully disclosed in note 2 to these financial statements could not make repayments of bank borrowings on due dates and also breached both financial and non financial covenants stipulated with the underlying loan agreements which may attract any penal repurcussions in accordance with the respective loan agreements, however, the Company actively started negotiations with its lenders to restructure both its long-term and short-term loans, excluding the TERF and IFRE facilities. The proposed restructuring plan spans nine years, including a two-year grace period starting in January 2025. Till the reporting date, the Master Restructuring Agreement (MRA) had not been finalized or signed; therefore, its impact has not been reflected in these financial statements. Since, the Company at year end did not have an unconditional right to defer its settlement for at least twelve months, accordingly, non current portion of long term borrowings is classified as current liabilities under current portion of non current liabilities (refer note 24) in accordance with the requirement of para 69 of IAS 1 - Presentation of Financial Statements.

18.2 Represents term finance facility (TF) up to Rs. 500 million from commercial bank to finance capital expansion project including civil works / retire machinery LCs. The loan is secured by first/joint pari passu hypothecation charge over present and future fixed assets (building, plant and machinery) amounting to Rs. 667 million. The facility carries mark-up at average 3 months KIBOR + 0.75% per annum.

The outstanding amount as at June 30, 2024 is repayable in 6 quarterly installments (including over due payments which was extended by bank for a period of 6 months) starting from July 01, 2024 and latest by October 01, 2025.

18.3 Represents term finance facility (NIDF) up to Rs. 455 million from commercial bank for enhancement of production capacity. The loan is secured by equitable mortgage amounting to Rs. 667 million over land, building, plant and machinery. The loan carries mark-up at 3 months KIBOR + 1% per annum.

The outstanding amount as at June 30, 2024 is repayable in 2 equal quarterly installments starting from September 04, 2024 and latest by December 04, 2024.

18.4 Represents the loan obtained under SBP temporary economic refinance facility (TERF) up to Rs. 500 million from a commercial bank for import of machinery. The loan is secured by joint pari passu charge over fixed assets of the Company amounting to Rs. 667.67 million with 25% margin and personal guarantees of executive directors. The loan carries mark-up at SBP LTFF rate (1%) + 4% per annum.

One quarterly installment of Rs. 2.601 million was overdue as at year end which is paid subsequent to the year end.

The facility is disbursed in separate tranches and each disbursement to be treated as a separate loan. The outstanding amount as at June 30, 2024 is repayable in equal quarterly installments starting from July, 2024 and latest by January 2031.

18.5 In 2023, the company has obtained a syndicated term finance facility (STFF) up to Rs. 2,500 million (inclusive of green shoe option of up to Rs. 500 million) for a period of six years (inclusive of 2 years grace period) from banking companies for the purpose of funding suppliers credit which was temporarily repaid through bridge financing and partial financing of CAPEX. The loan is secured against mortgage charge (1st pari passu equitable mortgage Charge) on land with 25% margin and 1st pari passu hypothecation charge over all present & future non-current assets (excluding Land & Building) with 25% margin, lien and set off rights over accounts opened and personal guarantees of the sponsor directors. It carries mark-up at average 3 months KIBOR plus 1.5 percent per annum that is repayable on quarterly basis. The Company has incurred transaction cost of Rs. 53 million to obtain the STFF.

The outstanding amount is repayable in 16 quarterly installments starting from March 31, 2025 and latest by March 31, 2029.

18.6 Represents syndicated term finance facility (STFF) up to Rs. 1,750 million for a period of five years (inclusive of 1 year grace period) from banking companies for the purpose of conversion of short term debt into long term debt and partial financing of CAPEX. The loan is secured against 1st pari passu charge over all present and future fixed assets with 25% margin, lien over selected accounts and debt payment account and personal guarantees of all sponsors. It carries mark-up at 3 months KIBOR plus 1.35 percent per annum. The Company has incurred transaction cost of Rs. 21.47 million to issue said certificates.

Two quarterly installments for the year ended June 30, 2024, totaling Rs. 262.5 million, were overdue and were not paid during the period due to the company's financial constraints as fully disclosed in note 2 to these financial statements.

The outstanding amount is repayable in 8 quarterly installments (Excluding Over due payments) of Rs. 131.25 million each starting from September 30, 2024 and latest by June 30, 2026.

18.7 Represents Islamic financing facility up to Rs. 124.74 million for renewable energy (IFRE) for purchase of Solar Panel of 2.25 MW from an Islamic Bank. The loan is secured against registered Joint Pari Passu Charge of Rs. 213 million over fixed assets (Land, Building, Plant and Machinery) at Plot # NWIZ/1/P133 (SP-6) D-2, PQA, Karachi and personal guarantee of all directors except independent directors. The loan carries profit at IFRE base rate + 2% per annum with floor and cap of 3% and 35%.

One quarterly installment for the year ended June 30, 2024, of Rs. 3.118 million, was overdue and was not paid during the period due to the company's financial constraints as fully disclosed in note 2 to these financial statements.

The outstanding amount is repayable in 36 quarterly installments (Excluding Overdue payment) starting from July, 2024 and latest by April, 2034.

18.8 During the year, the Company has fully repaid the outstanding amount of sukuk certificates by converting it into a new loan facility of shariah compliant privately placed sukuk under islamic diminishing musharaka (or other islamic mode) amounting to Rs. 3,400 million as disclosed in note 18.9 to these financial statements.

18.9 During the year, the Company has obtained a shariah compliant privately placed rated sukuk certificates aggregating to Rs. 3,400 million having face value of Rs. 10,000/- each for a period of 4 years (inclusive of 1.5 years grace period) for the purpose of settlement of existing long term debt (Sukuk I) and partial working capital financing. These carry profit at average 3 months KIBOR plus 80 basis points per annum and is secured against first pari passu hypothecation charge over all present and future fixed assets and immovable property amounting to Rs. 6,667 million. The outstanding amount at year end is repayable in 10 equal quarterly installments starting from April, 2025 and latest by July, 2027. The Company has incurred transaction cost of Rs. 35.085 million to issue said certificates.

19 ADVANCE AGAINST PREFERENCE SHARES

	Note	2024	2023
		---- Rupees in '000'----	
Opening		500,000	-
Received during the year		250,000	500,000
Closing	19.1	750,000	500,000

19.1 During the year, advance of Rs. 250 million is received from sponsoring directors who have offered to subscribe to the issuance of unlisted redeemable cumulative non-convertible non-voting preference shares carrying preferential dividend at the rate of 6 months KIBOR plus 50 basis points per annum having face value of Rs. 10 each duly approved by the members of the Company in the annual general meeting held on October 16, 2023. The preference shares will be issued subsequent to compliance with applicable laws and necessary approvals of SECP.

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
20 LEASE LIABILITIES			
- Secured			
Opening		143,158	139,395
Paid during the year		(30,104)	(35,499)
Terminated during the year		(13,020)	(3,689)
Obtained during the year		-	42,951
		100,034	143,158
Less: Current portion shown under current liabilities	25	(27,366)	(34,437)
	20.1	72,668	108,721

20.1 Represents lease agreements entered into with the banking company for auto leasing. These carry markup at six month average KIBOR + 1%. Lease rentals are payable in monthly installments. At the end of lease term, the Company has an option to acquire the assets, subject to adjustment of security deposits. These, along with other facilities from the same banking company as disclosed in note 24.1 to these financial statements, have been secured against Joint pari passu hypothecation charge of Rs. 6,330 million over moveables and receivables, joint pari passu equitable mortgage charge of Rs. 2,466.67 million over plot no. NWIZ/1/P-133 (SP-6) D-2, first equitable mortgage charge of Rs. 2,500 million over plot no. SP-6 / E-1, personal guarantees for Rs. 9,000 million from directors and corporate guarantee of Rs. 7,000 million.

The amount of future payments of the leases and the periods in which these payments will become due are as follows:

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
Minimum lease payment			
Up to one year		34,172	44,731
More than one year but not later than 5 years		77,892	121,354
		112,064	166,085
Financial charges			
Up to one year		6,806	10,294
More than one year but not later than 5 years		5,224	12,633
		12,030	22,927
Present value of minimum lease payments			
Up to one year		27,366	34,437
More than one year but not later than 5 years		72,668	108,721
		100,034	143,158
Current portion shown under current liabilities		(27,366)	(34,437)
		72,668	108,721

21 DEFERRED LIABILITY

	Note	2024	2023
Deferred taxation - net	21.1	4,010,148	1,063,819

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
21.1 Deferred taxation - net			
This comprises of the following: -			
Taxable temporary difference			
Accelerated tax depreciation		1,565,311	1,535,106
Long term financing		-	4,531
Revaluation Surplus		5,675,388	-
		7,240,699	1,539,637
Deductible temporary differences			
Alternate corporate tax - TY 2020		(40,241)	(40,241)
Normal business losses - TY 2024		(1,707,584)	-
Unabsorbed tax depreciation - TY 2024		(206,195)	-
Minimum tax - TY 2022, 2023 and 2024		(608,320)	(263,826)
Liabilities against assets subject to finance lease		(29,010)	(41,516)
Provision for NRV		(278,110)	-
Expected credit loss		(361,091)	(130,235)
		(3,230,551)	(475,818)
		4,010,148	1,063,819

22 TRADE AND OTHER PAYABLES

	Note	2024	2023
Trade creditors		32,974	14,986
Bills payable		236,162	494,780
Advance from customers - unsecured		152,124	-
Retention payables		4,509	4,509
Accrued liabilities		139,226	127,379
Payables to provident fund	37	2,813	2,720
Workers welfare fund payable	22.1	14,693	20,174
Workers profit participation fund payable	22.2	62,874	163,468
Withholding tax payable		173	1,370
		645,548	829,386

22.1 Workers welfare fund payable

	Note	2024	2023
Opening		20,174	77,242
Provision during the year	32	-	6,297
Paid during the year		(9,000)	-
Adjustment with income tax refund - TY 2020		-	(72,242)
Markup on unpaid WWF		3,519	8,877
		14,693	20,174

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
22.2 Workers profit participation fund payable			
Opening		163,468	157,181
Paid during the year		(104,374)	(67,300)
Provision during the year	32	-	61,821
Markup on unpaid WPPF		3,780	11,766
		62,874	163,468
23 ACCRUED MARKUP	23.1	3,193,826	807,704

23.1 Includes overdue portion of markup amounting to Rs. 1,555.104 million (2023: nil) out of which Rs. 743.294 million pertains to long term borrowings and Rs. 811.810 million pertains to short term borrowings.

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
24 SHORT TERM BORROWINGS			
- From banking companies			
- Secured			
Running Finance			
- Conventional banks			
- Bank Al Habib Limited		2,198,376	1,838,664
- Bank Alfalah Limited		199,844	198,114
- Askari Bank Limited		1,014,936	515,000
- United Bank Limited		842,050	250,000
- Samba Bank Limited		300,000	299,847
- Habib Metro Bank Limited		246,579	229,748
- Habib Bank Limited		399,866	94,612
- MCB Bank Limited		296,285	297,131
- Bank of Punjab		100,000	100,000
- JS Bank Limited		99,804	96,592
- National Bank Limited		250,000	250,000
	24.1	5,947,740	4,169,708
- Islamic bank			
- Dubai Islamic Bank Limited		50,000	50,000
- MCB Islamic Bank Limited		200,000	200,000
		250,000	250,000
	24.1	6,197,740	4,419,708
Finance against Trust Receipt (FATR)			
- Conventional banks			
- Habib Bank Limited		909,678	1,201,480
- Bank Alfalah Limited		598,408	365,280
- United Bank Limited		-	836,858
- Habib Metro Bank Limited		487,965	456,063
- Samba Bank Limited		686,280	504,294

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
- JS Bank Limited		599,776	458,377
- MCB Bank Limited		400,483	184,929
- Bank Al Habib Limited		997,668	993,691
- Bank of Punjab		876,479	1,110,517
- Bank of Khyber		-	119,989
- National Bank Limited		749,969	-
- Askari Bank Limited		900,916	1,339,036
	24.2	7,207,622	7,570,514
- Islamic bank			
- Meezan Bank Limited - Istasna		375,339	571,756
- MCB Islamic Bank Limited		164,320	164,982
- Dubai Islamic Bank Limited		187,631	200,109
- Faysal Bank Limited	26.3	650,000	701,217
- Allied Bank Islamic Banking		244,314	89,355
- Bank Islami Limited		199,885	-
	24.2	1,821,489	1,727,419
LDBP - Bank Al Habib Limited	24.3	-	11,218
	24.4	15,226,851	13,728,859

24.1 Details of Running Financing are as follows:

Name of Bank	Purpose	Security	Markup Rate	Available Limit (Rs.)	Unavailed Limit (Rs.)	Overdue Portion - note 23.1.1 (Rs.)
CONVENTIONAL						
Bank Al Habib Limited	For working capital requirements	Joint pari passu hypothecation charge of Rs. 6,330 million over moveables and receivables, joint pari passu equitable mortgage charge of Rs. 2,500 million over plot no. NWIZ/1/P-133 (SP-6) D-2, first equitable mortgage charge of Rs. 2,500 million over plot no. SP-6 / E-1, personal guarantees for Rs. 9,000 million from directors and corporate guarantee of Rs. 7,000 million.	1month KIBOR plus 0.85 % p.a	2,248.44 (2023: 1,900) million	50.06 (2023: 61.34) million	Nil (2023: Nil) million
Bank Alfalah Limited	For working capital requirements	Joint pari passu hypothecation charge over stocks and receivables of Rs. 1,067 million, and personal guarantees of all directors.	1 month KIBOR plus 1.25% p.a	200 (2023: 200) million	0.16 (2023: 1.89) million	Nil (2023: Nil) million
Askari Bank Limited	For working capital requirements	1st pari passu charge of Rs. 2,733.34 million on all present and future current assets of the company along with personal guarantees of all the directors.	1 month KIBOR plus 1.25% p.a	515 (2023: 515) million	0.06 (2023: Nil) million	Nil (2023: Nil) million
	To bridge the Cash flow Gap	Joint pari passu hypothecation charge of Rs. 2,734 million over present and future current assets of the company	1 month KIBOR plus 1.00% p.a	500 (2023: Nil) million	Nil (2023: Nil) million	500 (2023: Nil) million
United Bank Limited	For working capital requirements	Joint pari passu hypothecation charge of Rs. 1,600 million over stocks and receivables with 25% margin, and personal guarantees of all the directors.	1 month KIBOR plus 1% p.a	842.050 (2023: 250) million	Nil (2023: Nil) million	Nil (2023: Nil) million
Samba Bank Limited	For working capital requirements	First pari passu/Joint pari passu charge over present and future current assets amounting to 1,334 million with 25% margin, personal guarantees of all the sponsor directors and trust receipts.	1 month KIBOR plus 1.20% p.a	300 (2023: 300) million	Nil (2023: 0.154) million	Nil (2023: Nil) million

Habib Metro Bank Limited	For working capital requirements	1st pari passu hypothecation over current assets of Rs. 1,333.34 million with 25% margin duly registered with SECP and personal guarantees of all directors.	3 month KIBOR plus 0.75% p.a	250 (2023: 300) million	3.42 (2023: 70.25) million	Nil (2023: Nil) million
Habib Bank Limited	For working capital requirements	Joint pari passu charge over stocks and receivables with 25% margin amounting to Rs. 2133.33 million and personal guarantees of directors.	1 month KIBOR plus 1.25% p.a	100 (2023: 100) million	0.13 (2023: 5.39) million	Nil (2023: Nil) million
	For Adjustment of existing exposure at BAHL	Joint pari passu hypothecation charge over present and future stocks and receivables amounting to Rs. 2133.33 million with 25% margin and personal guarantees of directors.	6 month KIBOR plus 1.00% p.a	300 (2023: Nil) million	Nil (2023: Nil) million	Nil (2023: Nil) million
MCB Bank Limited	For working capital requirements	1st Joint pari passu charge over all future and current assets amounting to Rs. 300 million with 25 % margin duly registered with SECP.	3 month KIBOR plus 0.5% p.a	300 (2023: 300) million	3.72 (2023: 2.87) million	Nil (2023: Nil) million
Bank of Punjab	For working capital requirements	Joint pari passu charge over all future and current assets amounting to Rs. 133.33 million with 25 % margin duly registered with SECP and personal guarantees of directors.	3 month KIBOR plus 1.25% p.a	100 (2023: 100) million	Nil (2023: Nil)	Nil (2023: Nil) million
JS Bank Limited	For working capital requirements	Joint pari passu charge over stocks and receivables amounting to Rs. 934 million inclusive of 25% margin and personal guarantees of all directors.	3 month KIBOR plus 1.25% p.a	100 (2023: 100) million	0.2 (2023: 3.41) million	Nil (2023: Nil) million
National Bank of Pakistan	For working capital requirements	1st Joint pari passu hypothecation charge over the current assets with 25% margin amounting to Rs. 1333.334 million.	3 month KIBOR plus 1% p.a	250 (2023: 250) million	Nil (2023: Nil) million	Nil (2023: Nil) million
ISLAMIC						
Dubai Islamic Bank	For working capital requirements	Joint pari passu hypothecation charge over stocks and receivables with 25% margin amounting to Rs. 333.334 million and personal guarantees of all sponsor directors.	Matching KIBOR plus 1.15% p.a	50 (2023: 50) million	Nil (2023: Nil)	Nil (2023: Nil) million
MCB Islamic Bank Limited	For working capital requirements	Joint pari passu hypothecation charge over stocks and receivables of the company with 25% margin and personal guarantees of all sponsor directors.	3 month KIBOR plus 1.25% p.a	200 (2023: 200) million	Nil (2023: Nil) million	Nil (2023: Nil) million

24.1.1 Overdue portions mentioned in note 23.1 does not include loans repayable on demand.

24.2 Details of FATR are as follows:

Name of Bank	Purpose	Security	Markup Rate	Available Limit (Rs.)	Unavailed Limit (Rs.)	Overdue Portion (Rs.)
CONVENTIONAL						
Habib Bank Limited	Retirement of LC / Contract (sight) import bills of HBL only	Joint pari passu hypothecation charge over present and future stocks and receivables amounting to Rs. 2133.33 million with 25% margin and personal guarantees of directors.	Matching tenor KIBOR plus 1% p.a	1200 (2023: 1201.48) million	290.322 (2023: Nil) million	909.68 (2023: Nil) million
Bank Alfalah Limited	Retirement of import documents under SLC	Trust receipt for FATR and accepted draft backed by TR for acceptance of Rs. 800 million and personal guarantees of all executive directors.	1 month KIBOR plus 1.25% p.a	600 (2023: 370) million	1.592 (2023: 4.72) million	598.41 (2023: Nil) million
United Bank Limited	Retirement of sight letter of credits issued through UBL only	Joint pari passu hypothecation charge over stocks and receivables amounting to Rs. 1,000 million, with 25% margin trust receipt duly executed in favour of UBL and personal guarantees of all the sponsor directors.	1 month KIBOR plus 1.5% p.a	Nil (2023: 950) million	Nil (2023: 113.14) million	Nil (2023: Nil) million
Habib Metro Bank Limited	Retirement of import bills under LC sight of HMBL only	Joint pari passu hypothecation charge over stocks and receivables amounting to Rs. 1,333.33 million with 25% margin duly registered with SECP and personal guarantees of all the sponsor directors.	Relevant KIBOR plus 0.75% p.a	500 (2023: 550) million	12.04 (2023: 94.27) million	487.97 (2023: Nil) million

Samba Bank Limited	Retirement of import LCs established at SBL's counters and others	First pari passu/Joint pari passu charge over present and future current assets amounting to 1,334 Millions with 25% margin, personal guarantees of all the sponsor directors and Trust Receipts.	1 month KIBOR plus 1.20 % p.a	700 (2023: 700) million	13.72 (2023: 195.71) million	323.06 (2023: Nil) million
JS Bank Limited	Retirement of LCs established by JS Bank, except for spare parts	Joint pari passu hypothecation charge over stocks and receivables amounting to Rs. 934 million and personal guarantees of all executive directors.	3 month KIBOR plus 1.25% p.a	600 (2023: 550) million	0.224 (2023: 91.62) million	Nil (2023: Nil) million
MCB Bank Limited	Retirement of import documents under LC sight established through MCB.	1st Joint pari passu hypothecation charge over all present and future stocks and receivables of Rs. 933.334 million duly registered with SECP and Trust Receipts favouring in the name of MCB.	3 month KIBOR plus 0.5% p.a	700 (2023: 200) million	299.517 (2023: 15.07) million	400.48 (2023: Nil) million
Bank Al Habib Limited	Retirement of import documents under LC sight, foreign/local, contract (sight) and open account documents (sight).	Joint pari passu hypothecation charge of Rs. 6,330 million over moveables and receivables, joint pari passu equitable mortgage charge of Rs. 2,466.67 million over plot no. NWIZ/1/P-133 (SP-6) D-2, first equitable mortgage charge of Rs. 2,500 million over plot no. SP-6/ E-1, personal guarantees for Rs. 9,000 million from directors and corporate guarantee of Rs. 7,0000 million.	6 months average KIBOR + 0.85%	1000 (2023: 1000) million	2.33 (2023: 6.31) million	512.03 (2023: Nil) million
The Bank of Punjab	Retirement of documents under import LC's through BOP counter	Joint pari passu charge over all present & future current assets with 25% margin duly registered in SECP and total charge amounting to 1,334 million and Trust receipt.	3 month KIBOR plus 1.25 % p.a	900 million (2023: 900)	23.52 (2023: Nil)	Nil (2023: Nil) million
The Bank of Khyber	Retirement of import LC sight established through BOK	Joint pari passu charge over all present and future current assets with 25% margin, personal guarantees of all sponsor directors, separate insurance policy or endorsement in favour of BOK for Hypothecated stock and letter of Trust.	3 month KIBOR plus 1% p.a	Nil (2023: 200) million	Nil (2023: 80.01) million	Nil (2023: Nil) million
National Bank of Pakistan	Retirement of documents under import LC's.	1st Joint pari passu hypothecation charge over the current assets with 25% margin amounting to Rs. 1333.334 million and trust receipts duly executed in favour of NBP.	3 month KIBOR plus 1.0% p.a	750 (2023: Nil) million	0.031 (2023: Nil) million	749.969 (2023: Nil) million
Askari Bank Limited	Retirement of import documents	Joint pari passu hypothecation charge of Rs. 2,734 million over present and future of stocks and receivables with 25% margin and personal guarantee of directors.	1 month KIBOR plus 1.00 % p.a	910 (2023: 1,410) million	9.084 (2023: 70.96) million	900.92 (2023: Nil) million
ISLAMIC						
Meezan Bank Limited	To facilitate in manufacturing of billets/bars	Joint pari passu hypothecation charge over stocks and receivables of Rs. 1,334 million duly registered with SECP, and personal guarantees of all directors.	6 month KIBOR plus 1% p.a	1,000 (2023: 1,000) million	625.66 (2023: 429) million	Nil (2023: Nil) million
MCB Islamic	To facilitate purchase of raw material including spare parts and to retire LC documents for murabaha import.	Joint pari passu hypothecation charge over stocks and receivables of company with 25% margin, and personal guarantees of all directors.	3 month KIBOR plus 1.25% p.a	165 (2023: 165) million	0.68 (2023: 0.02) million	164.32 (2023: Nil) million
Dubai Islamic Bank Limited	To facilitate purchase of goods under Sight Import LC to be established by DIBL	First Joint pari passu hypothecation charge over stocks, receivables with 25% margin, amounting to Rs. 333.334 million, Lien over import documents and personal guarantees all sponsor directors.	Matching KIBOR plus 1.15%	250 (2023: 200.11) million	62.37 (2023: Nil) million	115.18 (2023: Nil) million

Faysal Bank Limited	To facilitate Retirement of Sight LCs only	Joint pari passuhypothecationchargeover stocks and receivables amounting to Rs. 2,000 million accepted trust receipt and personal guarantees of sponsor directors.	Relevant KIBOR plus 1.0 % p.a	750 (2023: 750) million	100 (2023: 48.780) million	650.00 (2023: Nil) million
Allied Bank Islamic Banking	Retirement of foreign LCs/ contracts only.	Joint pari passuhypothecationchargeover stocks and receivables of Rs. 1,067 million and personal guarantees of all executive directors.	Relevant KIBOR+ 0.9%	500 (2023: 500) million	255.686 (2023: 410.64) million	147.16 (2023: Nil) million
Bank Islami Limited	Retirement of Sight LCs only established through BIPL's counter.	Joint pari passuchargeover currentassetsof amounting to Rs. 1,200 million, along with 25% margin and personal guarantees of all executive directors.	Relevant KIBOR plus 1.25 % p.a	200 (2023: 500) million	0.12 (2023: 500) million	Nil (2023: Nil) million

24.3 LDBP - Bank Al Habib Limited

Name of Bank / Facility	Purpose	Security	Markup Rate	Available Limit (Rs.)	Unavailed Limit (Rs.)	Overdue Portion (Rs.)
Bank Al Habib Limited - Local documentary bills purchased	To finance usance period of local bills sent on collection	Joint pari passu hypothecation charge of Rs. 6,330 million over moveables and receivables, joint pari passu equitable mortgage charge of Rs. 2,466.67 million over plot no. NWIZ/1/P-133 (SP-6) D-2, first equitable mortgage charge of Rs. 2,500 million over plot no. SP-6 / E-1, personal guarantees for Rs. 9,000 million from directors and corporate guarantee of Rs. 7,0000 million.	Corresponding tenure KIBOR plus 1% p.a	Nil (2023: 1200) million	Nil (2023: 1188.782) million	Nil (2023: Nil) million

24.4 Short term borrowings includes overdue portion of Rs. 6,459.179 million (2023: Nil).

25 CURRENT AND OVERDUE PORTION OF NON-CURRENT LIABILITIES	Note	2024	2023
		---- Rupees in '000'----	
Long term borrowings			
- on demand portion		6,369,669	-
- overdue portion		318,220	-
- current portion		1,234,781	4,112,669
	18	7,922,670	4,112,669
Current portion of lease liabilities	20	27,366	34,437
		7,950,036	4,147,106

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

The Company has filed a Constitutional Petition (CP no. D-2253/2020) before the Honourable High Court of Sindh challenging the illegal and retrospective charge of the Industrial Support Package Adjustment (ISPA) from July 2019 onwards from industrial consumers which was through Corrigendum by the Ministry of Energy dated 22.01.2020 issued on the basis of SRO No. 810(I)/2019. In September 2020, the Honourable High Court of Sindh disposed off the said petition and passed the direction whereby the said Corrigendum was declared illegal and void ab initio, but the aforementioned SRO was upheld. Thereafter, being aggrieved by the decision, the Company has filed a Civil petition for Leave of Appeal (CPLA's) with the honourable Supreme Court of Pakistan impugning the aforesaid judgment. In November 2020, the SCP granted leave in the CPLA's and passed an interim order suspending the effect of the impugned judgment. On March 17, 2022, the Apex Court dismissed the appeal of K Electric, whereby, the Chief Justice of Pakistan verbally announced the dismissal in open court, however, in the written order the Court decided that the matter shall be listed for re-hearing.

On January 19, 2023, the matter was re-heard whereafter the appeals of K-electric were allowed and the appeals of the consumers were dismissed and the matter of adjustment consequent to SRO 810 was referred to NEPRA for its determination and issuance of a schedule of tariff amending the uniform tariff for K-electric. Against the judgment, the company has filed a review petition in the honourable Supreme Court of Pakistan but the same has not been fixed for hearing as of the reporting date.

The management based on the advice of its legal adviser expects that the Company is not liable to pay the sums retrospectively charged by K Electric in March 2020 for the increased rates for electricity consumption during off-peak hours during the six-month period from July 2019 to December 2019, therefore, the contingent liability related to ISPA amounting approximately to Rs 156.539 million is not recorded in these financial statements.

26.2 During the financial year 2020, the sales tax regime of the Company was changed from special procedures to VAT mode, the Company, based on the physical stock taking as at June 30, 2019, by the officers of the sales tax department, has claimed sales tax refund of Rs. 804,079,660 under section 66 of the Sales Tax Act, 1990 on account of closing finished goods that were already taxed under special procedures. During the year ended June 30, 2021, Deputy Commissioner Inland Revenue through its order no. 07/2021 dated June 05, 2021 allowed only Rs. 204,995,078 and rejected the balance claim of Rs. 599,084,582. Being aggrieved, the Company has filed a constitutional petition (CP-4400/2021) before Honourable High Court of Sindh for recovery of rejected claim. On October 10, 2022 the Honourable Court was pleased to pass an interim order that no coercive measures be taken against the Company. The matter is pending adjudication and the management based on the advice of its legal adviser expects a favourable outcome in the case.

26.3 During the year, Faysal Bank Limited filed a suit for the recovery of Rs. 738,061,096 (Rs. 650 million principal and 88 million profit) along with cost of funds charges and profit until the realization of the entire amount. The suit also includes prayers for the attachment and sale of the personal assets / properties of the company and Sponsor director of the company and for the recovery of cost of funds, in terms of Section 3 of the Financial Institutions (Recovery of Finance) Ordinance, 2001, on the aforementioned suit amount from the date of default until the date of realization. The aforementioned cost of funds could not be determined at this stage and is therefore not recognized in these financial statements.

The management based on the advice of its legal adviser and the fact that the company's restructuring scheme also includes restructuring of the suit amount is confident that this matter will be resolved amicably with the banking company.

In 2021, the Company filed a suit before the Honourable High Court of Sindh (SHC) against K-Electric Limited, National Electric Power Regulatory Authority (NEPRA) and the Federation of Pakistan challenging the failure of NEPRA to process the motion submitted by the Ministry of Energy Power Division vide letter dated 14 September, 2021 with respect to the extension of the reduced rates / Incremental Consumption Package for K-Electric from 1 July, 2021 to 31 October, 2023.

26.4 On 24 December, 2021, the SHC was pleased to pass an interim order restraining K-Electric from issuing monthly electricity bills without reflecting the Incremental Consumption Package; and the Company was directed to deposit differential amount (ICP component) with the Nazir High Court in the shape of postdated cheques.

However, subsequent to the above interim order, NEPRA processed the motion submitted by the Ministry of Energy Power Division (as prayed for in the Suit) and issued Decision No. NEPRA/R/ADG (Tariff) / TRF-100/498-500 dated January 11, 2022 and the same was notified vide S.R.O. 659(I)/2022 dated 27 May, 2022. Accordingly, the Suit has become infructuous and may be withdrawn by the Company.

Subsequently, K-Electric filed appeals against the Authority's decision No. NEPRA/R/ADG (Tariff) / TRF100/498-500 dated 11 January, 2022 and decision No. NEPRA/RJADG(Tariff)/ TRF100/7148-7150 dated 11 May, 2022 (regarding extension of the Incremental Consumption Package) before the NEPRA Appellate Tribunal; and the Company filed an application to become a party / respondent in the said appeals.

C.P. 7276/2022 has been filed by the Company before the SHC against K-Electric Limited, National Electric Power Regulatory Authority (NEPRA) and the Federation of Pakistan challenging the failure of K-Electric to give effect to the Authority's decision No. NEPRA/R/ADG(Tariff) / TRF-100 / 498-500 dated 11 January, 2022.

On 25.11.2022, the Honourable Court was pleased to suspend the electricity bill of the Company for the month of November 2022 subject to deposit of a post-dated cheque with Nazir of the Court; and similarly, on 23.12.2022 the Honourable Court was pleased to suspend the electricity bill of the Company for the month of December 2022 subject to deposit of a post-dated cheque with Nazir of the Court.

On 11 July, 2024, as prayed for by the Company, the NEPRA Appellate Tribunal dismissed K-Electric's Appeals. We understand that K-Electric intends to appeal this decision further to the Islamabad High Court.

The matter is pending adjudication. In light of NEPRA Appellate Tribunal's judgment dated 11 July, 2024 dismissing K-Electric's appeal against the extension of the Incremental Consumption Package, the management, based on the advice of its legal adviser expects a favourable outcome for the Company in this matter, therefore, total subsidy of Rs. 682.024 million against excess charge by K Electric from July 2021 to October 2023 is disclosed as contingent asset in accordance with the requirements of IFRSs.

	Note	2024	2023
		---- Rupees in '000'----	
26.5 Commitments			
Outstanding against letter of credits - sight/usance	26.6	319,130	1,879,357
Outstanding against letter of guarantees	26.7	290,060	267,377
Capital commitments		-	195,688
		609,190	2,342,422
26.6 Letter of credits - sight / usance / acceptance			
Available		1,301,590	3,279,000
Unavailed		746,298	904,863

	Note	2024	2023
		---- Rupees in '000'----	
26.7 Letter of guarantees			
Available		300,000	300,000
Unavailed		9,940	32,623
27 TURNOVER - NET			
Local sales		16,098,571	24,160,372
Less: sales tax		(2,419,924)	(3,578,167)
		13,678,647	20,582,205
Export sales	27.1	13,168	-
		13,691,815	20,582,205

27.1 Represents exports of iron ore.

	Note	2024	2023
28 COST OF SALES			
Raw materials consumed	28.1	7,006,784	9,783,622
Stores, spare parts and loose tools consumed	28.2	1,047,859	1,455,611
Salaries, wages and other benefits	28.3	590,719	545,883
Fuel and power		3,418,174	3,600,733
Repairs and maintenance		9,673	11,598
Communication		2,425	3,795
Staff transportation		8,708	3,886
Insurance		18,202	17,558
Oil and fuel		48,851	25,700
Depreciation	6.5	375,011	384,031
Others		4,756	5,657
Cost of goods manufactured		12,531,162	15,838,074
Work in process			
Opening stock		2,703,979	1,658,273
Purchases		35,511	499,496
Provision for write down to NRV	9.1 & 32	(408,227)	-
Closing stock	9	(733,457)	(2,703,979)
		1,597,806	(546,210)
Finished goods			
Opening stock		2,042,997	2,513,325
Provision for write down to NRV	9.1 & 32	(550,774)	-
Closing stock	9	(1,301,068)	(2,042,997)
		191,155	470,328
Cost of Sales		14,320,123	15,762,192
28.1 Raw materials consumed			
Opening stock		4,803,583	7,685,229
Purchases		2,888,865	6,901,976
		7,692,448	14,587,205
Closing stock	9	(685,664)	(4,803,583)
		7,006,784	9,783,622

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
28.2 Stores, spare parts and loose tools consumed			
Opening stock		2,360,897	2,054,803
Purchases		1,556,711	1,761,705
		3,917,608	3,816,508
Closing Stock		(2,869,749)	(2,360,897)
		1,047,859	1,455,611

28.3 Includes Rs. 24.38 (2023: Rs. 21.98) million in respect of staff retirement benefits related to provident fund.

29 ADMINISTRATIVE EXPENSES

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
Salaries and other benefits	29.1	149,105	132,114
Director's remuneration		29,900	29,900
Travelling and conveyance		6,936	7,209
Repairs and maintenance		1,459	2,493
Office expenses		29,817	16,408
Fees and subscription		8,899	6,972
Staff transportation		324	145
Legal and professional fee		21,911	16,577
Health and safety		-	1,058
Oil and fuel		2,655	1,397
Insurance		2,022	1,951
Communication		90	141
Security charges		500	213
Auditors' remuneration	29.2	2,104	1,751
Software development and consultancy		3,732	11,662
Charity and donation	29.3	43,236	53,356
Depreciation	6.5	16,181	16,682
Amortization	7.1	6,280	6,280
Others		3,959	4,597
		329,110	310,906

29.1 Includes Rs. 5.42 (2023: Rs. 4.94) million in respect of staff retirement benefits related to provident fund.

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
29.2 Auditors' remuneration			
Annual audit		1,450	1,210
Code of corporate governance and other services		200	175
Review of interim financial statements		354	281
Out of pocket expenses		100	85
		2,104	1,751

29.3 The Company has not made any donations higher of Rs.1 million or 10% of the donations during the current year except as follows:

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
Agha Welfare Trust	29.3.1	38,920	42,341
Other donations - anonymous		-	11,015

29.3.1 Agha Welfare Trust (the Trust) is a associated undertaking (related party) of the Company. The director of the Company, Mr. Hussain Iqbal Agha is the trustee of the Trust.

29.3.2 No director(s) or their spouse had any interest in the donees to which these donations were made other than as disclosed in note 29.3.1 to these financial statements.

30 SELLING AND DISTRIBUTION COSTS

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
Salaries, wages and other benefits	30.1	101,595	100,970
Advertisement and marketing		44,060	37,429
Postage and courier		817	703
Rent	30.2	5,983	2,578
Staff transportation		232	103
Carriage and freight		87,840	125,459
Brokerage		23,330	35,312
Travelling and conveyance		4,452	4,601
Communication		64	101
Oil and fuel		1,593	838
Entertainment		45	461
Depreciation	6.5	9,718	10,129
Others		334	1,146
		280,063	319,830

30.1 Includes Rs. 4.06 (2023: Rs. 3.78) million in respect of staff retirement benefits related to provident fund.

30.2 Represents short term lease rentals having lease term of 12 months or less that are recognised as expense on a straight line basis over the lease term.

31 FINANCE COSTS

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
Markup on			
- long term finance		639,825	323,075
- sukuk		631,909	566,602
- running finance		1,203,692	782,399
- FATR		2,045,430	1,468,266
- WPPF and WWF		7,299	20,643
- finance lease obligation		16,140	10,027
		4,544,295	3,171,012

	Note	2024	2023
		---- Rupees in '000'----	
Bank charges		32,439	32,856
Transaction cost	31.1	5,650	-
Bank commission on guarantees		-	4,867
		4,582,384	3,208,735

31.1 Represents transaction cost incurred on money market loan of Askari Bank Limited (short term borrowing) issued during the year.

32 OTHER EXPENSES

	Note	2024	2023
		---- Rupees in '000'----	
Workers welfare fund	22	-	6,297
Workers profit participation fund	22	-	61,821
Provision for write down to NRV	9.1 & 28	959,001	-
Impairment loss on damaged fixed assets	6	673,801	
Impairment loss on trade receivables - net	10.1	796,055	83,083
Exchange loss - net		-	12,114
		2,428,857	163,315

33 OTHER INCOME

	Note	2024	2023
Income from financial instruments			
Insurance claim	6.2 & 10	385,000	-
Mark up on loan to associates (related parties)	10	93,369	79,105
Mark up on deposit account		1,838	1,732
		480,207	80,837
Income from other than financial instruments			
Profit from air separation unit	33.1	172,034	265,603
Gain on disposal of fixed assets - net		2,802	2,424
Amortization of government grant		-	1,367
Miscellaneous		-	845
		174,836	270,239
		655,043	351,076

33.1 Profit from air separation unit (ASU)

	Note	2024	2023
Sales		554,736	614,995
Less: sales tax		(84,621)	(91,025)
Net sales		470,115	523,970
Cost apportioned for supply of natural gas	33.1.1	(298,081)	(258,367)
		172,034	265,603

33.1.1 Breakup of cost apportioned for supply of natural gas

	Note	2024	2023
Salaries wages and other benefits		41,372	41,453
Fuel and power		228,327	176,178
Depreciation on ASU Plant	6.5	28,382	40,736
		298,081	258,367

34 LEVY

	Note	2024	2023
Turnover tax		201,232	263,827

34.1 This represents portion of minimum tax paid under section 113 of Income Tax Ordinance (ITO, 2001) in excess of normal tax on taxable income, representing levy in terms of requirements of IFRIC 21/IAS 37.

35 TAXATION - NET

	Note	2024	2023
		---- Rupees in '000'----	
Current			
- For the year		-	12,343
- Prior year tax charge / (credit)		22,713	(19,460)
		22,713	(7,117)
Deferred tax (income) / expense	21	(2,729,059)	6,697
		(2,706,346)	(420)

35.1 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	Note	2024	2023
		---- Rupees in '000'----	
Current tax liability for the year as per applicable tax laws		201,232	276,170
Portion of current tax liability as per tax laws, representing income tax under IAS 12		-	(12,343)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37		(201,232)	(263,827)
		-	-

35.2 Relationship between tax expense and accounting profit

	Note	2024	2023
Accounting (loss) / profit		(7,593,679)	1,168,303
Tax at applicable tax rate of 29%		-	(338,808)
Effect of adjustments related to prior years		22,713	(19,460)
Effect of minimum tax regime - levy		201,232	263,827
Effect of super tax		-	12,343
Effect of deferred tax		(2,729,059)	6,697
Others		-	338,808
Levy and income tax	34 & 35	(2,505,114)	263,407

36 EARNINGS PER SHARE

	2024	2023
Basic		
(Loss) / profit attributable to ordinary shareholders (Rupees in '000')	(5,088,565)	904,896
Weighted average number of ordinary shares	604,879,100	604,879,100
(Loss) / earning per share - (In Rupees)	(8.41)	1.50

Diluted

Diluted earnings per share has not been computed because there are no dilutive potential ordinary shares.

		2024	2023
		---- Rupees in '000'----	
37	PROVIDENT FUND TRUST		
	- Size of fund	38,351	42,598
	- Cost of investment	35,500	39,500
	- Fair value of investment	35,500	39,500
	- Percentage of investment	93%	93%
	- Breakup of investment - Amounts		
	- in money market	35,500	39,500

37.1 Investments from provident fund trust have been made in accordance with the provisions of section 218 of the Act and the rules formulated for this purpose.

38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements for remuneration, including other benefits to the chief executive, directors and executives of the Company, are as follows.

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	---- Rupees in '000' ----					
Managerial remuneration	10,909	10,909	14,040	14,040	300,594	295,403
Medical allowance	1,091	1,091	1,560	1,560	30,059	29,540
Company's contributions to provident fund	-	-	-	-	11,959	11,071
Board and other meeting fee	-	-	2,300	2,300	-	-
Total	12,000	12,000	17,900	17,900	342,613	336,014
No. of persons	1	1	6	6	99	105

38.1 Executive directors are also provided with the Company maintained cars. Further, current money values of respective cars were not disclosed due to practicability issues.

39 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

39.1 Financial Instrument by Category

	Note	2024	2023
		---- Rupees in '000'----	
Financial Assets			
- At amortized cost			
Long term deposits and receivables	8	392,745	428,125
Trade and other receivables - gross	10	5,269,598	5,397,882
Loans	11	24,141	5,599
Deposits	12	5,057	12,790
Cash and bank balances	14	239,134	87,295
		5,930,675	5,931,691

	Note	2024	2023
		---- Rupees in '000'----	
Financial Liabilities			
- At amortized cost			
Long term borrowings including current and overdue portion	18	7,922,670	8,336,609
Advance against preference shares	19	750,000	500,000
Lease liabilities including current portion	20	100,034	143,158
Trade and other payables	22	415,684	644,374
Accrued markup	23	3,193,826	807,704
Short term borrowings	24	15,226,851	13,728,859
		27,609,065	24,160,704

39.2 Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk and concentration of credit risk
- Liquidity risk
- Market risk
- Operational risk
- Capital risk

39.3 Credit risk and concentration of credit risk

Credit risk is the risk that 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 by undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date.

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in similar manner. The Company's credit risk exposure is not significantly different from that reflected in the financial statements. The management monitors and limits the Company's exposure to credit risk through monitoring of client's exposure and estimates of allowance for expected credit losses, if any.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
Long term deposits and receivables	39.3.1	392,745	428,125
Trade and other receivables - gross	39.3.2	5,269,598	5,397,882
Loans	39.3.3	24,141	5,599
Deposits	39.3.4	5,057	12,790
Bank balances	39.3.5	233,722	83,856
		5,925,263	5,928,252

The Company is exposed to credit risk from its operating activities primarily for trade debts.

39.3.1 The Company believes that no impairment allowance is necessary in respect of long term receivables because these are receivable from utility companies and related parties. The outstanding balances are not past due.

39.3.2 To manage the credit risk exposure of trade debts, the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes allowance for ECLs against those balances considered doubtful of recovery. Total impairment loss at year end amounting to Rs. 1245.142 million includes recognized during the year amounting to Rs. 796.055 million as disclosed in note 10.1 to these financial statements. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on evaluation of customer profile and payment history. Outstanding customer receivables are regularly monitored. The Company has already filed various suits for recovery of long outstanding debtors aginst which 100% provision for ECL is already recognized in these financial statements.

	Note	2024	2023
		- - - - Rupees in '000'- - - -	
Ageing of trade debts (gross) are as follows:			
Not past due		377,476	10,318
Not past due 1-90 days		973,169	4,211,948
Past due 91-180 days		801,354	92,507
Past due 181-365 days		1,808,276	215,300
More than one year		522,379	475,428
		4,482,654	5,005,501

Other receivables are due from associated undertaking for which the Company is actively pursuing for the recovery and the Company does not expect that these receivables will fail to meet their obligations.

39.3.3 These represent balances due from employees and associated undertaking for which the Company is actively pursuing for the recovery and the Company does not expect that these loans and advances will fail to meet their obligations.

39.3.4 The Company believes that no impairment allowance is necessary in respect of deposits because these are neither past due nor impaired.

39.3.5 The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The names and credit ratings of major banks, where the Company maintains bank balances are as follows:

Name of bank	Rating agency	Credit rating	
		Short-term	Long-term
Askari Bank Limited	PACRA	A1+	AA+
Bank Al Habib Limited	PACRA	A1+	AAA
Bank Al-Falah Limited	PACRA	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	AA-
Allied Bank Limited	PACRA	A1+	AAA
Bank of Khyber	PACRA	A1	A+
Bank of Punjab	PACRA	A1+	AA+
Dubai Islamic Bank Limited	VIS	A1+	AA
Faysal Bank Limited	VIS	A1+	AA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Habib Bank Limited	VIS	A1+	AAA
JS Bank Limited	PACRA	A1+	AA
Meezan Bank Limited	VIS	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
MCB Islamic Bank Limited	PACRA	A1	A+
National Bank of Pakistan	PACRA	A1+	AAA
Samba Bank Limited	PACRA	A1	AA
United Bank Limited	VIS	A1+	AAA

39.4 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to fulfil its obligation, monitoring financial position liquidity ratios against internal and external requirements and maintaining debt financing plans. Table below summarises the maturity profile of the Company's financial liabilities;

	2024					
	Carrying amount	On demand	Six months or less	Six to twelve months	One to three years	Three to five years and over
	- - - - Rupees in '000' - - - -					
Financial Liabilities						
Long term borrowings	7,922,670	7,922,670	-	-	-	-
Advance against preference	750,000	750,000	-	-	-	-
shares	100,034	-	15,601	11,765	72,668	-
Lease liabilities	415,684		415,684	-	-	-
Trade and other payables	3,193,826	1,555,104	1,638,722	-	-	-
Accrued markup	15,226,851	6,197,740	9,029,111	-	-	-
Short term borrowings	27,609,065	16,425,514	11,099,118	11,765	72,668	-

* Carrying amount includes contractual cash flows.

	2023					
	Carrying amount	On demand	Six months or less	Six to twelve months	One to three years	Three to five years and over
	------------------- Rupees in '000' -------------------					
Financial Liabilities						
Long term borrowings	8,336,609	-	2,056,335	2,056,335	2,914,630	1,309,309
Advance against preference	500,000	500,000	-	-	-	-
shares	166,086	-	22,994	21,738	101,015	20,340
Lease liabilities	644,374	-	644,374	-	-	-
Trade and other payables	807,704	-	807,704	-	-	-
Accrued markup	13,728,859	-	13,728,859	-	-	-
Short term borrowings	24,183,632	500,000	17,260,266	2,078,073	3,015,645	1,329,649

39.5 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

a) Foreign Exchange Risk

Foreign exchange risk represents the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from foreign bills payables due to transactions in foreign currency. The Company is exposed to foreign exchange currency risk on the import of scrap, stores, and spares, mainly denominated in US dollars, AED, GBP & EUR. The Company's exposure to foreign currency risk for US dollars, AED, GBP & EUR is as follows:

	2024	2023
	---- Rupees in '000'----	
Bills payables - foreign	236,162	403,481
Outstanding against letter of credits - sight/usance	319,130	1,879,357
	555,292	2,282,838

	Spot rate at reporting date	
The following significant exchange rate has been applied:	2024	2023
AED to PKR	76.00	78.72
USD to PKR	278.00	287.10
GBP to PKR	352.31	364.04
EUR to PKR	298.59	312.76

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US dollars, AED, GBP & EUR with all other variables held constant, pre tax profit for the year have been higher by the amount shown below:

	2024	2023
	---- Rupees in '000'----	
Effect on profit or loss	55,529	228,284

The weakening of the PKR against US dollars, AED, GBP & EUR would have had an equal but opposite impact on the pre tax profit.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the Company.

b) Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has interest bearing assets. Majority of the interest rate risk arises from the Company's long-term borrowings and short-term borrowings. At reporting date, the interest rate profile of the Company's interest bearing financial liabilities is:

Variable rate instruments	2024 Effective nterest rate (in percent)	2024 Carrying amount	2023
		-----Rupees in '000'-----	
Financial assets			
- Long term receivable due from associated undertaking (related party)	16.16% to 20.93%	383,764	419,144
- Deposit account	2.95% to 20.50%	7,510	3,420
		391,274	422,564
Financial liabilities			
- Long term borrowings	3% to 24.62%	7,922,670	8,336,609
- Lease liabilities	4.63% to 13.75%	100,034	143,158
- Short term borrowings	15.65% to 25.62%	15,226,851	13,728,859
		23,249,555	22,208,626
Net variable rate instruments		(22,858,281)	(21,786,062)

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss as the change in interest rates at reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. A change of 100 basis points in interest rates at reporting date would have increased / (decreased) equity and profit or loss as follows:

	Increase / (Decrease) in basis points	(Decrease) / Increase in profit before tax Rs in '000'
June 30, 2024	**+100**	**(228,583)**
	-100	**228,583**
June 30, 2023	+100	(217,861)
	-100	217,861

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. At reporting date, the Company is not exposed to this risk.

39.6 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with processes technology and infrastructure supporting the company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risk arises from the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. The responsibility encompasses the controls in the following areas:

i Requirements for appropriate segregation of duties between various functions, roles and responsibilities;

ii Requirements for the reconciliation and monitoring of transactions;
iii Compliance with regulatory and other legal requirements;
iv Documentation of control and procedures;
v Requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risk identified;
vi Ethical and business standards;
vii Risk mitigation, including insurance where this is effective.

Notes To The Financial Statements
For The Year Ended June 30, 2024

39.7 Capital risk management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensurate with the circumstances.

Consistent with others in the industry, the company monitors capital on the basis of its gearing ratio. This is calculated as net debt divided by total capital plus net debt. Net debt is calculated as total borrowings from financial institutions less cash and bank balances. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

		2024	2023
		---- Rupees in '000'----	
Long term borrowings		7,922,670	8,336,609
Lease liabilities		100,034	143,158
Accrued markup		3,193,826	807,704
Short term borrowings		15,226,851	13,728,859
		26,443,381	23,016,330
Less: Cash and bank balances		(239,134)	(87,295)
Net debt	A	26,204,247	22,929,035
Total capital and reserves		28,138,240	16,570,450
Total capital including net debt	B	54,342,487	39,499,485
Gearing ratio	(C=A/B)	48%	58%

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. In order to maintain the capital structure, the management may adjust payment of dividend and issue new shares.

39.8 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at arm's length transaction.

Fair value hierarchy

In accordance with the requirements of IFRS 13 Fair value measurement, the Company classifies its investments in terms of following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable).

Details of the Company's property, plant and equipment in terms of fair value hierarchy, explained above, at June 30, 2024 is as follows:

	Level 1	Level 2	Level 3
	- - - - - - - - - Rupees in '000'- - - - - - - -		
Assets measured at fair value - 2024			
Leasehold land	-	3,510,000	-
Buildings on leasehold land	-	2,799,730	-
Plant and machinery	-	25,215,978	-
Assets measured at fair value - 2023			
Leasehold land	-	-	-
Buildings on leasehold land	-	-	-
Plant and machinery	-	-	-

40 PLANT CAPACITY AND ACTUAL PRODUCTION

	Note	2024	2023
		M. Tons	
Billets			
Plant capacity		450,000	450,000
Actual production		48,303	117,887
Shortfall	40.1	401,697	332,113
Bars			
Plant capacity		250,000	250,000
Actual production		56,055	102,374
Shortfall	40.1	193,945	147,626
Liquid gases			
Plant capacity - cubic meters		16,800,000	16,800,000
Actual production - cubic meters		10,343,091	10,363,333
Shortfall - cubic meters		6,456,909	6,436,667

Plants are located at Port Qasim Karachi.

40.1 The short fall is mainly attributable to the ongoing economic recession, fire incident and management's intent to operate lean and optimize available resources to meet the current market demand.

Notes To The Financial Statements
For The Year Ended June 30, 2024

41 OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment and the principal classes of products are deformed bars and billets.

(i) Total sales of the company is made to the customers within the country.

(ii) All non-current assets of the Company as at June 30, 2024 are located in Pakistan.

(iii) The company's principal classes of products accounted for the following percentage of sales:

	2024	2023	2024	2023
	- - - - Rupees in '000'- - - -		- - - - - percentage - - - - -	
Deformed bars	13,417,979	20,190,850	98%	98%
Billets	273,836	391,355	1.9%	2%
Iron ore	13,168	-	0.1%	0%
	13,691,815	20,582,205	100%	100%

42 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors and key management personnel of the Company. The Company in the normal course of business carries out transactions with various related parties. Amounts due to / from related parties are shown under respective notes to these financial statements. Remuneration of directors being the key management personnel are disclosed in note 38 to these financial statements. Other transactions with related parties during the year are as follows:

	2024	2023
	- - - - Rupees in '000'- - - -	
Associated Undertaking		
Denim International (Private) Limited		
Markup income received during the year	-	13,148
Nitro Chemical And Gases (Private) Limited		
Sales during the year	144,317	-
Receipts during the year	144,317	-
Agha Steel Industries		
Markup income received during the year	-	48,782
Loan recovered during the year	35,380	41,506
Loan recovered during the year against sales tax	-	172,236
Agha Steel Industries Staff Provident Fund		
Employer contributions recognized by the Company	16,937	15,354
Employee contributions recognized by the Company	16,937	15,354
Total contributions made to the Trust by the Company	33,874	34,264

Notes To The Financial Statements
For The Year Ended June 30, 2024

43 UTILIZATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING

In previous year, the Company issued its shares to general public through IPO to finance the project of expansion of its capicty by installing Mi. Da. Mill Rolling Plant from IPO proceeds as disclosed in note 1.2 to these finanacial statements. As at June 30, 2023, the uilizaion of proceeds from IPO is as follows:

	2024	2023
	---- Rupees in '000'- ---	
Proceeds from IPO	3,840,000	3,840,000
IPO related expenses	(225,275)	(225,275)
Civil works	(1,073,825)	(1,073,825)
Electrical	(452,023)	(452,023)
Mechanical	(665,277)	(665,277)
Duties and other taxes	(535,410)	(535,410)
LC Discounting charges	(193,861)	(193,861)
Air Separation Unit	(694,329)	(694,329)
Unutilized balance	-	-

43.1 IPO proceeds have been fully utilized.

44 NUMBER OF EMPLOYEES

	2024	2023
Total number of employees at reporting date	350	350
Average number of employees during the year	350	373

45 GENERAL

45.1 Figures have been rounded-off to the nearest thousand rupee, unless otherwise stated.

45.2 Corresponding figures have been reclassified, whenever necessary for the purpose of compliance, comparison and better presentation.

46 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on _______________.

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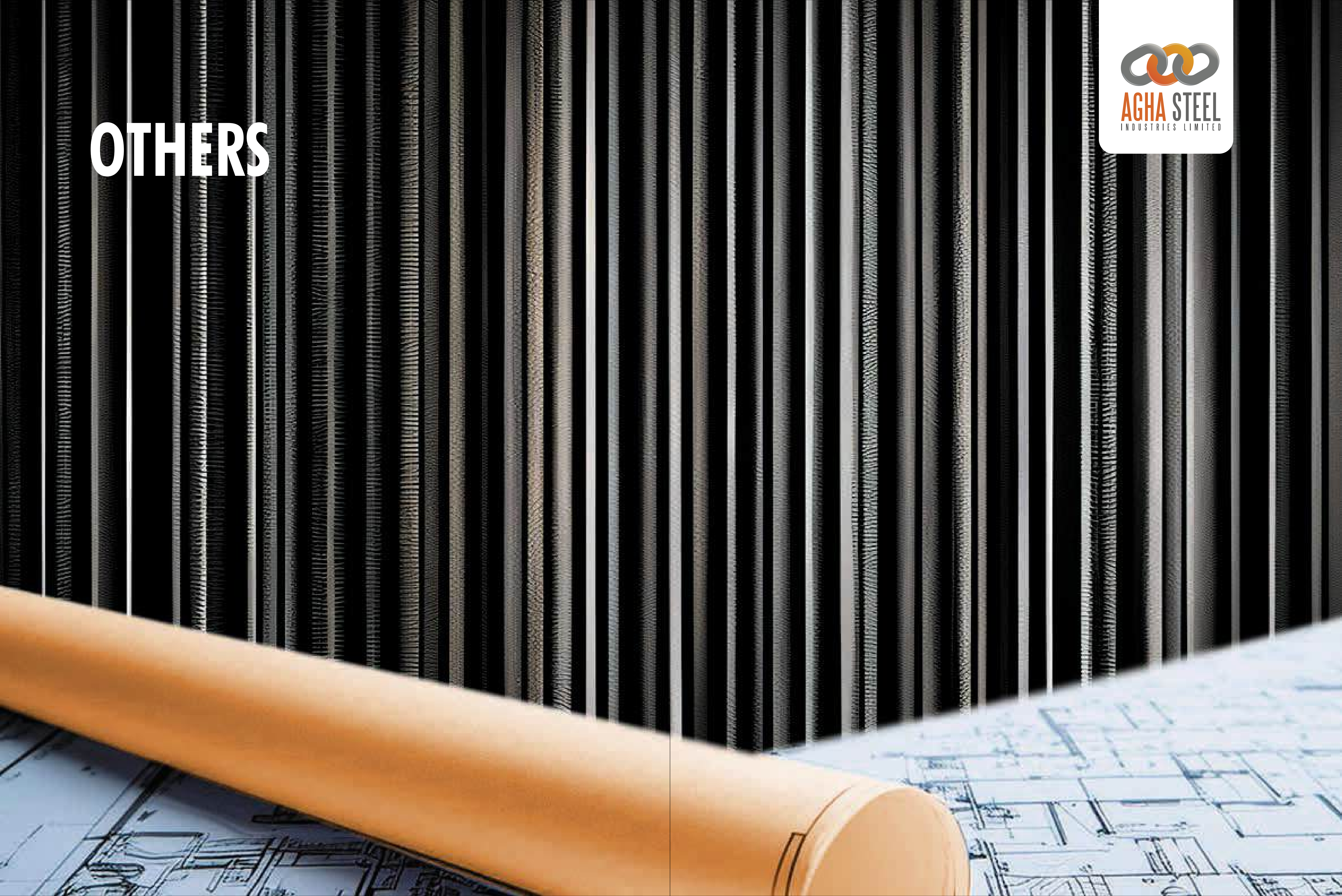
OTHERS



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 11th Annual General Meeting of the Shareholders of Agha Steel Industries Limited ("the Company") will be held on Monday, 28th October, 2024 at 11:30 a.m., Plot No NWIZ/1/P-133, (SP-6) D-2, Port Qasim, Karachi as well as through Video Conference facility to transact the following business:

Ordinary Business

1) To confirm minutes of Annual General Meeting held on 16th October, 2023.

2) To receive, consider and adopt annual audited financial statements of the Company together with the Directors' and the Auditors' Reports thereon for the year ended June 30, 2024.

3) To appoint the Auditors for the year ending June 30, 2025 and fix their remuneration. The Board of Directors have recommended for reappointment of M/s. Reanda Haroon Zakaria & Company Chartered Accountants as external auditors.

Any Other Business:

4) To transact any other business with the permission of Chair.

By the order of the Board

Date: 07th October, 2024
Karachi

Muhammad Muneeb Khan
Company Secretary

The audited Financial Statements can be downloaded by using the following QR Code:

https://aghasteel.com/investor-relation/#financialreports

Notes:

1. Book Closure:

The Share Transfer Books of the Company will remain closed from 11th October, 2024 to 18th October, 2024 (both days inclusive). Transfers received in order by our Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi by the close of business on 10th October, 2024 will be considered in time for the determination of any entitlement, as recommended by the Board of Directors and attending the meeting.

2. Appointment of Proxies and Attending AGM:

i) A member entitled to attend and vote at the meeting may appoint another member as his/her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.

ii) A duly completed instrument of proxy to be valid must be deposited at the registered office not less than 48 hours before the time of the meeting. Attested copies of valid CNIC or the passport of the member and the Proxy shall be furnished with the Proxy Form.

iii) The instrument of proxy should be duly signed, stamped and witnessed by two persons with their names, address, CNIC numbers and signatures.

iv) CDC account holders are also required to follow the guidelines as laid down in Circular No.1 dated 26, January 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

A. For Attending the Meeting:

i) In case of individual, the account holder or sub-account holder and/or the person, whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

ii) Members registered on Central Depository Company (CDC) are also requested to bring their particulars, I.D. numbers and account numbers in CDS.

iii) In case of a corporate entity, the Board of Directors' resolution/Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

B. For Appointing Proxies:

i) In case of individual, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per requirement notified by the Company.

ii) The Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his original CNIC or original passport at the time of the meeting. Corporate entities shall submit the Board of Directors resolution/Power of Attorney with specimen signature along with proxy form.

3. **Updating of particulars:**

Please notify any change in mailing address and email address to our Share Registrar, in case of physical shareholders and in case of CDC account to its Participant/Investor Account Services.

4. **Submission of Copies of Valid CNICs (mandatory):**

Members, who have not yet submitted attested photocopy of their valid CNIC along with folio number are requested to send the same, at the earliest, directly to the Company's Share Registrar.

5. **Payment of Dividend through electronic mode (Mandatory):**

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Registrar of the Company, in case of physical shares.

In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker / participant / CDC account services.

6. **Circulation of Audited Financial Statements through QR Enabled Code:**

The Company be and is hereby allowed by The Securities and Exchange Commission of Pakistan ("SECP") through its Notification No. S.R.O 389(I)/2023 dated March 21, 2023, to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to its members through QR enabled code and web link. A shareholder may request the Company Secretary or Share Registrar of the Company to provide a hard copy of Annual Audited Accounts, and the same will be provided at shareholder's registered addresses, free of cost within one week of the demand. In this regard, the Company's designated email address / Share Registrar email address will be placed on website of the Company.

7. **Unclaimed dividends & bonus shares:**

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact our Share Registrar M/s CDC Share Registrar Services Limited Ltd. to collect/enquire about their unclaimed dividend or pending shares, if any.

Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan.

8. **Filer and Non-Filer Status:**

The rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 from dividend payment will be as follows:

1	Rate of tax deduction for shareholders appearing in Active Taxpayer List (ATL)	15%
2	Rate of tax deduction for shareholders not appearing in Active Taxpayer List (ATL)	30%

In case of joint account, each holder is to be treated individually as appearing in ATL or not appearing in ATL and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar, or if not so notified, each joint holder shall be assumed to have an equal number of shares.

The CNIC/NTN number is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued and updated by the Federal Board of Revenue (FBR) in a timely manner.

i) For any query/problem/information, the investors may contact the Share Registrar at the following phone numbers, or email addresses:

CDC Share Registrar Services Limited
CDC House, 99-B, Block B,
S.M.C.H.S., Main Shahra-e-Faisal,
Karachi – 74400.
Email: info@cdcsrsl.com
Tel: 0800-23275

ii) Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Share Registrar i.e. M/s CDC Share Registrar Services Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio number.

9. **Participation in the AGM via the Video Conferencing Facility:**

The Securities & Exchange Commission of Pakistan (SECP) through its Circular No. 6 dated March 03, 2021 has allowed listed companies to arrange participation of shareholders in Annual General Meeting through Video Link Facility in addition to physical attendance by the members as well. Shareholders interested in attending the meeting through video conferencing are requested to email the following information with the subject "Registration for Agha Steel Industries Limited AGM" along with a valid copy of both sides of their Computerized National Identity Card (CNIC) at cdcsr@cdcsrsl.com. Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received on or before 13th October, 2023 before the time of AGM.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address: cdcsr@cdcsrsl.com

Full Name of Shareholder / Proxy Holder	Company	CNIC No.	Folio No.	Cell No.	Email Address
	AGHA STEEL INDUSTRIES LIMITED				

Note:

- The Notice of Meeting has been placed on the Company's website www.aghasteel.com in addition to its dispatch to the shareholders.

- For the Convenience of Shareholders, The Company will provide transport facility available at Pakistan Stock Exchange at 10:00 a.m. sharp to the Venue and dropped back at Pakistan Stock Exchange

10. Code of Conduct for Shareholders in General Meeting:

I. Section 215 of Companies Act, 2017 (the "Act") and Regulation 28 of the Companies (General Provisions and Forms) Regulations, 2018, state the Code of Conduct of the Shareholders as follows:

a) Shareholders are not permitted to exert influence or approach the management directly for decisions which may lead to creation of hurdles in the smooth functioning of management. The law states that Shareholders shall not bring material that may cause threat to participants or premises where the AGM is being held, confine themselves to the agenda items covered in the notice of the AGM and shall not conduct themselves in a manner to disclose any political affiliation.

b) Any shareholder who fails to conduct in the manner provided in this section and as specified by the Commission shall be guilty of an offence under this section and shall be liable to a penalty not exceeding of level 1 on the standard scale.

II. Additionally, In compliance with Section 185 of Companies Act, 2017; the Company is not permitted to distribute gifts in any form to its members in its meeting.

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FORM OF PROXY

11th Annual General Meeting

The Company Secretary
Agha Steel Industries Limited
Emerald Tower,
Suite No. 801 & 804,
Karachi

I/we ____________________ of ____________________ being a member(s) of Agha Steel Industries Limited, holding _____________Ordinary/Preference Share as per CDC A/c. No. _______________ hereby appoint Mr/Mrs/Miss____
of (full address) ____ or failing him/her Mr/Mrs/Miss ____of (full address)
____
(being member of the Company) as my/our Proxy to attend, act vote for me/us and on my/our behalf at the 11th Annual General Meeting of the Company to be held on Monday, 28th October, 2024 at 11:30 a.m. at five Star Lawn, Jaffar-e-Tayyar Society near Ghazi Chowk, Karachi and/or any adjournment thereof.

Signed this day of 2022.

Witnesses
1. Name: ______________________________
Address: ______________________________
CNIC No:______________________________
Signature:_____________________________

2. Name: ______________________________
Address:_______________________________
CNIC No:_______________________________
Signature:_____________________________

Signature on
Rs. 5/-
Revenue Stamp

NOTES:
1. A member entitled to attend and vote at the meeting may appoint another person as his/her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
2. In order to be effective, the proxy Form must be received at the office of our Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi, not later than 48 hours before the meeting duly signed and stamped and witnessed by the two persons with their signatures, name, address and CNIC number given on the form.

3. CDC shareholders or their Proxies are each requested to attach an attested photocopy of their Computerized National identity Card or Passport with this Proxy Form before submission to the Company.

4. In case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy Form.

پراکسی فارم

گیارہ سالانہ اجلاس عام

میں/ہم ____________ ساکن ____________ آغا اسٹیل انڈسٹریز لمیٹڈ کے ممبر/ممبران

ہیں، ____________ عمومی/ترجیحی حصص کے حامل بمطابق CDC اکاؤنٹ نمبر ____________ مسٹر/مسز/مس ____________

ساکن (مکمل پتہ) ____________ یا ان کے حاضر نہ ہونے پر مسٹر/مسز/مس ____________

ساکن (مکمل پتہ) ____________ (جو کہ کمپنی کے ممبر ہیں) میری/ہماری جانب سے پراکسی

ہونگے جو کہ میری/ہماری طرف سے بروز پیر 28 اکتوبر 2024 کو 11:30 بجے فائیو اسٹار لان، جعفر طیار سوسائٹی، نزد غازی چوک، کراچی میں گیارہ سالانہ اجلاس عام میں حاضر ہونگے اور ووٹ دے سکیں گے

اور ملتوی ہونے کی صورت میں بھی یہی میرے پراکسی ہونگے۔

دستخط پانچ روپے ریونیو اسٹیمپ

دستخط.................... 2022

گواہان

1- نام ____________

پتہ ____________

CNIC نمبر ____________

دستخط ____________

2- نام ____________

پتہ ____________

CNIC نمبر ____________

دستخط ____________

نوٹس:۔

1. میٹنگ میں شرکت کرنے اور ووٹ دینے کا حقدار رکن کسی دوسرے شخص کو اپنا پراکسی مقرر کر سکتا ہے جس کے پاس میٹنگ میں شرکت کرنے، بولنے اور ووٹ دینے کے وہی حقوق حاصل ہونگے جو ممبر کو حاصل ہیں۔
2. مؤثر ہونے کے لیے باضابطہ مکمل پُر شدہ درست پراکسی فارم دو گواہان کے دستخط، نام، پتوں اور CNIC نمبر کے ساتھ لازمی طور پر اجلاس کے وقت سے کم از کم 48 گھنٹے قبل ہمارے رجسٹرار میسرز CDC شیئر رجسٹرار سروسز لمیٹڈ، کے آفس بمقام سی ڈی سی ہاؤس، 99-بی، بلاک-بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی، کو موصل ہونے چاہیئں۔
3. CDC کے شیئر ہولڈرز یا ان کے پراکسیز (نمائندوں) سے درخواست کی جاتی ہے کہ وہ کمپنی کو اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی ایک تصدیق شدہ فوٹو کاپی اس پراکسی فارم کے ساتھ منسلک کریں۔
4. کسی کارپوریٹ ادارے کی طرف سے پراکسی کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی اور CNIC یا پراکسی کے پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ جمع کرائی جائے گی۔