



# AGHA STEEL INDUSTRIES Ltd.

Quarterly Report March 31, 2024

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### AUDIT COMMITTEE

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

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mrs. Shazia Agha	Chairperson
Mr. Muhammad Shahid	Member
Mr. Raza Agha	Member

### CHIEF FINANCIAL OFFICER

Mr. Kamran Ahmed

### COMPANY SECRETARY

Mr. Muhammad Muneeb Khan

### HEAD OF INTERNAL AUDIT

Mr. Umar Irshad

### 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
- Soneri 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

## **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, 8<sup>th</sup> Floor, Emerald Tower, G-19  
II Talwar, Block 5, Clifton, Karachi, Pakistan  
UAN # 021-111-111-2442  
[Corporate@aghasteel.com](mailto:Corporate@aghasteel.com)

## **SYMBOL AT PAKISTAN STOCK EXCHANGE**

AGHA

## **WEBSITE INFORMATION**

[www.aghasteel.com](http://www.aghasteel.com)

## **DIRECTORS' REVIEW REPORT**

The Directors of your Company are pleased to present the Financial Statements for the Third Quarter ended March 31, 2024.

### **MACRO-ECONOMIC CHALLENGES**

The Economy faced significant challenges in the third quarter of FY 2024, with high inflation and widening fiscal deficit. However, positive developments including IMF funding, improved exports, and rising foreign exchange reserves offered the potential for a rebound in 2024. The government's continued commitment to energy, fiscal, and external sector reforms is anticipated, yet potential fiscal slippages and delayed reforms pose substantial risks. While economic stabilization is expected in the later stages 2024, the pace of recovery hinges on the successful implementation of planned reforms and sustained external funding assurances.

### **MANAGEMENT'S RESPONSE**

The management is actively engaged in a thorough review of our operations, aiming to identify areas for improvement and implement strategic adjustments to address the issues contributing to the current loss. Our focus is on stabilizing operations, optimizing costs, and exploring avenues for recovery.

### **FINANCIAL PERFORMANCE**

Your Company showed a decline in revenue during the current period, the Company recorded net sales revenue of Rs. 2,647 million during the 03rd Quarter as compared to Rs. 5,689 million in the corresponding period. The gross loss stood at Rs. (585) million as compared to gross profit of Rs. 1,373 million in the corresponding period. . The Net loss after tax stood at Rs. (1,815) million as compared to net profit after tax of Rs. 303 million in the corresponding period.

**Key financial highlights of the company is as follows:**

<b>Nine Months ended March 31, 2024 (Unaudited)</b>	<b>Nine Months ended March 31, 2023 (Unaudited)</b>	<b>Three Months ended March 31, 2024 (Unaudited)</b>	<b>Three Months ended March 31, 2023 (Unaudited)</b>
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(Rs. in million)

Sales - net	11,991	15,452	2,647	5,689
Gross Profit/(Loss)	1,224	3,620	(585)	1,373
Operating Profit/(Loss)	(2,648)	772	(2,098)	379
Profit /(Loss) before tax	(2,620)	969	(2,100)	356
Profit/(Loss) after tax	(2,034)	705	(1,815)	303
<b>Earnings per share</b>				
Basic (in Rupees)	(3.36)	1.17	(3.00)	0.50
Diluted (in Rupees)	(3.36)	1.17	(3.00)	0.50

### **EARNINGS PER SHARE**

Basic and Diluted Earnings per share for the period ended March 31st, 2024 was Rs. (3.00) as compared with Rs. 0.50 per share in the corresponding period.

### **FUTURE PROSPECTS**

Our strategic initiatives include a comprehensive review of our product offerings, exploring partnerships and collaborations, and adopting innovative technologies to enhance our operational efficiency. We are also evaluating market trends and customer preferences to align our offerings with the evolving demands of the industry.

### **ACKNOWLEDGEMENT**

The Board would like to place on record the all stakeholders, Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange, State Bank of Pakistan, banks/financial Institutions, especially its customers as well as the vendors and suppliers, for their continued commitment and support to the Company. The Board would also like to thank all staff members of the Company in performing their tasks with diligence and commitment.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**



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**Hussain Iqbal Agha**  
**Chief Executive Officer**



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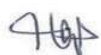
**Raza Iqbal Agha**  
**Director**

Karachi: **April 29, 2024**

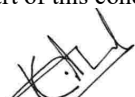
**AGHA STEEL INDUSTRIES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2024**

		<i>March 31</i> <i>2024</i> <i>(Un-audited)</i>	<i>June 30</i> <i>2023</i> <i>(Audited)</i>
<i>---- Rupees in '000'----</i>			
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	6	22,590,018	21,277,380
Intangible asset		39,250	42,390
Long term deposits and receivable	7	414,967	449,463
		<b>23,044,235</b>	<b>21,769,233</b>
<b>Current Assets</b>			
Stores, spare parts and loose tools		2,904,197	2,360,897
Stock-in-trade	8	4,821,751	10,439,863
Trade and other receivables	9	5,880,536	4,948,795
Loans and advances	10	2,354,153	1,815,346
Deposits		12,500	17,632
Tax refunds due from Government		588,966	540,924
Cash and bank balances		388,412	87,295
		<b>16,950,515</b>	<b>20,210,752</b>
<b>Total Assets</b>		<b>39,994,750</b>	<b>41,979,985</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share Capital and Reserves</b>			
Authorized Capital	11	9,250,000	6,250,000
<b>Share Capital</b>			
Issued, subscribed and paid up capital		6,048,791	6,048,791
<b>Capital reserve</b>		2,126,687	2,126,687
<b>Revenue Reserve</b>			
Unappropriated profit		6,360,770	8,394,972
<b>Total Shareholders' Equity</b>		<b>14,536,248</b>	<b>16,570,450</b>
<b>Non-Current Liabilities</b>			
Long term borrowings	12	7,735,001	4,223,940
Advance against preference shares	13	750,000	500,000
Lease liabilities		90,237	108,721
Deferred liability		249,971	1,063,819
		<b>8,825,209</b>	<b>5,896,480</b>
<b>Current Liabilities</b>			
Trade and other payables	14	639,688	829,386
Accrued markup		1,524,497	807,704
Short term borrowings	15	14,243,421	13,728,859
Current portion of non-current liabilities	16	225,687	4,147,106
		<b>16,633,293</b>	<b>19,513,055</b>
<b>Contingencies and Commitments</b>	17		
<b>Total Capital and Liabilities</b>		<b>39,994,750</b>	<b>41,979,985</b>

The annexed notes from 1 to 22 form an integral part of this condensed interim financial statements.



*Chief Executive*



*Chief Financial Officer*



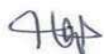
*Director*



**AGHA STEEL INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE**  
**INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024**

	<i>Nine Months</i>		<i>Quarter Ended</i>	
	<i>March 31,</i>		<i>March 31,</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
<i>Note</i>	<i>----- (Rupees in '000') -----</i>			
Turnover - gross	<b>14,149,923</b>	18,107,187	<b>3,147,760</b>	6,684,370
Sales tax	<b>(2,158,463)</b>	(2,655,167)	<b>(500,964)</b>	(995,442)
<b>Turnover - net</b>	<b>11,991,460</b>	15,452,020	<b>2,646,796</b>	5,688,928
Cost of sales	<b>(10,767,366)</b>	(11,831,721)	<b>(3,231,543)</b>	(4,316,385)
<b>Gross profit / (Loss)</b>	<b>1,224,094</b>	3,620,299	<b>(584,747)</b>	1,372,543
Administrative expenses	<b>(241,198)</b>	(247,800)	<b>(70,272)</b>	(104,422)
Selling and distribution costs	<b>(251,411)</b>	(338,476)	<b>(60,522)</b>	(136,875)
Finance costs	<b>(3,379,887)</b>	(2,262,505)	<b>(1,382,708)</b>	(752,318)
	<b>(3,872,496)</b>	(2,848,781)	<b>(1,513,502)</b>	(993,615)
<b>Operating (Loss) / profit</b>	<b>(2,648,402)</b>	771,518	<b>(2,098,249)</b>	378,928
Other expenses	<b>(229,365)</b>	(163,701)	<b>(78,492)</b>	(102,012)
Other income	<b>257,346</b>	361,420	<b>76,270</b>	78,602
<b>(Loss) / Profit before taxation</b>	<b>(2,620,421)</b>	969,237	<b>(2,100,471)</b>	355,518
Taxation - net	<b>586,219</b>	(264,247)	<b>285,309</b>	(52,674)
<b>(Loss) / Profit after taxation</b>	<b>(2,034,202)</b>	704,990	<b>(1,815,162)</b>	302,844
Other comprehensive (Loss)/ income for the peri	-	-	-	-
<b>Total comprehensive (Loss) / income for the period</b>	<b>(2,034,202)</b>	704,990	<b>(1,815,162)</b>	302,844
Earnings per share				
<b>Basic and diluted - Rupees</b>	18	<b>(3.36)</b>	1.17	<b>(3.00)</b>

The annexed notes from 1 to 22 form an integral part of this condensed interim financial statements.



*Chief Executive*



*Chief Financial Officer*



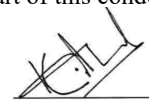
*Director*

**AGHA STEEL INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024**

		<i>March 31,</i>	
		2024	2023
		<i>Un-Audited</i>	
		---- Rupees in '000' ----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	<i>Note</i>		
Profit before taxation		(2,620,421)	969,237
Adjustments for:			
Depreciation	6.1	318,178	332,252
Amortization		3,140	3,140
Impairment loss on trade receivables - net	9	229,115	39,649
Finance cost		3,369,785	2,254,786
Amortization of government grant		-	(1,367)
Finance lease markup		10,102	7,719
Workers welfare fund		-	52,164
Workers profit participation fund		250	21,887
Exchange loss - net		-	50,000
<b>Cash generated from operations before working capital changes</b>		<u>1,310,149</u>	<u>3,729,467</u>
<b>Changes in working capital</b>			
<b>(Increase) / decrease in current assets</b>			
Stores, spare parts and loose tools		(543,300)	(725,463)
Stock-in-trade	8	5,618,112	3,494,848
Trade and other receivables	9	(1,160,856)	(428,123)
Loans and advances	10	(538,807)	141,294
Deposits		5,132	9,472
		<u>3,380,281</u>	<u>2,492,028</u>
<b>(Decrease) / increase in current liabilities</b>			
Trade and other payables		(137,004)	(330,898)
<b>Net cash generated from operations</b>		<u>4,553,426</u>	<u>5,890,597</u>
Taxes paid - net		(275,672)	(186,375)
Workers profit participation fund paid		(52,944)	-
Financial charges paid		(2,663,094)	(2,431,985)
<b>Net cash generated from operating activities</b>		<u>1,561,716</u>	<u>3,272,237</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Long term deposits and receivable recovered - net	7	34,496	32,144
Additions in capital work in progress - net	6.2	(1,865,781)	(1,186,742)
Damage (disposals) in property, plant and equipment	6.1	673,801	
Additions in property, plant and equipment	6.1	(438,836)	(258,688)
<b>Net cash used in investing activities</b>		<u>(1,596,320)</u>	<u>(1,413,287)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of long-term borrowings - net	12	(410,358)	80,539
Advance received against shares	13	250,000	-
Lease rentals paid		(18,484)	(20,845)
Receipts / (Repayments) of short-term borrowings - net	15	514,562	(1,902,154)
<b>Net cash generated from / (used in) financing activities</b>		<u>335,721</u>	<u>(1,842,460)</u>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>		301,117	16,490
<b>Cash and cash equivalents at the beginning of the period</b>		<u>87,295</u>	<u>215,063</u>
<b>Cash and cash equivalents at the end of the period</b>		<u>388,412</u>	<u>231,553</u>

The annexed notes from 1 to 22 form an integral part of this condensed interim financial statements.

  
 Chief Executive

  
 Chief Financial Officer

  
 Director

**AGHA STEEL INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024**

<i>Particulars</i>	<i>Issued, subscribed and paid up capital</i>	<i>Reserves</i>		<i>Total reserves</i>	<i>Total shareholders' equity</i>
		<i>Capital *Share Premium</i>	<i>Revenue ** Unappropriated profit</i>		
----- Rupees in '000' -----					
<b>Balance as at July 01, 2022</b>	6,048,791	2,126,687	7,490,076	9,616,763	15,665,554
<b>Total comprehensive income for the period</b>					
Profit after taxation	-	-	704,990	704,990	704,990
Other comprehensive income	-	-	-	-	-
	-	-	704,990	704,990	704,990
<b>Balance as at December 31, 2022</b>	6,048,791	2,126,687	8,195,066	10,321,753	16,370,544
<b>Balance as at July 01, 2023</b>	6,048,791	2,126,687	8,394,972	10,521,659	16,570,450
<b>Total comprehensive income for the period</b>					
Profit after taxation	-	-	(2,034,202)	(2,034,202)	(2,034,202)
Other comprehensive income	-	-	-	-	-
	-	-	(2,034,202)	(2,034,202)	(2,034,202)
<b>Balance as at December 31, 2023</b>	6,048,791	2,126,687	6,360,770	8,487,457	14,536,248


\* 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.

The annexed notes from 1 to 22 form an integral part of this condensed interim financial statements.

  
 \_\_\_\_\_  
 Chief Executive

  
 \_\_\_\_\_  
 Chief Financial Officer

  
 \_\_\_\_\_  
 Director

**AGHA STEEL INDUSTRIES LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 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. The Company is principally engaged in manufacturing and sale of steel bars, wire rods and billets, and its registered office and production plant are situated at plot no. N.W.I.Z. / 1 / P-133, (SP-6), 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.

**2 STATEMENT OF COMPLIANCE**

- 2.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act 2017 have been followed.

**3 BASIS OF PREPARATION**

- 3.1** The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 and notes forming part thereof have not been reviewed by the statutory auditors of the company, as they have reviewed the cumulative figures for the half year ended December 31, 2023 and December 31, 2022.
- 3.2** These condensed interim financial statements do not include all of the information and disclosures required for annual financial statements and should be read in conjunction with the published annual financial statements for the year ended June 30, 2023. These condensed interim financial statements are unaudited, however, have been subjected to limited scope review by the statutory auditors and are being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchange limited and section 237 of companies Act, 2017.
- 3.3** These condensed interim financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

#### **4 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the consistent with those applied in the preparation of the annual financial statements for the year ended June 30, 2023.

#### **5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of condensed interim financial statements in conformity with the accounting and reporting standards which requires the use of certain critical accounting estimates. It also 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.

In preparation of these condensed interim financial statements, the significant judgments made by management in applying the company's accounting policies and the key source of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2023. The company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the company as at and for the year ended June 30, 2023.

##### **5.1 Standards, amendments and improvements to IFRS's effective during the period:**

The company has adopted the following accounting standards and amendments to IFRSs and the improvements to accounting standards which became for the effective for the current period:

	<i>Effective for period beginning on or after</i>
Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the classification of liabilities and 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.	January 1, 2023
Amendments to IAS 12 'Income Taxes': Amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 1, 2023

## 5.2 Amendments to standards and IFRS interpretations that are not yet effective

The following amendments to accounting 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.
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Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the classification of liabilities and debt with covenants	January 1, 2024
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Amendments to IAS 7 'Statement of Cash flows'-Supplier Finance agreements	January 1, 2024
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Amendments to IFRS 16 'Leases'-Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 1, 2024
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Amendments to IFRS 7 'Financial Instruments' Disclosures-Supplier finance arrangements'	January 1, 2024
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Amendments to IAS 21 'Effect of changes in foreign exchange rates'	January 1, 2025
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Certain 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 17 - Insurance Contracts

		<i>March 31,</i> <i>2024</i> <i>(Un-audited)</i>	<i>June 30,</i> <i>2023</i> <i>(Audited)</i>
	<i>Note</i>	<i>---- Rupees in '000'----</i>	
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.1	<b>9,601,524</b>	10,154,667
Capital work in progress (CWIP)	6.2	<b>12,988,494</b>	11,122,713
		<b>22,590,018</b>	<b>21,277,380</b>

### **6.1 Operating fixed assets**

Opening book value		<b>10,154,667</b>	10,300,831
Additions during the period / year	6.1.1	<b>438,836</b>	140,595
Transfer from CWIP		-	170,079
Damage on account of fire / disposals during the period / year	6.1.2	<b>(673,801)</b>	(5,260)
Depreciation charge for the period / year		<b>(318,178)</b>	(451,578)
		<b>9,601,524</b>	<b>10,154,667</b>

#### **6.1.1 Additions during the period / year**

Plant and machinery		<b>431,759</b>	34,546
Computers		<b>1,289</b>	2,228
Furniture & fixtures		<b>1,342</b>	5,809
Major Stores & Spares		-	50,916
Owned - Vehicles		<b>345</b>	538
Leased - Vehicles		<b>4,101</b>	46,558
		<b>438,836</b>	<b>140,595</b>

#### **6.1.2 Damage on account of fire / disposals during the period / year**

Plant and machinery		<b>628,342</b>	-
Buildings		<b>45,459</b>	-
Owned - Vehicles		-	5,260
	6.1.2.1	<b>673,801</b>	<b>5,260</b>

**6.1.2.1** On December 29, 2023, a fire accident at the Electric control room (ECR) of rolling Mill plant occurred, which damaged the ECR and components of Furnace and Rolling mill machinery halting Company's production. During this period, the Company successfully restored the Furnace Production however, restoration of Rolling machinery is still underway at the issuance of these interim condensed financial statements. A detailed technical evaluation of damaged components of Rolling machinery is under process by the M/s. Joseph Lobo (Pvt.) Limited as appointed by the insurance company.

The Company has filed insurance claim for damages caused by the accident, the amount of which is not determined at this stage. However, the Company has derecognised some damaged components of ECR , Furnace and Rolling mill machinery plant having total net book value of Rs. 673.801 million. This has been recognised as receivable from the insurance company. The amount of insurance claim shall be determined by the insurance company in due course. Any over / (under) recovery will be charged to the PLS of the company.

	<i>March 31, 2024 (Un-audited)</i>	<i>June 30, 2023 (Audited)</i>
	<i>---- Rupees in '000'----</i>	
<b>6.2 Movement in capital work-in-progress during the period / year:</b>		
<b>- Machinery in transit</b>		
Opening balance	11,122,713	8,848,257
Additions during the period / year	1,514,767	1,763,761
Borrowing costs	351,014	680,774
Transfer	-	(170,079)
	<u>12,988,494</u>	<u>11,122,713</u>

## 7 LONG TERM DEPOSITS AND RECEIVABLE

Included herein receivable from Agha Steel Industries - an associated undertaking amounting to Rs. 348.09 (June 30, 2023: 383.47) million. The terms and conditions are same as disclosed in note 7.1 to the annual audited financial statements of the Company for the year ended June 30, 2023.

	<i>March 31, 2024 (Un-audited)</i>	<i>June 30, 2023 (Audited)</i>
	<i>---- Rupees in '000'----</i>	
<b>8 STOCK-IN-TRADE</b>		
	<i>Note</i>	
Raw material	2,324,899	4,803,583
Raw material in transit	871,684	889,304
Work in process	233,906	2,703,979
Finished goods	1,391,262	2,042,997
	<u>4,821,751</u>	<u>10,439,863</u>

## 9 TRADE AND OTHER RECEIVABLES

### - Considered good

Trade debts		5,497,906	5,005,501
Allowance for expected credit losses	9.1	(678,202)	(449,087)
		<u>4,819,704</u>	<u>4,556,414</u>

### - from associated undertakings

- markup	9.2	73,755	79,105
- current maturity of long term receivable	7	35,675	35,675
- sales tax	9.3	277,601	277,601
		<u>387,031</u>	<u>392,381</u>

### - Other Receivables

- Insurance Receivables	6.1.2.1	673,801	-
		<u>5,880,536</u>	<u>4,948,795</u>

### 9.1 Allowance for expected credit losses

Opening	449,087	366,004
Impairment losses recognized during the period/ year - net	229,115	83,083
Closing	<u>678,202</u>	<u>449,087</u>



- 9.2 Represents Markup on loan receivable from Agha Steel Industries (related party) at the interest rate disclosed in note 7.1 to annual audited financial statements of the Company for the year ended June 30, 2023.
- 9.3 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 (June 30, 2023: Rs. 277.601) million. The amount is outstanding for more than one year and is past due but not impaired as the management, based on the advice of its tax counsel and legal adviser and the facts of the appeal filed by M/s. Agha Steel Industries (related party) with the Honourable High Court of Sindh, is confident for the recovery of full amount.

		<i>March 31,</i> <i>2024</i> <i>(Un-audited)</i>	<i>June 30,</i> <i>2023</i> <i>(Audited)</i>
		<i>---- Rupees in '000'----</i>	
<b>10 LOANS AND ADVANCES</b>			
<i>- Considered good</i>			
<b>Loans</b>			
- to employees	10.1	22,396	5,599
<b>Advances</b>			
- against supplies		1,745,326	1,299,057
- against sales tax		586,431	510,690
		<u>2,331,757</u>	<u>1,809,747</u>
		<u>2,354,153</u>	<u>1,815,346</u>

- 10.1 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.

## 11 AUTHORIZED CAPITAL

		<i>March 31,</i> <i>2024</i> <i>(Un-audited)</i>	<i>June 30,</i> <i>2023</i> <i>(Audited)</i>
		<i>---- Rupees in '000'----</i>	
<b>11.1</b>	<i>March 31,</i> <i>2023</i> <i>--- Number of shares ---</i>	<i>June 30</i> <i>2023</i>	
		<i>Note</i>	
	925,000,000	625,000,000	Ordinary shares of Rs. 10 each
	100,000,000	-	Preference shares of Rs. 10 each
	<u>1,025,000,000</u>	<u>625,000,000</u>	11.3
		<u>10,250,000</u>	<u>6,250,000</u>

### 11.2 Movement in Authorized capital - Ordinary shares

Opening		6,250,000	6,250,000
Increased during the period / year	11.3	3,000,000	-
Closing		<u>9,250,000</u>	<u>6,250,000</u>

- 11.3 In the current period, subsequent to members' approval in the general meeting dated June 23, 2023 and completion of related statutory formalities, the Company has increased its number authorized capital of ordinary and preferences shares by 3,000,000 and 1,000,000 of Rs. 10 each respectively.

		<i>March 31,</i> <i>2024</i> <i>(Un-audited)</i>	<i>June 30,</i> <i>2023</i> <i>(Audited)</i>
	<i>Note</i>	<i>---- Rupees in '000'----</i>	
<b>12 LONG TERM BORROWINGS</b>			
<i>Secured</i>			
<i>- From banking companies</i>			
<i>- Conventional</i>	12.1	4,450,083	4,794,983
<i>- Shariah compliant</i>			
Meezan Bank Limited - IFRE		<b>115,388</b>	124,744
Sukuk- I	12.2	-	3,416,882
Sukuk- II	12.3	<b>3,360,781</b>	-
		<b>3,476,169</b>	3,541,626
		<b>7,926,251</b>	8,336,609
<i>Less: Current portion shown under current liabilities</i>		<b>(191,250)</b>	(4,112,669)
		<b>7,735,001</b>	4,223,940

**12.1** There are no major changes in the terms and conditions of long-term loans as disclosed in note 16 of the annual audited financial statements for the year ended June 30, 2023.

**12.2** The entire amount of loan has been repaid during the period, by exercising the early call options.

**12.3** During the period, the Company has issued privately placed rated secured sukuk certificates aggregating to Rs. 3,400 million having face value of Rs. 1,000,000/- each for a period of 4 years (inclusive of 18 months grace period) for the purpose of settlement of existing liability against Sukuk certificates. 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. 4,533.33 million. The outstanding amount at year end is repayable in 10 equal quarterly installments.

		<i>March 31,</i> <i>2024</i> <i>(Un-audited)</i>	<i>June 30,</i> <i>2023</i> <i>(Audited)</i>
	<i>Note</i>	<i>---- Rupees in '000'----</i>	
<b>13 ADVANCE AGAINST PREFERENCE SHARES</b>			
Opening		500,000	-
Received during the year		250,000	500,000
Closing	13.1	<b>750,000</b>	500,000

**13.1** There are no major changes in advance against preference shares as disclosed in note 17 of the annual audited financial statements for the year ended June 30, 2023. Form 3 has been applied for approval by SECP which is in process.

#### **14 TRADE AND OTHER PAYABLES**

**14.1** It Includes Rs. 312.72 million (June 30, 2023: Rs. 494.78 million) on account of Bills Payable.

		<i>March 31,</i> <i>2024</i> <i>(Un-audited)</i>	<i>June 30,</i> <i>2023</i> <i>(Audited)</i>
	<i>Note</i>	<i>---- Rupees in '000'----</i>	
<b>15 SHORT TERM BORROWINGS</b>			
<b><i>Running Finance - secured</i></b>			
Conventional banks		<b>5,047,641</b>	4,169,708
Islamic banks		<b>249,960</b>	250,000
		<b>5,297,601</b>	4,419,708
<b><i>Finance against Trust Receipt (FATR)</i></b>			
Conventional banks		<b>7,626,630</b>	7,570,514
Islamic banks		<b>1,319,190</b>	1,727,419
		<b>8,945,820</b>	9,297,933
<b><i>LDBP - Bank Al Habib Limited</i></b>	15.1	-	11,218
	15.2	<b>14,243,421</b>	13,728,859

15.1 The entire amount of loan has been repaid during the period.

15.2 There are no major changes in terms and conditions of short term borrowings as disclosed in note 21 to the annual audited financial statements of the Company for the year ended June 30, 2023.

		<i>March 31,</i> <i>2024</i> <i>(Un-audited)</i>	<i>June 30,</i> <i>2023</i> <i>(Audited)</i>
	<i>Note</i>	<i>---- Rupees in '000'----</i>	
<b>16 CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
- long term borrowings	12	<b>191,250</b>	4,112,669
- lease liabilities		<b>34,437</b>	34,437
		<b>225,687</b>	4,147,106

## **17 CONTINGENCIES AND COMMITMENTS**

### ***Contingencies***

17.1 There are no major changes in the status and nature of contingencies as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2023.

		<i>March 31,</i> <i>2024</i> <i>(Un-audited)</i>	<i>June 30,</i> <i>2023</i> <i>(Audited)</i>
		<i>---- Rupees in '000'----</i>	
<b><i>Commitments</i></b>			
Outstanding against letter of credits		<b>137,943</b>	1,879,357
Outstanding against letter of guarantees		<b>267,377</b>	267,377
Capital commitments		<b>78,826</b>	195,688
		<b>484,146</b>	2,342,422

<i>Nine Months ended</i>		<i>Quarter ended</i>	
<i>March 31,</i>		<i>March 31,</i>	
<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
<i>(Unaudited)</i>		<i>(Unaudited)</i>	
<i>----- (Rupees in '000') -----</i>			

## 18 EARNINGS PER SHARE

### *Basic*

(Loss) / Profit after tax (Rupees in '000)

<b>(2,034,202)</b>	704,990	<b>(1,815,162)</b>	302,844
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Weighted average number of ordinary shares

<b>604,879,058</b>	604,879,058	<b>604,879,058</b>	604,879,058
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(Loss) / Earnings per share - (In Rupees)

<b>(3.36)</b>	1.17	<b>(3.00)</b>	0.50
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### *Diluted*

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

## 19 UTILIZATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING

In the financial year ended June 30, 2021, the Company issued its shares to general public through IPO to finance the project of expansion of its capacity by installing Mi. Da. Mill Rolling Plant from IPO proceeds as disclosed in note 1.2 to the these condensed interim financial statements.

	<i>March 31,</i>	<i>June 30,</i>
	<i>2024</i>	<i>2023</i>
	<i>---- Rupees in '000'----</i>	
Proceeds from IPO	<b>3,840,000</b>	3,840,000
IPO related expenses	<b>(225,275)</b>	(225,275)
Civil works	<b>(1,073,825)</b>	(1,073,825)
Electrical	<b>(452,023)</b>	(452,023)
Mechanical	<b>(665,277)</b>	(665,277)
Duties and other taxes	<b>(535,410)</b>	(535,410)
LC Discounting charges	<b>(193,861)</b>	(193,861)
Air Separation Unit	<b>(694,329)</b>	(694,329)
Unutilized balance	<b>-</b>	-

19.1 IPO proceeds has been fully utilized.

<b>20 TRANSACTIONS WITH RELATED PARTIES</b>	<i>Nine months ended</i>		<i>Quarter ended</i>	
	<i>March 31,</i>		<i>March 31,</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
<b><u>Associated Undertaking</u></b>				
<b><i>Denim International (Private) Limited</i></b>				
Sales	<b>42,889</b>	-	-	-
Receipt against sales	<b>42,889</b>	-	<b>42,889</b>	-
<b><i>Agha Steel Industries</i></b>				
Markup income received	<b>79,105</b>	48,782	-	-
Markup income accrued	<b>49,170</b>	54,134	<b>24,475</b>	18,045
Long term receivables recovered	<b>4,000</b>	43,361	-	-
Receipts against other receivables against sales tax	-	172,236	-	-
<b><i>Agha Welfare Trust</i></b>				
Donations paid	<b>32,991</b>	23,838	<b>9,153</b>	23,838
<b><u>Staff retirement benefit fund</u></b>				
<b><i>Agha steel staff provident fund</i></b>				
Contribution paid	<b>21,951</b>	14,634	<b>7,317</b>	7,965
<b><u>Key management personnel</u></b>				
<b><i>Directors</i></b>				
Remuneration and other benefits	<b>20,700</b>	13,800	<b>6,900</b>	6,900
Board and other meeting fee	<b>1,350</b>	1,150	<b>200</b>	575
Number of directors	<b>6</b>	6	<b>6</b>	6

## **21 GENERAL**

**21.1** Figures have been rounded-off to the nearest thousand rupee, unless otherwise stated.

## **22 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on **29th April, 2024** by the Board of Directors of the Company.



**Chief Executive**



**Chief Financial Officer**



**Director**