



AGHA STEEL INDUSTRIES Ltd.

Quarterly Report March 31, 2026

TABLE OF CONTENTS

Contents

Company Information

Directors' Review Report

Condensed Interim Statement of Financial Position

Condensed Interim Statement of profit or Loss and Other Comprehensive Income

Condensed Interim statement of Cash Flows

Condensed Interim statement of Changes in Equity

Notes to the Condensed Interim Financial Statements

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. Muhammad Hammad Khan

EXTERNAL AUDITORS

Reanda Haroon Zakaria Rizwan Salman & Company Chartered Accountants
Progressive Plaza, Beaumont Road, Karachi, Pakistan

SHARE REGISTRAR

CDC Share Registrar Services Limited

CDC House, Main Shahrah-e-Faisal, Karachi, Pakistan

LEGAL ADVISOR

M/s Arif Law Partners

Suite No,A-1, HouseNo.10, Karsaz Town Houses, F1-12, Block-5, Boat Basin, Clifton, Karachi

BANKERS

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

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

II 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

DIRECTORS' REVIEW REPORT

For the Quarter Ended March 31, 2026

The Board of Directors of Agha Steel Industries Limited is pleased to present the unaudited condensed interim financial statements of the Company for the quarter ended March 31, 2026.

Economic Overview and Industry Outlook

During the quarter under review, Pakistan's economy exhibited early signs of stabilization, supported by a gradual decline in inflation and relative exchange rate stability. However, overall industrial activity remained constrained due to elevated financing costs, tight liquidity conditions, and subdued private sector investment.

On the international front, economic uncertainty persisted amid slower global growth, geopolitical tensions, and continued volatility in commodity markets, particularly steel raw materials such as scrap and iron ore. These dynamics continued to influence domestic cost structures.

The local steel sector remained under pressure during the period, characterized by weak demand from construction and infrastructure segments, elevated energy tariffs, and continued margin compression due to pricing competition. While expectations of monetary easing and potential revival in development spending provided some optimism toward the end of the quarter, the overall operating environment remained challenging.

Operational Review

During the period, management continued to focus on:

- Rationalization of operating costs
- Optimization of production planning
- Improved working capital management
- Strengthening customer relationships and product mix
- Active engagement with financial institutions

Operational discipline remained a key priority to ensure business continuity and efficiency under prevailing market conditions.

Financial Performance

During the nine months ended March 31, 2026, the Company recorded net turnover of **Rs. 7,325 million** as compared to **Rs. 8,081 million** in the corresponding period last year, reflecting subdued demand in the construction sector and continued pricing pressures within the steel industry.

For the quarter ended March 31, 2026, net turnover stood at **Rs. 2,184 million** as compared to **Rs. 2,717 million** in the same quarter last year.

The Company reported a **gross loss of Rs. 1,089 million** for the nine-month period compared to a gross loss of **Rs. 1,170 million** last year. For the quarter under review, gross loss was **Rs. 396 million** as against **Rs. 381 million** in the corresponding quarter, reflecting continued margin pressures due to elevated input and energy costs.

Administrative expenses and selling & distribution costs declined to **Rs. 296 million** and **Rs. 254 million**, respectively, compared to **Rs. 458 million** and **Rs. 329 million** in the same period last year, demonstrating the effectiveness of cost rationalization measures.

Finance costs reduced significantly to **Rs. 2,355 million** from **Rs. 3,435 million** in the corresponding period, primarily due to financial restructuring efforts and improved liquidity management. Consequently, operating loss narrowed to **Rs. 3,994 million** compared to **Rs. 5,393 million** last year.

Loss before taxation stood at **Rs. 4,164 million** as compared to **Rs. 6,415 million** in the corresponding period. For the quarter ended March 31, 2026, loss before taxation was **Rs. 1,325 million** compared to **Rs. 1,792 million** in the same quarter last year.

The Company reported a **loss after taxation of Rs. 2,730 million** for the nine months ended March 31, 2026, as compared to **Rs. 5,171 million** in the corresponding period, reflecting a substantial improvement in overall financial performance. On a quarterly basis, loss after taxation stood at **Rs. 926 million** as against **Rs. 1,329 million** in the same quarter last year.

Earnings per share (EPS) improved to **(Rs. 4.51)** for the nine-month period compared to **(Rs. 8.55)** last year, while quarterly EPS stood at **(Rs. 1.53)** compared to **(Rs. 2.20)** in the corresponding quarter.

Despite the improvement in losses, the Company continues to face challenges arising from weak demand, elevated energy costs, and overall economic pressures. However, the improving trend reflects the impact of management's ongoing cost optimization, financial restructuring, and operational efficiency initiatives.

Liquidity and Financial Management

The Company continues to actively engage with its lenders for restructuring and realignment of its financial obligations in line with projected cash flows.

Management remains focused on liquidity optimization, reduction in finance costs, and strengthening of the balance sheet to enhance financial flexibility and ensure long-term sustainability.

Future Outlook

The outlook for the steel sector is expected to improve gradually, contingent upon:

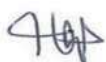
- Reduction in interest rates
- Revival in construction and housing activity
- Government-led infrastructure development
- Stability in energy and raw material costs

While near-term challenges may persist, the Company remains committed to enhancing operational efficiencies, maintaining prudent financial discipline, and positioning itself to benefit from an eventual recovery in economic activity

Acknowledgment

The Board acknowledges the continued support of its shareholders, customers, suppliers, financial institutions, and regulatory authorities. The Directors also place on record their appreciation for the dedication and efforts of the Company's management and employees during this challenging period.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Hussain Iqbal Agha
Chief Executive Officer



Raza Iqbal Agha
Director

Karachi: **April 29, 2026**