



Building with **Sustainability**





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.

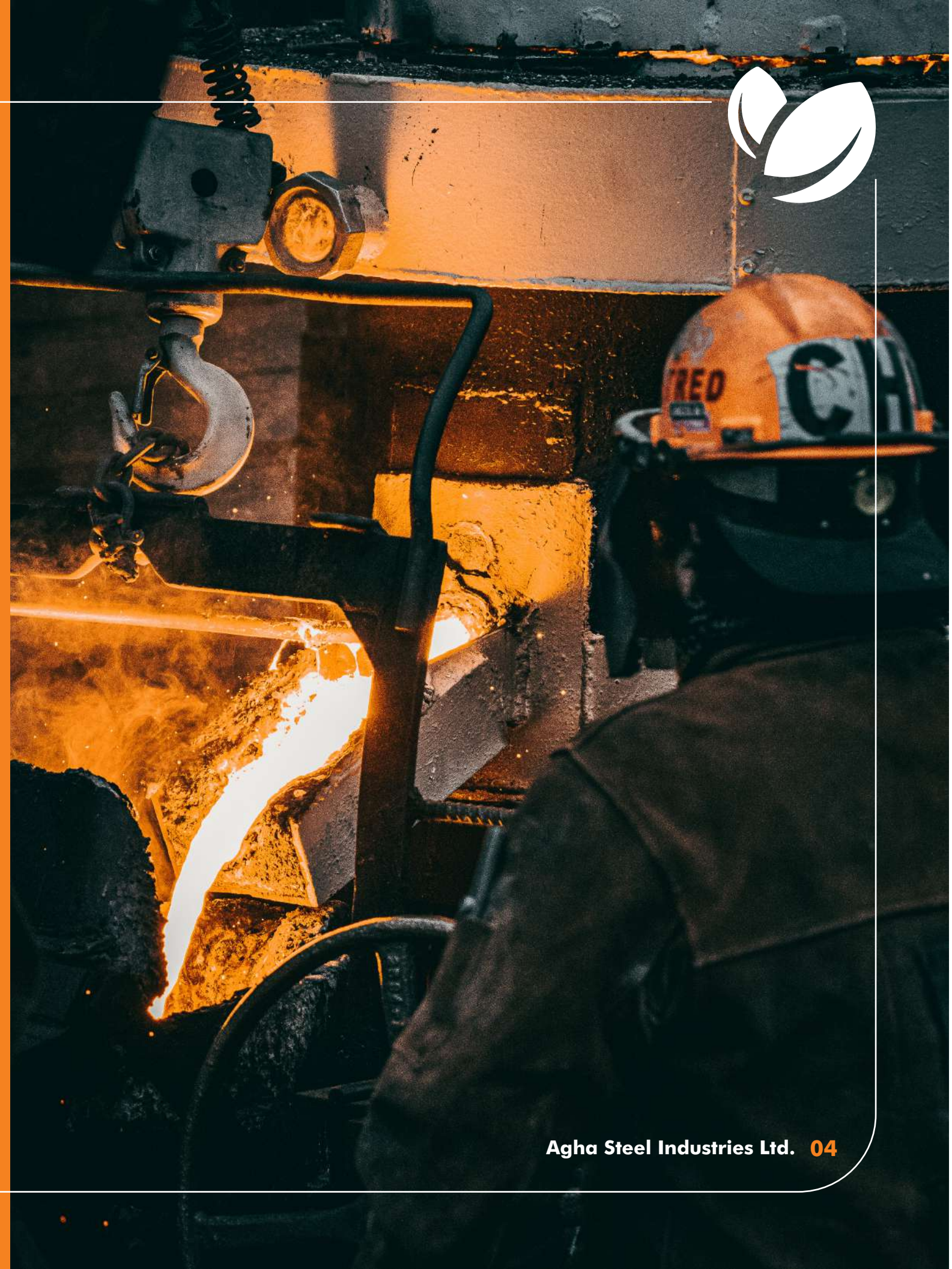
ASI installed the 45-ton EAF in Pakistan in 2012. The EAF allowed ASI to efficiently manage its output due to the raw material flexibility, thereby giving it a competitive edge in the industry.

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, II 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





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

Grade 80 rebar

Agha Steel conducted an event to introduce its latest innovation – Green Grade 80 rebars. These rebars are manufactured using state-of-the-art Environmentally Friendly Electric Arc Furnace Technology and adhere to the highest international standards, ensuring exceptional performance in a wide range of construction applications. With a minimum yield strength of 80,000 pounds per square inch, Agha Arcon Grade 80 Steel Rebars outperform conventional reinforcement bars by 33% in strength enabling engineers and architects to design structures with greater safety margins and structural integrity.

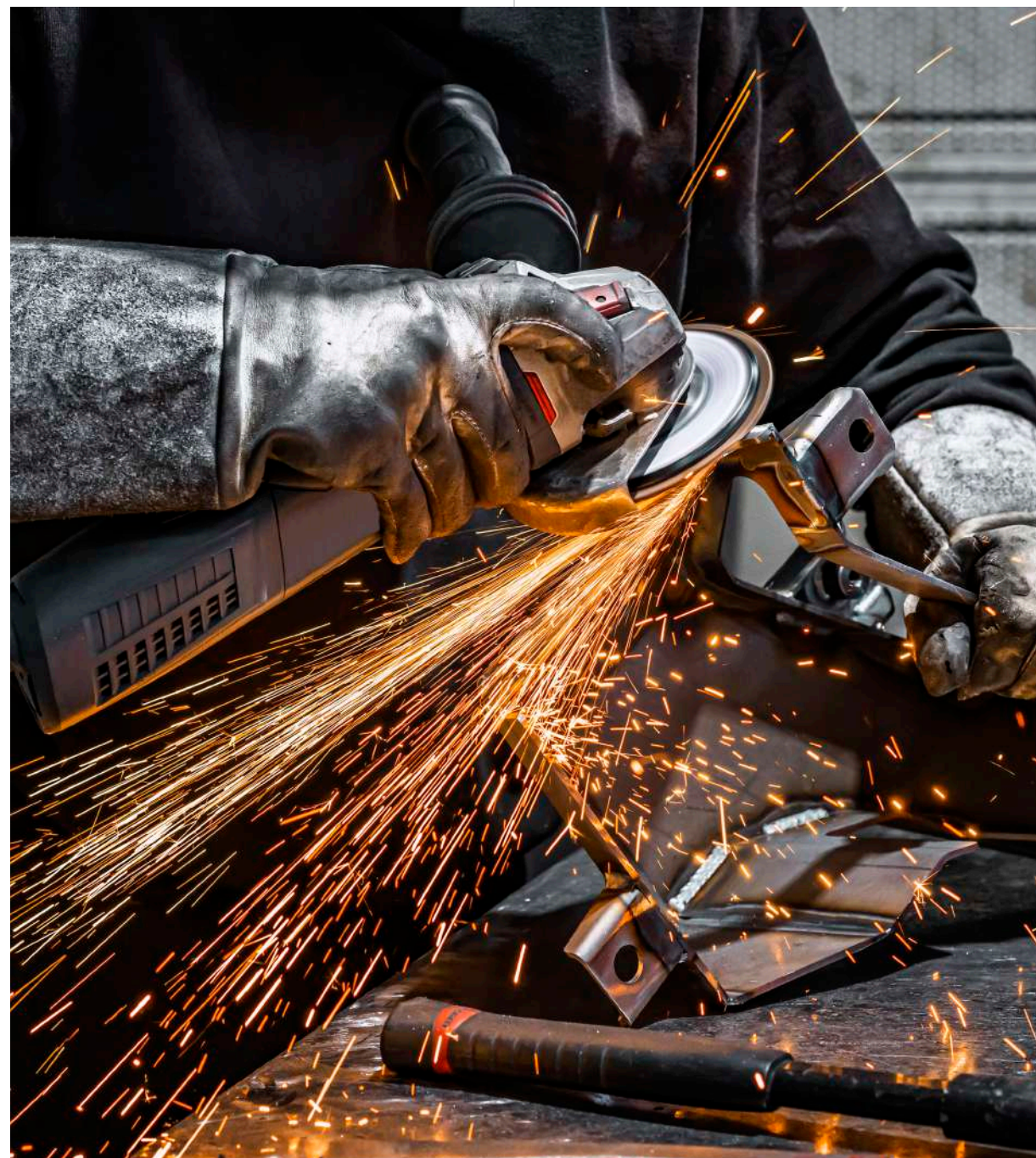
Agha Steel Arcon G500+ (BS 4449:2005) Deform Steel Rebar

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 2022-23



Honoring the Construction Industry Legends

Agha Steel organized an event to present Lifetime Achievement awards to two legendary figures of the construction industry, Arch. Akeel Bilgrami (Chairman of Najmi Bilgrami Collaborative) and Engr. Arif Kasam Mysorewala (Proprietor of Arif & Associates). The event was held at Karachi Marriott Hotel and was attended by a diverse audience of architects, structural engineers, consultants, industry leaders, colleagues, friends, and family members.



Launch of Agha Steel Mobile Application

Agha Steel launched its Mobile Application at an event that brought together key business partners who were provided with a detailed briefing on the application's features and benefits. The app was developed to meet the unique needs and requirements of Agha Steel and its business partners. It has been designed with a user-centric approach, providing clear value propositions for both the company and its customers.



Celebrating International Women Day at Agha Steel.

At Agha Steel, we believe that every day is an opportunity to recognize and empower the contributions of women. And this year, we went all out to celebrate our incredible female employees. From heartwarming greetings to thoughtful gifts and flowers, we showered our female employees with appreciation and respect.



Agha Steel Official Cricket Team

After a rigorous process of trials and selection, Agha Steel announced its official cricket squad which comprised of passionate employees who share a common love and talent for cricket. This dream team is made up of individuals from various departments who come together to play and compete against other corporate teams in friendly matches and tournaments. The 15-member squad, led by the talented Muhammad Shafiq from the sales department, is all set to take on the competition.



Agha Steel, Educating the upcoming Engineers of Pakistan

Agha Steel has taken a significant step towards creating strong links with universities and institutes across Pakistan by conducting awareness sessions on global steel manufacturing processes and educating upcoming graduates on the latest trends and knowledge in the construction industry, specifically in steel manufacturing. This initiative has been highly praised by university professors and faculty, as it provides students with hands-on experience and exposure to real-world industry challenges, enhancing their learning and preparing them for their future professional lives.



Agha Steel Industries, Signs SDG Charter Pioneering the Green Steel Revolution in Pakistan

In a world increasingly focused on sustainability and environmental responsibility, industries around the globe are stepping up their efforts to reduce their carbon footprint and embrace eco-friendly practices. In light of this, Agha Steel Industries recently announced its unwavering commitment to the United Nations Sustainable Development Goals (SDGs). These goals, designed to tackle global challenges and promote a sustainable future, align perfectly with Agha Steel's vision. By signing the SDG Charter, Agha Steel has joined the ranks of global companies dedicated to incorporating sustainable practices into their operations. This commitment will guide the company's decision-making process and ensure the integration of sustainability at every level.



Agha Steel Launches the innovative Green Grade 80 Rebars

Agha Steel conducted an event to introduce its latest innovation – Green Grade 80 rebars. These rebars are manufactured using state-of-the-art Environmentally Friendly Electric Arc Furnace Technology and adhere to the highest international standards, ensuring exceptional performance in a wide range of construction applications. With a minimum yield strength of 80,000 pounds per square inch, Agha Arcon Grade 80 Steel Rebars outperform conventional reinforcement bars by 33% in strength enabling engineers and architects to design structures with greater safety margins and structural integrity.

Agha Steel and Systems Limited Join Forces in Strategic Partnership for SAP Support

Agha Steel Industries, a leading steel manufacturing company, has embarked on a strategic partnership with Systems Limited, a renowned IT and software solutions provider. The partnership aims to enhance Agha Steel's SAP system support, ensuring seamless operations and exceptional customer service. By leveraging Systems Limited's technical prowess and industry-leading practices, Agha Steel can respond swiftly to customer inquiries, track orders efficiently, and provide real-time updates, ultimately exceeding customer expectations.





**Corporate
Information**



Corporate Information

BOARD OF DIRECTORS

Mrs. Shazia Agha	Chairman, Non-Executive Director
Mr. Hussain Iqbal Agha	Chief Executive Officer
Mr. Raza Agha	Executive Director
Mr. Saad Iqbal	Executive Director
Mr. Akbar Pesnani	Independent Director
Mr. Muhammad Asif	Independent Director
Mr. Askari Asghar Agha	Independent Director

AUDIT COMMITTEE

Mr. Askari Asghar Agha	Chairman
Mrs. Shazia Iqbal Agha	Member
Mr. Muhammad Asif	Member

HUMAN RESOURCE & RUMENERATION COMMITTEE

Mr. Akbar Pesnani	Chairman
Mrs. Shazia Iqbal Agha	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
- 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, 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



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 Oxygen Business of the Group. 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. Askari Asghar Agha
Non-executive Director

Mr. Askari Agha is a reputable name in the construction industry. He operates with a rich experience of over 19 years in the construction and ship breaking industry. Mr. Askari holds a Bachelor's degree in Business Administration from California University Fullerton. He has been involved in the construction of some of the finest building in Karachi and has been associated in various roles with Ali developers, Zohzy Estate and Developers, A & Z Associates, A & A Associates, Cosmos Properties and Ammar Shipbreaking.

Mr. Askari is playing a pivotal role in the overall strategic expansion plans of ASIL. With his experience and professional expertise, ASIL intends to achieve financial prosperity through business diversity and vertical integration.



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. Akbar Ali Pesnani
Non-executive Director

Mr. Akbar Ali Pesnani is one of the most pertinent Business advisors of Pakistan. He is the fellow member of Institute of Chartered Accountants of Pakistan and Institute of Cost & Management Accountants of Pakistan.

Previously, Mr. Pesnani served as a Non-Executive Director of Archroma Pakistan Ltd, Authority and Government holdings (Pvt) Ltd., and as a Non-Executive Director of Mirpurkhas Sugar Mills Ltd, Air Asia Ltd, Air Safira Ltd, Greaves CNG Pvt Ltd, Greaves Pakistan (Pvt) Ltd, and Industrial Promotion Services (Pakistan) Ltd. Mr. Akbar has served the Agha Khan Development network for development and uplifting health standards in central Asia. At present, he is on the Board of Directors at Jubilee General Insurance Co. Ltd.

With his immense and immeasurable experience, Mr. Akbar Ali Pesnani is contributing towards the overall development of control environment and execution of best business practices and strategies.



Mr. Saad Iqbal
(Executive Director)

Mr. Saad Iqbal is a vibrant and accomplished individual known for his youthful energy, unwavering confidence, and a flair for turning challenges into opportunities. With a passion for entrepreneurship, he has consistently demonstrated his dynamic and self-motivated approach to business endeavors. His academic achievements and professional journey reflect a remarkable commitment to personal and professional growth.

Mr. Iqbal's academic journey began at Curry College in the USA, where he graduated in the year 2007 with a major in International Communication. This laid the foundation for his cross-cultural understanding and effective communication skills, both of which are crucial assets in today's global business landscape. His time at Curry College fostered his enthusiasm for international relations and business. Seeking to broaden his horizons, Mr. Iqbal pursued a Master's degree from Kingston University in the UK. In 2009,

Mr. Iqbal's dedication to continuous learning is evident through his acquisition of several certificates from esteemed institutions. In 2011, he completed the

Finance for Non-Financial Managers program from the Lahore University of Management Sciences (LUMS), further enhancing his financial acumen and ability to make informed decisions from a managerial perspective. Mr. Iqbal's dedication to continuous learning is evident through his acquisition of several certificates from esteemed institutions. In 2011, he completed the Finance for Non-Financial Managers program from the Lahore University of Management Sciences (LUMS), further enhancing his financial acumen and ability to make informed decisions from a managerial perspective. This was followed by his completion of the Capital Markets and Finance certificate from the Karachi School for Business & Leadership (KSBL) in the same year, deepening his insights into financial markets. In 2012, Mr. Iqbal further honed his expertise by obtaining a certificate in Financial Modeling from the Institute of Business Administration (IBA).

He is currently adding value to many business as director including Millat Tractors Limited, Tariq Glass Industries Limited, Kot Addu Power Company Limited and Hub Power Company limited.





Management Profile



**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. 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 provision of 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 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 Mubin Jaliawala
GM Sales & Marketing

Mr. Muhammad Mubin Jaliawala is a seasoned professional with a rich and diverse work experience. With over more than a decade in the corporate world, he has honed his skills in various domains.

Mr. Jaliawala has held key positions in renowned organizations like Shabbir Tiles and Ceramics Limited, Zulfeqar Industries Limited, where he exhibited exceptional leadership and strategic prowess. He is renowned for his exceptional leadership skills and strategic acumen, consistently driving growth and fostering innovation. His commitment to excellence and ability to navigate complex challenges make him a standout professional in the industry. Mr. Jaliawala's illustrious career is characterized by remarkable achievements, showcasing his dedication and proficiency in areas such as Sales Operations, Brand Management, Trade Marketing Digitization, Product Planning, Sales Planning, and Channel Development.



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 management 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 strategic 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 strategic and operations levels in dynamic environment



Chairperson Review Report

The Fiscal year ending in June 2023 has been a challenging year on many fronts. The deteriorating macroeconomic and political situation in the country led to unprecedented import restrictions imposed by the State Bank of Pakistan (SBP) to try and address rapidly depleting forex reserves and to decrease the impact of a current account deficit. Simultaneously, SBP intervened to arrest the inflationary pressures and rapid devaluation of the PKR through policy rate hikes in quick succession. On a global landscape, the prolonged insurgence in the Russo-Ukrainian conflict strongly impacted oil and gas prices, as well as other commodities, stoking global inflation at a time where the world was still recovering from COVID induced supply side shocks.

Your Company's management continues to remain optimistic on its outlook based on the successful completion of the stalled IMF stand-by financing arrangement which remained a key condition to unlock further opportunities for Pakistan to address the ongoing economic crisis. Similarly, the hopes of federal elections in the country will strengthen the pace of recovery.

Over the course of this fiscal year, the Board has been active in advising the Company's management in assessing and mitigating the myriad of risks affecting the Company's strategic direction and the operational risks that it faced. Each Board member brought their experience and expertise, and was given an opportunity to present their thoughts and guidance to the management team. I am confident that the management will successfully navigate the Company along the Board's vision.

The Board of Directors (the Board) of **AGHA STEEL INDUSTRIES LIMITED** has performed their duties diligently in upholding the best interest of shareholders of the Company and has managed the affairs of the Company in an effective and efficient manner. The Board has exercised its powers and has performed its duties as stated in the Companies Act 2017 (previously Companies Ordinance 1984) and Listed Companies (Code of Corporate Governance) Regulations, 2017.

Further, the Board during the year ended 30 June 2023 played an effective role in managing the affairs of the Company and achieving its objectives in the following manner;

- The Board has ensured that there is adequate representation of Executives, non-executive and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees has adequate skill, experience and knowledge to manage the affairs of the Company;
- The Board has developed and put in place a formal and effective mechanism for an annual evaluation of its own performance and that of its Committees and individual Directors. On the basis of the feedback received through this mechanism overall performance of the Board has been found to be Good and effective;
- The Board has formed an Audit, HRR and Risk Management Committees and has approved their respective terms of references and has assigned adequate resources so that the committees perform their responsibilities diligently;
- The Board has ensured that one Directors of the Company are exempt from Directors Training Program due to their qualification. Five Directors has taken certification under the Directors Training Program and the remaining one shall obtain certification under the DTP program in due course of time;



- The Board has ensured that the meetings of the Board and its committee were held with the requisite quorum and that the minutes of all the meetings (including committees) are appropriately recorded and maintained;
- The Board has developed a code of conduct setting forth the professional standards and corporate values adhered through the Company and have developed significant policies for smooth functioning;
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process;
- The Board has ensured that the adequate system of internal control is in place;
- The Board has prepared and approved the Director's report and has ensured that the directors' report is published with the quarterly and annual financial statement of the Company, and the content of the directors' report are in accordance with the requirement of applicable laws and regulations;
- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings;
- The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company.

I am pleased to report significant progress as it strives to be fully compliant to the updated Code of Corporate Governance. Company management believes that the continued focus

on this matter will be beneficial for more effective governance, additional transparency and most importantly, value creation for our Shareholders. I would like to put on record the appreciation to the entire Board in guiding your Company through the subcommittees that have worked diligently to support us. I would like to thank the management team for their support and resilience in making this year a success and look forward to supporting them for an even more successful year ahead.

Acknowledgement

On behalf of the Board, I appreciate untiring efforts of our employees, shareholders, Suppliers, and express gratitude to all stakeholders including our valued customers for their continued cooperation and support.

Shazia Agha
Chairperson

Dated: 25th September, 2023

- بورڈ نے اس بات کو یقینی بنایا ہے کہ بورڈ اور اس کی کمیٹی کی میٹنگیں مطلوبہ کورم کے ساتھ ہوئیں اور تمام میٹنگز (بشمول کمیٹیوں) کے منٹس کو مناسب طریقے سے ریکارڈ اور برقرار رکھا گیا ہے؛
- بورڈ نے کمیٹی میں پیشہ ورانہ معیارات اور کارپوریٹ اقدار کی تعمیل کرتے ہوئے ایک ضابطہ اخلاق تیار کیا ہے اور اس کے لیے اہم پالیسیاں تیار کی ہیں؛
- کارپوریٹ فیصلہ سازی کے عمل کو مضبوط اور باضابطہ بنانے کے لیے سال بھر کے تمام اہم مسائل بورڈ یا اس کی کمیٹیوں کے سامنے پیش کیے گئے؛
- بورڈ نے یقینی بنایا ہے کہ داخلی کنٹرول کا مناسب نظام موجود ہے؛
- بورڈ نے ڈائریکٹرز کی رپورٹ تیار اور منظور کر لی ہے اور اس بات کو یقینی بنایا ہے کہ ڈائریکٹرز کی رپورٹ کمیٹی کے سہ ماہی اور سالانہ مالیاتی بیان کے ساتھ شائع کی جاتی ہے اور ڈائریکٹرز کی رپورٹ کا مواد قابل اطلاق قوانین اور ضوابط کے مطابق ہے؛
- بورڈ نے اس بات کو یقینی بنایا ہے کہ اس کے اراکین کے درمیان بروقت مناسب معلومات کا اشتراک کیا جائے اور بورڈ کے اراکین کو میٹنگوں کے درمیان ہونے والی پیش رفت سے باخبر رکھا جائے؛
- بورڈ نے اپنے اختیارات کا استعمال کمیٹی پر لاگو متعلقہ قوانین اور ضابطوں کے ساتھ بورڈ کو تفویض کردہ اختیارات کی روشنی میں کیا ہے۔

مجھے اہم پیش رفت کی اطلاع دیتے ہوئے خوشی ہو رہی ہے کیونکہ یہ کارپوریٹ گورننس کے اپ ڈیٹ کردہ ضابطہ کی تعمیل کرتی ہے۔ کمیٹی انتظامیہ کا یقین ہے کہ اس معاملے پر مسلسل توجہ سے زیادہ موثر گورننس، اضافی شفافیت اور سب سے اہم ہمارے شیئرز ہولڈرز کے لیے اہمیت بڑھانے کے لیے فائدہ مند ثابت ہوگی۔ میں نہایت شکرگزار ہوں پورے بورڈ اور آپ کی کمیٹی کی ذیلی کمیٹیوں کے جنہوں نے تندرستی سے کام کیا اور اپنی رہنمائی سے ہماری مدد کی۔ میں اس سال کو کامیاب بنانے میں انتظامی ٹیم کے تعاون اور مستقل مزاجی پر شکریہ ادا کرنا چاہوں گی اور آنے والے مزید کامیاب سال کے لیے ان کی حمایت کی منتظر ہوں۔

اعتراف

بورڈ کی جانب سے، میں اپنے ملازمین، شیئرز ہولڈرز، سپلائرز کی انتھک کوششوں کو سراہتی ہوں، اور تمام اسٹیک ہولڈرز بشمول ہمارے قابل قدر صارفین کے مسلسل تعاون اور حمایت کے لیے اظہار تشکر کرتی ہوں۔

شازیہ آغا

چیئر پرسن

مورخہ: ۲۵ ستمبر ۲۰۲۳



چیئر پرسن کی جائزہ رپورٹ:

جون ۲۰۲۳ میں ختم ہونے والا مالی سال کئی محاذوں پر ایک چیلنجنگ سال رہا ہے۔ ملک میں بگڑتی ہوئی معاشی اور سیاسی صورت حال کی وجہ سے اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے غیر معمولی درآمدی پابندیاں عائد کی گئیں تاکہ تیزی سے کم ہوتے غیر ملکی زرمبادلہ کے ذخائر کو دور کیا جاسکے اور کرنٹ اکاؤنٹ خسارے کے اثرات کو کم کیا جاسکے۔ اس کے ساتھ ہی اسٹیٹ بینک آف پاکستان نے فوری طور پر یکے بعد دیگرے پالیسی ریٹ میں اضافے کے ذریعے افراط زر کے دباؤ اور پاکستانی روپے کی تیزی سے قدر میں کمی کو روکنے کے لیے مداخلت کی۔ عالمی منظر نامے پر روسی-یوکرائی تنازعہ میں طویل بغاوت نے تیل اور گیس کی قیمتوں کے ساتھ ساتھ دیگر اجناس اور عالمی افراط زر پر ایسے وقت میں سخت اثر ڈالا جب دنیا COVID سے متاثرہ رسد کی کمی سے بحالی ہو رہی تھی۔

آپ کی کمپنی کی انتظامیہ تعطل کا شکار آئی ایم ایف کے اسٹینڈ بائی مالیاتی انتظامات کی کامیابی کی بنیاد پر اپنے نقطہ نظر پر پر امید رہی ہے جو پاکستان کے لیے جاری معاشی بحران سے نمٹنے کے لیے مزید مواقع کو کھولنے کے لیے ایک اہم شرط ہے۔ اسی طرح ملک میں وفاقی انتخابات کی امیدیں بحالی کی رفتار کو تقویت دیں گی۔

اس مالی سال کے دوران بورڈ، کمپنی کی اسٹریٹجک سمت کو متاثر کرنے والے بے شمار خطرات اور اس کو درپیش عملی خطرات کا اندازہ لگانے اور ان کو کم کرنے کے لیے کمپنی کی انتظامیہ کو مشورہ دینے کے لیے سرگرم رہا ہے۔ ہر بورڈ ممبر اپنا تجربہ اور مہارت لے کر آیا، اور انہیں انتظامی ٹیم کے سامنے اپنے خیالات اور رہنمائی پیش کرنے کا موقع دیا گیا۔ مجھے یقین ہے کہ انتظامیہ بورڈ کے وژن کے ساتھ کمپنی کو کامیابی کے ساتھ چلائے گی۔

آغا اسٹیل انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز (بورڈ) نے کمپنی کے حصص یافتگان کے بہترین مفاد کو برقرار رکھنے کے لیے تندی سے اپنے فرائض سرانجام دیے ہیں اور کمپنی کے معاملات کو موثر اور موثر انداز میں چلایا ہے۔ بورڈ نے اپنے اختیارات کا استعمال اور اپنے فرائض کو انجام دیا ہے جیسا کہ کمیٹی ریکارڈ (۲۰۱۷ پبلیکیشنز آرڈیننس ۱۹۸۴) اور سٹیکہولڈرز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۷ میں بیان کیا ہے۔ مزید ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے دوران بورڈ نے کمپنی کے معاملات کو منظم کرنے اور اس کے مقاصد کو درج ذیل طریقے سے حاصل کرنے میں ایک مؤثر کردار ادا کیا:۔

- بورڈ نے اس بات کو یقینی بنایا ہے کہ ایگزیکٹوز، نان ایگزیکٹوز کی مناسب نمائندگی ہو اور بورڈ اور اس کی کمیٹیوں کے آزاد ڈائریکٹرز جیسا کہ ضابطہ کے تحت مطلوب ہے بورڈ اور اس کی متعلقہ کمیٹیوں کے ممبران کے پاس کمپنی کے معاملات کو منظم کرنے کا مناسب مہارت، تجربہ اور علم ہو؛
- بورڈ نے اس کی اپنی کمیٹیوں اور انفرادی ڈائریکٹرز کی کارکردگی کا جائزہ سالانہ کے لیے ایک باضابطہ اور موثر طریقہ کار تیار کیا ہے اور اسے نافذ کیا ہے۔ اس طریقہ کار کے ذریعے موصول ہونے والے تاثرات کی بنیاد بورڈ کی مجموعی کارکردگی کو اچھا اور موثر پایا گیا ہے؛
- بورڈ نے ایک آڈٹ، ایچ آر اور رسک مینجمنٹ کمیٹیاں تشکیل دی ہیں اور ان کے متعلقہ شرائط کی منظوری دی ہے اور مناسب وسائل تفویض کیے ہیں تاکہ کمیٹیاں اپنی ذمہ داریاں پوری تندی سے انجام دیں؛
- بورڈ نے اس بات کو یقینی بنایا ہے کہ کمپنی کے ایک ڈائریکٹران کی اہلیت کی وجہ سے ڈائریکٹرز کی تربیت پروگرام سے مستثنی ہیں۔ پانچ ڈائریکٹرز نے ڈائریکٹرز کے تحت سرٹیفیکیشن لی ہے اور باقیہ کو مقررہ وقت پر تربیتی پروگرام اور ڈی ٹی پی پروگرام کے تحت سرٹیفیکیشن حاصل کرنا ہوگی؛



CEO's Message

Dear Valued Shareholders,

I am thrilled to share the inspiring story of our company's remarkable journey through 2023—a year that posed challenges, but also provided us with invaluable opportunities for growth and resilience!

Despite the dip in revenues, with sales reaching PKR 20.582 billion compared to PKR 25.647 billion in 2022, we stand tall, understanding that economic challenges and political uncertainties are part of the journey for businesses, especially in Pakistan. Yes, we faced a setback, but we're fighters, and we're bouncing back, stronger and more determined than ever!

The economic landscape presented hurdles: inflation, currency devaluation, power shortages, and foreign currency shortfalls. Yet, our exceptional management team has risen to the occasion, doing everything in their power to navigate these unprecedented challenges and ensure long-term value for you, our esteemed shareholders. We're committed to enhancing cost-efficiency and operational effectiveness to continually deliver value to our stakeholders.

In the face of external headwinds, we remain unwavering in our belief that our dedication to excellence, innovation, and customer-centricity will be the cornerstone of our growth and success in the long run. Our employees, the real heroes behind our success, continue to inspire us with their talent, passion, and commitment. We invest in them to drive our growth and foster a culture of transparency, integrity, and ethical conduct that we are immensely proud of.

Lastly, but certainly not least, I am thrilled to announce that your Company's board of Directors have directed the management to take a significant leap in our journey towards growth and self-reliance through paving the way for strategic backward integration to utilize indigenous supply of raw material. As per the directions of the Board, our forward-thinking approach shall be based on in house consumption and exporting of iron ore to the international market, leveraging commercial viability to expand our global footprint. We are seizing opportunities, making strategic moves, and positioning ourselves for a future of unparalleled success and sustainability.

Looking ahead, we stand firm in our core values of excellence, innovation, and customer focus. We are not just optimistic about what lies on the horizon; we are excited about the abundant opportunities waiting to be seized. We remain confident in our ability to continue delivering long-term value to you, our cherished shareholders.

Thank you for your unwavering trust and continued support. Your continued trust and support inspire our audacious strides forward.

Sincerely,

Hussain Iqbal Agha
Chief Executive Officer
Dated: 25th September, 2023





Directors Review 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, 2023.

Economic Outlook

Pakistan witnessed high levels of economic turbulence in the first half of CY 2023. In the near future, the with the IMF which in turn will unlock further support from friendly countries to bolster the State Bank of Pakistan (SBP) forex reserves that had fallen sharply in early-2023. Restoration of political stability through the upcoming elections is expected to solidify the strengthening process further.

On the economic front, Pakistan experienced a turbulent situation based on a sharp devaluation of the Pakistani Rupee (PKR) to close at Rs.286 against the US Dollar, which marked a 27% depreciation of since the start of CY 2023. This devaluation had a multiplier effect on overall inflation levels, and resulted in record inflation level approaching an unprecedented 40% on a month-on-month basis. To counter this inflation, the State Bank of Pakistan (SBP) intervened by increasing the Policy Rate to 22%, marking an increase of 800 bps over the course of the FY 2022-23.

Pakistan's economy remained under constant pressure from trickledown impact of global economic contraction. Uncertain political environment, rapidly rising commodity prices and supply side disruptions compounded the macroeconomic imbalances. On top of these issues, the country was jolted by one of the most devastating events in its history as cataclysmic floods drowned almost one-third of the country underwater, claiming many lives, displacing millions of people homeless, destroying road networks, farmlands and livestock with damages estimated to be running in the billions of dollars. In addition, this event gave rise to a food crisis as well, directly affecting social and economic condition of the masses.

The poor economic conditions were further compounded due to the ever increasing twin deficits amid a huge burden of international and domestic debts. The already precarious situation has been made further arduous and challenging due to IMF conditions resulting in an unprecedented increase in cost of doing

business, high fuel/energy prices and increased taxation measures. Political instability, high international fuel and food prices and the growing trade deficit exerted huge pressure on foreign exchange reserves, resulting in significant depreciation of Pak Rupee which in turn contributed towards higher inflation in the country. Inflation stayed significantly high during the period under review, affecting the buying power of the populace.

In the fiscal year 2023, the repatriation of dividends and profits relating to Foreign Direct Investment (FDI) experienced a significant decrease. This decline can be attributed to two main factors: the country's fragile foreign exchange reserve position and the consequent measures implemented by the State Bank of Pakistan to restrict the outflow of dollars, including import restrictions aimed at supporting the balance of payments.

The policy measures will have a negative effect on growth outlook, but are expected to reign in inflationary trends and arrest the currency devaluation in the short term

Global Outlook

Global growth has slowed significantly during the period under review. Despite some recovery from the COVID period, the prolonged Ukraine-Russia conflict and general slowdown in developed economies have led to growth constraints in emerging markets and developing economies. Tightening monetary policies being used as a tool to control inflationary trends in a global scenario already reeling from COVID related supply side shocks have led to significant financial stability challenges in emerging markets, which were compounded by increasing borrowing costs and currency exchange rate fluctuations. This situation is likely to cause a softening of the growth projections in emerging economies, and a strong reversal in both public and private sector spending in the near term.

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	3
Non-Executive Directors	4

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	4
Mr. Hussain Iqbal Agha	4
Mr. Raza Iqbal Agha	4
Mr. Akbar Pesnani	4
Mr. Askari Asghar Agha	4
Mr. Muhammad Asif	4
*Mr. Aamir Nazim Haji	3
**Mr. Saad Iqbal	1

*Outgoing Director

**Incoming Director



Business Review

Your Company, like every other business in Pakistan faced a year full of challenges. The aftermaths of 2022 floods along with prolonged period of political uncertainty and limited foreign exchange to pay for import of food, energy and immediate inputs led to depressed economic activity with industrial production contracting by almost 25%.

Due to scarcity of foreign exchange reserves and stagnant remittances, the government increased exchange rate flexibility allowing Pak rupee to depreciate considerably causing sharp increase in inflation spiking as high as 38% at one point of time.

Like your Company's product, the overall management showed resilience and strength during these tough times and was able to convert some of the threats into its advantages. This enabled your Company to revert back to its stakeholders with their due returns through sustainable profits

During the year, the Mi.DA project continued but due to aforementioned reasons, found its pace to be slower than usual. The project in expected to complete within next financial year, inshAllah- Uncertainties as to the way forward loom large on the economic horizon of the country. The adverse effects of political insatiability and the governance regime of the coalition government are now more pronounced with greater economic vulnerabilities especially in the backdrop of possibility of deceleration of global growth in the coming year as projected by IMF. A credible political structure capable and willing to ensure economic and financial stability is dire need of the time to avoid country further plunging into deeper crises.

From a business growth perspective, your management foresee challenges at least in the short term in securing good risk business. Nevertheless, management is fully cognizant and committed towards managing these challenges and delivering sustainable growth capitalizing on our professional excellence, prudent business policies and strong client relationship

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, 2023.



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. 24.160 Billion as compared to Rs. 30.008 Billion in the corresponding year. The gross profit stood at Rs. 4,820 million as compared to Rs. 5,490 million as compared to the previous year. The gross profit percentage declined to 12.2% as compared to 21.47% in the corresponding year, this was mainly due to the exorbitant increase in international scrap prices and currency devaluation coupled with the steep increase in electricity tariff during the year, restriction on imports, highest discount rates and low purchasing power of consumers in the local market.

Administrative expenses stood at Rs. 311 million as against to the expenses of Rs. 334 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. 319 million as compared to Rs. 354 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 3,209 million as against 2,136 million in the corresponding year.

The company contributed Rs. 6.3 million on account of Workers Welfare Fund in financial year 2023 and Rs. 62 million in Financial year 2023 on account of Workers Profit Participation Fund respectively during the current year, as against the contribution of Rs. 28 million in year 2022 for the former and Rs. 122 million for the latter during financial year 2022.

Current assets stood at Rs. 20,210 million as on 30 June 2023 as against Rs. 21,802 million as on 30 June 2022. The decrease was driven due to lean operations during the year.

Earnings per Share

Diluted and Basic Earnings per share for the year ended June 30, 2023 was Rs. 1.50 compared with Rs. 3.07 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 to A with negative outlook, while the short term rating maintained its A-2 rating with negative outlook.

Long Term entity rating of A reflects good credit quality, adequate protection factors. Risk factors may vary with possible changes in the economy. Short Term Rating of A-2 indicates good certainty of timely payment, sound liquidity factors and company fundamentals. Access to capital markets is good. Previous rating action was announced on March 01, 2022.

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 2024.

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 Officer

Director

Date: 29th September, 2023, Karachi



وفقاً فو قف HSE مئجمنٹ سسٹم کی مناسبت ، افاد یت اور موثر یت کا جائزہ لیتا ہے۔

- عام طور پر قبول شدہ OHS اور ماحولیاتی نظم و نسق کے نظام کی ضروریات کے مطابق ذمہ دارانہ انداز میں سرگرمیاں انجام دینے کے لیے ملازمین کو تعلیم ، تربیت ، حوصلہ افزائی اور حوصلہ افزائی کرتا ہے۔ ایسی ٹیکنالوجیز کا اطلاق کرتا ہے جو ہمارے ملازمین کی صحت کے لیے نقصان دہ نہ ہوں اور ماحول دوست ہوں۔
- پیشہ ورانہ صحت اور حفاظت کے لیے مقاصد اور اہداف ، اہم کارکردگی کے اشارے اور پروگرام کا تعین کرتا ہے۔
- کسی بھی حادثے کو روکنے اور HSE کے انتظامی نظام اور متعلقہ کارکردگی میں مسلسل بہتری حاصل کرنے کی کوشش کرتا ہے۔
- ملازمین کے ساتھ ان کی صحت اور حفاظت کو متاثر کرنے والے معاملات پر مشورہ کرتا ہے۔

متعلقہ پارٹی ٹرانزیکشن

سال کے دوران تمام متعلقہ فریقوں لین دین مطلوب بنیاد پر کیا گیا تھا۔ آڈٹ کمیٹی کے اجلاس میں کل لین دین کا خلاصہ پیش کیا گیا اور بعد میں بورڈ نے پیش کیا اور اس کی منظوری دی۔ یہ لین دین بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) اوکیٹیز ایکٹ ۲۰۱۷ کے تقاضوں کے مطابق تھے۔ کمپنی اس طرح کے تمام لین دین کا مکمل اور مکمل ریکارڈ رکھتی ہے۔

مالی تفصیلات

کمپنی کے مالی بیانات کا آڈٹ (جائچ پڑتال) بغیر اعتراض کسی اہلیت کے میسر نہ رہا ہوں نہ کیا اینڈ کمپنی ، چارٹرڈ اکاؤنٹنٹس نے کیا ہے۔

انسانی وسائل

آپ کی کمپنی ہمیشہ غیر معمولی نتائج حاصل کرنے میں ٹیم کے اہم کردار پر یقین رکھتی ہے۔ یہ لوگوں کی محنت اور تعاون ہے جس نے آغا اسٹیل انڈسٹریز لمیٹڈ کو اس مشکل وقت میں اپنے اہداف حاصل کرنے کے قابل بنایا ہے۔ ہماری ٹیم نہ صرف بیرونی اسٹیک ہولڈرز 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 ٹیلنٹ کو راغب کرنا ، تیار کرنا اور برقرار رکھنا ہے۔ آپ کی کمپنی کے پاس ٹیلنٹ مینجمنٹ پروگرامز ، تنظیمی ترقی ، کل انعامات اور مشترکہ خدمات کی دیکھ بھال کے لیے اعلیٰ تعلیم یافتہ اور قابل پیشہ ور افراد کی ایک ٹیم ہے۔

انسانی وسائل میں سرمایہ کاری سے مجموعی پیداواری صلاحیت کو بڑھانے میں مدد ملے گی ، جس سے بالآخر پائیدار کاروباری نتائج پیدا کرنے میں مدد ملے گی۔ یہی وجہ ہے کہ آپ کی کمپنی لوگوں میں سرمایہ کاری کرنے میں کبھی ہچکچاہٹ محسوس نہیں کرتی ہے۔ آغا اسٹیل احترام ، دیانتداری اور ٹیم ورک پر مبنی ایک مضبوط کلچر بنا کر ایک 'ایمپلائز آف چوائس' بننے کی کوشش کرتا ہے۔ اس کے علاوہ ، آپ کی کمپنی ملازمین کو سیکھنے اور بڑھنے کے بہت سے مواقع فراہم کرنے اور اس بات کو یقینی بنانے کی کوشش کرتی ہے کہ ملازمین کو مارکیٹ میں مسابقتی معاوضہ فراہم کیا جائے۔ یہ آپ کی کمپنی کو صحیح ٹیلنٹ کو راغب کرنے اور برقرار رکھنے کے قابل بناتا ہے بلکہ اس بات کو بھی یقینی بناتا ہے کہ ملازمین اپنی صلاحیتوں سے تجاوز کرنے کے قابل ہیں۔

آغا اسٹیل انڈسٹریز لمیٹڈ میں ، ہم آپ کے مشترکہ اہداف کے مشترکہ وژن کے لیے کام کرتے ہیں۔ ہم ملازمین اور انتظامیہ کو منسلک ، مشغول اور حوصلہ افزائی کے ذریعے ایسا کرتے ہیں۔ ہم ٹیم کی تعمیر اور بین شعبہ جاتی تعامل کو فروغ دینے کے لیے مختلف سرگرمیوں کا اہتمام کرتے ہیں۔ مالی سال ۲۰۲۱-۲۲ کے دوران ، ہم نے ملازمین کی مصروفیت کی مختلف سرگرمیاں اور اقدامات شروع کیے۔

کارپوریٹ گورننس کے معاملات

پالیسی ، بورڈ اور گورننس سے متعلق تمام معاملات کو کارپوریٹ گورننس سیکشن میں حل کیا جاتا ہے اور انہیں ڈائریکٹرز کی رپورٹ کا حصہ سمجھا جاتا ہے۔

مستقبل کا خاکہ

پاکستان کی ٹیکرو اکٹما صورت حال بدستور ایک چیلنج پیش کر رہی ہے ، تاہم ہماری قوم اور ہمارے عوام کی لچک تیزی سے بحالی کی گواہی دے رہی ہے۔ ٹیکرو اکٹما ملک تناظر میں استحکام سیاسی استحکام سے بہت زیادہ جڑا ہوا ہے ، اور عبوری حکومت مالیاتی نظم و ضبط اور برآمدی رجحان کو یقینی بنانے پر مرکوز ہے۔ ان اقدامات سے غیر ملکی سرمایہ کاروں میں سرمایہ کاری لانے کے لیے اعتماد پیدا ہونے کا امکان ہے۔

پاکستان اور دوست ممالک کی جانب سے فوری ضروریات کو پورا کرنے کے لیے مالی معاونت کو فروغ دینا۔ آپ کی کمپنی کو اپنے اسٹیک ہولڈرز کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ تمام بینکوں کے ساتھ ہمارے تعلقات موجودہ ہیں اور ہم معاہدوں کے مطابق وقت پر اپنی ذمہ داریاں پوری کر رہے ہیں۔

ہچکچے سالوں میں معیشت میں سست روی نے کمپنی کو اپنی پوری صلاحیت کے ساتھ کام کرنے پر روک دیا۔ تاہم ، کمپنی نے اپنی مینوفیکچرنگ سہولیات ، انسانی سرمائے ، ERP سسٹمز اور مصنوعات کے معیار کو بڑھانے میں سرمایہ کاری جاری رکھی ہے۔ یہ سرمایہ کاری انجینئرنگ کے شعبے میں کمپنی کے پہلے سے مضبوط قدموں کو مزید مضبوط کرنے کے قابل بنائے گی۔ حکومت کی طرف سے تعمیراتی پیکج کے اعلان کے بعد بہتر ٹیکرو اکٹما انڈیکسٹرز ، جی ڈی پی کے بہتر اندازوں ، مستحکم اقتصادی نقطہ نظر اور تعمیراتی سرگرمیوں میں اضافہ ، سینٹرانڈسٹری کے مستقبل کے لیے اچھا اشارہ ہے۔ رعایتی شرحوں میں کمی ، بڑے ڈیموں پر تعمیراتی کاموں کا آغاز اور کمرشل بینکوں کے ذریعے حکومت کی طرف سے ہاؤسنگ فنانس پر نئے سرے سے توجہ مرکوز کرنے سے اسٹیل کی طلب پر مثبت اثر پڑنے کی امید ہے۔

ڈیویڈنڈ

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

آڈیٹرز کی تقرری

موجودہ آڈیٹرز میسرز ریندا ہارون زکریا اینڈ کمپنی ، چارٹرڈ اکاؤنٹنٹس رہنما رہنے اور اہل ہونے کے بعد ، خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں اور کارپوریٹ گورننس کے ضابطے کے مطابق آڈٹ کمیٹی نے جون ۲۰۲۳ کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈیٹرز کے طور پر میسرز ریندا ہارون زکریا اینڈ کمپنی ، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے۔

مستقبل کے معاملات

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے نہیں کئے گئے ہیں۔

کاروباری نوعیت میں تبدیلیاں

سال کے دوران کمپنی کے کاروباری نوعیت میں کوئی تبدیلی نہیں آئی ہے۔

اظہار تشکر

ہم اپنے صارفین کے ہم پر اعتماد کے لیے ان کا تہہ دل سے شکریہ ادا کرنا چاہیں گے۔ ہم اپنے ٹیکرٹیکٹرز ہولڈرز اور سپلائرز کے مسلسل تعاون کے لیے ان کے شکرگزار ہیں۔ ہم اپنے ملازمین کو ان کی انتھک لگن اور کمپنی کے لیے بے پناہ تعاون کے لیے بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: ۲۵ ستمبر ۲۰۲۳



چیف ایگزیکٹو اور ڈائریکٹر کا معاوضہ

بورڈ ممبران کے معاوضے کی منظوری بورڈ خود کرتا ہے۔ تاہم، ضابطہ کے مطابق، اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں بورڈ کے اجلاسوں کی کارروائی میں حصہ نہ لے۔ چیئرمین، نان ایگزیکٹو ڈائریکٹر اور انڈیپنڈنٹ ڈائریکٹر اجلاسوں میں شرکت کے لیے صرف فیس کے حقدار ہیں۔ معاوضے کی شرحیں مناسب اور ذمہ داری اور مہارت کی سطح سے مطابقت رکھتی ہیں تاکہ کمپنی کو کامیابی کے ساتھ اور قدر میں اضافے کے ساتھ چلایا جاسکے۔ چیف ایگزیکٹو اور ڈائریکٹر کے معاوضے ۲۰۲۳ کو ختم ہونے والے سال کے مالیاتی گوشواروں میں متعلقہ نوٹوں میں ظاہر کیے گئے ہیں۔

اندرونی مالیاتی کنٹرول کی افادیت

بورڈ آف ڈائریکٹرز نے اندرونی مالیاتی کنٹرول کا ایک موثر نظام قائم کیا ہے، تاکہ آپریشن کے موثر انعقاد، کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل کے ساتھ اور قابل اعتماد مالیاتی رپورٹنگ کو یقینی بنایا جاسکے۔ آغا اسٹیل کا خود مختار اندرونی آڈٹ فنکشن مالیاتی کنٹرولز کے نفاذ کی باقاعدگی سے جانچ اور نگرانی کرتا ہے، جبکہ آڈٹ کمیٹی سہ ماہی بنیادوں پر اندرونی کنٹرول کے فریم ورک اور مالیاتی بیانات کی تائید کا جائزہ لیتی ہے۔

ڈائریکٹر ز کا رپورٹ گورننس کے اعلیٰ ترین معیار کی تعمیل کی تصدیق کرتے ہیں اور یہ کہ اندرونی کنٹرولز ڈیزائن کے لحاظ سے درست ہیں اور ان پر مؤثر طریقے سے عمل درآمد اور نگرانی کی گئی ہے۔

کارپوریٹ مالیاتی رپورٹنگ فریم ورک کا بیان

آپ کی کمپنی نے فہرست سازی کے ضوابط کے مطابق کوڈ کے تمام تقاضوں کی تعمیل کی ہے۔ اس کے مطابق، ڈائریکٹر ز مندرجہ ذیل کی تصدیق کرتے ہوئے خوش ہیں:

- ۱۔ مالیاتی گوشواروں کے ساتھ ان نوٹوں کی تھنیز ایکٹ، ۲۰۱۷ کے مطابق بنایا گیا ہے۔ یہ بیانات کمپنی کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- ۲۔ کمپنی کی بنیادی کاروباری سرگرمی خصوصی درجے کے کم کاربن پلٹس اور ڈیفارنڈ بارز کی تیاری اور فروخت ہے۔
- ۳۔ کمپنی کی طرف سے اکاؤنٹس کی مناسب کتابیں رکھی گئی ہیں۔
- ۴۔ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے جو پاکستان میں لاگو ہونے والے بین الاقوامی اکاؤنٹنگ معیارات کے مطابق ہیں۔
- ۵۔ اکاؤنٹنگ تخمینہ، جہاں بھی ضرورت ہو، معقول اور دانشمندانہ فیصلے پر مبنی ہوتے ہیں۔
- ۶۔ بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRSs)، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں بیرونی کی گئی ہے۔

مالیاتی کارکردگی کا خلاصہ

آپ کی کمپنی نے گزشتہ سال ۲۰۰۸ ارب روپے کے مقابلے میں ۲۴.۱۶۰ ارب روپے کی مجموعی فروخت آمدنی ریکارڈ کی ہے۔ مجموعی منافع پچھلے سال کے ۵.۴۹۰ ملین روپے کے مقابلے میں ۴.۸۲۰ ملین روپے رہا۔ مجموعی منافع کا تناسب اسی سال کے ۲۱.۴۷ فیصد کے مقابلے میں ۲۰.۲۲ فیصد رہ گیا، اس کی بنیادی وجہ بین الاقوامی اسکرپ کی قیمتوں میں بے تشابہ اضافہ اور کرنسی کی قدر میں کمی کے ساتھ ساتھ سال کے دوران بجلی کے نرخوں میں زبردست اضافہ، درآمدات پر پابندی، سب سے زیادہ مقامی مارکیٹ میں رعایتی شرح اور صارفین کی کم قوت خرید ہے۔

انتظامی اخراجات گزشتہ سال ۳۳۴ ملین روپے کے مقابلے میں ۳۱۱ ملین روپے رہے۔ مجموعی افراط زر کے باوجود کی بنیادی طور پر بورڈ کی کفایت شعاری کی ہدایت سے منسوب تھی۔ فروخت اور تقسیم کی لاگت بھی اسی سال میں ۳۵۴ ملین روپے کے مقابلے میں کم ہو کر ۳۱۹ ملین روپے ہو گئی، بنیادی طور پر سست مانگ اور مقامی مارکیٹ کی کم قوت خرید کے نتیجے میں، انتظامیہ نے اپنی فروخت کی لاگت پر گرفت رکھنے کا فیصلہ کیا۔ تاہم، اخراجات میں کمی نے صنعت کے تجارتی حصوں میں رسائی اور نجی منڈیوں کی تلاش کی حکمت عملی پر کوئی کمی نہیں کی۔

اس انتہائی مہنگائی کے دور میں مالیاتی لاگت بڑھ گئی جس کی وجہ سے ملک نے اپنی تاریخ میں سب سے زیادہ پیکیج کی شرحوں میں سے ایک کا مشاہدہ کیا۔ مالیاتی لاگت بڑھ کر ۲۰۹ ملین ہو گئی جو کہ اسی سال ۲۰۱۳، ۱۳۶ ملین تھی۔

کمپنی نے مالی سال ۲۰۲۳ میں ورکرز ویلفیئر فنڈ کی مد میں ۶.۳ ملین روپے کا تعاون کیا۔ مالی سال ۲۰۲۳ میں الترتیب ورکرز پرافٹ پارٹنشیپشن فنڈ کے حساب سے رواں سال کے دوران ۶۲ ملین روپے کی شرکت کے مقابلے میں سابق کے لیے سال ۲۰۲۲ میں ۲۸ ملین روپے اور مالی سال ۲۰۲۲ کے دوران مؤخر الذکر کے لیے ۱۲۲ ملین روپے کی شرکت کی۔ ۳۰ جون ۲۰۲۲ تک ۸۰۲، ۲۱ ملین روپے کے مقابلے میں ۳۰ جون ۲۰۲۳ تک موجودہ اثاثے ۲۱۰، ۲۰ ملین روپے تھے۔ کمی سال کے دوران کم کاروبار کی وجہ سے ہوئی۔

فیحص آمدنی

۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لیے کمزور اور بنیادی آمدنی پچھلے سال ۷.۰۳ فی شیئر کے مقابلے میں ۵.۰۱ روپے فی حصص تھی۔

کریڈٹ ریٹنگ

کریڈٹ ریٹنگ پاکستان میں اداروں کے کریڈٹ سٹینڈنگ کا اندازہ ہے۔ آپ کی کمپنی نے سال ۲۰۱۷ میں اپنی کریڈٹ ریٹنگ کو آگے بڑھایا اور شروع سے ہی بہتر کریڈٹ سکور کو برقرار رکھا۔ VIS کریڈٹ ریٹنگ کمپنی نے سال کے دوران کمپنی کی طویل مدتی درجہ بندی کو منفی آؤٹ لک کے ساتھ A پر برقرار رکھا، جبکہ مختصر مدت کی درجہ بندی نے منفی آؤٹ لک کے ساتھ A-2 کی درجہ بندی کو برقرار رکھا۔

کمپنی کی طویل مدتی A درجہ بندی اتنے کریڈٹ کوالٹی، مناسب تحفظ کے عوامل کی عکاسی کرتی ہے۔ معیشت میں ممکنہ تبدیلیوں کے ساتھ خطرے کے عوامل مختلف ہو سکتے ہیں۔

A-2 کی تعمیل مدتی درجہ بندی بروقت ادائیگی کی اچھی یقینی، درست لیکویڈیٹی عوامل اور کمپنی کے بنیادی اصولوں کی نشاندہی کرتی ہے۔ کمپنل مارکیٹ تک رسائی اچھی ہے۔

پچھلی درجہ بندی کی کارروائی کا اعلان ۱ مارچ ۲۰۲۲ کو کیا گیا تھا۔

کارپوریٹ سماجی ذمہ داری

اپنے CSR مینڈیٹ کے ایک حصے کے طور پر، آپ کی کمپنی نے ایک جدید ترین ایڈوانس ہیلتھ فیملیٹی، آغا ڈائیلیسی سنٹر قائم کیا ہے جو معاشرے کے غیر مراعات یافتہ طبقے کے لئے بااثر ترین ذات، نسل یا معاشی گروہ کے مفت خدمات انجام دیتا ہے۔ فی الحال آغا ڈائیلیسی سنٹر چار مشینوں پر کام کر رہا ہے جس میں اگلے سال کے دوران مزید چھ مشینیں شامل کرنے کا منصوبہ ہے اور اس کے نتیجے میں یہ پاکستان کی سب سے بڑی مفت ڈائیلیسی کی ہولت ہے۔

پائیدار ماحولیاتی عمل کے لیے آپ کی کمپنی کی لگن کا اندازہ اس کے ماحول دوست گرین مینوفیکچرنگ یونٹ سے لگایا جاسکتا ہے۔ گرین پروسیسر کے ساتھ کمپنی فضلہ کو کم کر کے، توانائی کے تحفظ، اور ماحولیاتی طور پر محفوظ مینوفیکچرنگ کے عمل کو برقرار رکھ کر پیسے بچا سکتی ہے اور ماحولیاتی اثرات کو کم کر سکتی ہے۔ کمپنی فیوم ٹریٹمنٹ ٹیکنالوجی کو حاصل کرنے کے عمل میں ہے جو اس کی موجودہ جدید ترین الیکٹرک آرک فرنس میں شامل کی جائے گی۔

صحت، حفاظت اور ماحولیات۔ 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:
- متعلقہ حکام، مقامی کمیونیز اور دیگر کے ساتھ اس طرح کے مسائل کا جائزہ لے کر ماحولیاتی پیش رفت کا مثبت جواب دیتا ہے۔
- ماحولیاتی آگاہی کی حوصلہ افزائی کرنے اور ماحولیاتی اثرات کو کم کرنے کے لیے بہترین طریقوں اور نئی تکنیکوں کی شناخت اور ان کا اشتراک کرنے کے لیے مؤثر طریقے سے کام کرتا ہے۔
- آپریشنز کا جائزہ لے کر اور اس بات کو یقینی بنا کر کہ وہ زیادہ سے زیادہ موثر ہیں اخراج اور فضلہ کو کم کرتا ہے۔
- جہاں ممکن ہو، پانی اور زمین کے لیے خطرات اور پریشانی کو ختم کرتا ہے۔
- ہمارے ملازمین میں ماحول کے بارے میں ذمہ داری کا احساس پیدا کرتا ہے۔

آپ کی کمپنی کو پاکستان میں ہر دوسرے کاروباری طرح چیلنجوں سے بھرے سال کا سامنا کرنا پڑا۔ ۲۰۲۲ کے سیلاب کے نتیجے میں طویل عرصے تک سیاسی غیر یقینی صورتحال اور خوراک، توانائی اور فوری آدائیوں کی درآمد کی ادائیگی کے لیے محدود زرمبادلہ کی وجہ سے صنعتی پیداوار میں تقریباً ۲۵ فیصد کمی کے ساتھ معاشی سرگرمیوں میں کمی واقع ہوئی۔

زرمبادلہ کے ذخائر کی کمی اور ٹھہری ہوئی ترسیلات زر کی وجہ سے، حکومت نے شرح مبادلہ میں چلک میں اضافہ کیا جس سے پاکستانی روپے کی قدر میں نمایاں کمی واقع ہوئی جس کی وجہ سے افراط زر کی شرح میں ایک وقت میں ۳۸ فیصد تک اضافہ ہوا۔

آپ کی کمپنی کی مصنوعات کی طرح، مجموعی انتظامیہ نے ان مشکل وقتوں میں چلک اور طاقت کا مظاہرہ کیا اور کچھ خطرات کو اپنے فوائد میں تبدیل کرنے میں کامیاب رہی۔ اس نے آپ کی کمپنی کو پائیدار منافع کے ذریعے اپنے اسٹیک ہولڈرز کے پاس واپس جانے کے قابل بنایا۔

سال کے دوران Mi.DA پروجیکٹ جاری رہا لیکن مذکورہ وجوہات کی بنا پر، اس کی رفتار معمول سے کم پائی گئی۔ یہ منصوبہ آئندہ مالی سال میں مکمل ہونے کی توقع ہے، انشاء اللہ۔

ملک کے اقتصادی افق پر آگے بڑھنے کے راستے کے بارے میں غیر یقینی صورتحال بڑی حد تک پھیلی ہوئی ہے۔ سیاسی عدم اطمینان اور مخلوط حکومت کے طرز حکمرانی کے منفی اثرات اب زیادہ واضح ہو رہے ہیں، خاص طور پر آئی ایم ایف کی طرف سے پیش گوئی کے مطابق آنے والے سال میں عالمی نمو میں کمی کے امکان کے پس منظر میں زیادہ اقتصادی کمزوریوں کے ساتھ۔ ملک کو مزید گہرے بحرانوں میں ڈوبنے سے بچانے کے لیے ایک قابل اعتماد سیاسی ڈھانچہ وقت کی اہم ضرورت ہے جو معاشی اور مالیاتی استحکام کو یقینی بنانے کے قابل اور تیار ہے۔

کاروباری ترقی کے نقطہ نظر سے، آپ کی انتظامیہ کم از کم مختصر مدت میں اچھے خطرے والے کاروبار کو حاصل کرنے میں چیلنجوں کا اندازہ لگاتی ہے۔ بہر حال، انتظامیہ ان چیلنجوں سے نمٹنے اور ہماری پیشہ ورانہ مددگی، سمجھداری کاروباری پالیسیوں اور مضبوط کلائنٹ تعلقات کا فائدہ اٹھاتے ہوئے پائیدار ترقی کی فراہمی کے لیے پوری طرح باخبر اور پرعزم ہے۔

رسک مینجمنٹ

آپ کی کمپنی کے رسک مینجمنٹ فریم ورک کو خطرات کا اندازہ لگانے اور ان کو کم کرنے کے لیے ڈیزائن کیا گیا ہے تاکہ ان کے ممکنہ اثرات کو کم کیا جاسکے اور کمپنی کے طویل مدتی مقاصد اور کاروباری حکمت عملی کے حصول میں مدد کی جاسکے۔ کمپنی کے اہم خطرات کی اچھی سمجھ پیدا کرنے، ان کے ارد گرد مخصوص کارروائیوں کو چلانے کے لیے ملکیت مختص کرنے اور ان سے نمٹنے کے لیے کوئی بھی متعلقہ اقدامات کرنے کے لیے خطرے کی تشخیص باقاعدگی سے کی جاتی ہے۔ غیر یقینی صورتحال اور خطرات جو ہمارے کارپوریٹ اہداف اور مقاصد کے حصول پر اثر انداز ہو سکتے ہیں ان کا انتظام اس وقت کیا جاتا ہے جب مواقع کو استعمال کیا جاتا ہے۔ ان کی اہم اہمیت کی وجہ سے، ہمارے مادی مسائل اور بنیادی خطرات کو ہماری کاروباری منصوبہ بندی کے عمل میں ضم کیا جاتا ہے اور ہمارے بورڈ آف ڈائریکٹرز کی طرف سے مستقل بنیادوں پر ان کی نگرانی کی جاتی ہے۔ تزییاتی، تجارتی، آپریشنل، مالیاتی اور تعمیل کے خطرات کی درجہ بندی کمپنی پر ان کے اثرات اور واقع ہونے کے امکان کی بنیاد پر کی جاتی ہے۔ خطرات کی نشاندہی کے بعد، تخفیف کی حکمت عملی اور ایکشن پلان تیار کیے جاتے ہیں، ان پر عمل درآمد نگرانی کی جاتی ہے۔

کمپنی کی بنیادی سرگرمی

کمپنی کی اصولی سرگرمی خصوصی گریڈ پبلش اور ڈیفارنڈ بارز کی تیاری اور فروخت ہے۔

بورڈ کی طرف سے وٹن، مشن اور مجموعی طور پر کارپوریٹ حکمت عملی کی منظوری

بورڈ آف ڈائریکٹرز نے آپ کی کمپنی کے وٹن، مشن اور مجموعی کارپوریٹ حکمت عملی کا بغور جائزہ لیا ہے اور اس کی منظوری دی ہے اور اس کا خیال ہے کہ یہ اس نظریے کو جامع طور پر بیان کرتا ہے جس کے ساتھ آغا اسٹیل انڈسٹریز لمیٹڈ کا آغاز کیا گیا تھا۔ ہم اس بات کو یقینی بناتے ہیں کہ ہمارا وٹن اور مشن ہماری مجموعی کارپوریٹ حکمت عملی اور ہمارے مستقبل کے سفر کی سمت متعین کرتا ہے جو ہم ہر سطح پر کرتے ہیں۔ پوری تنظیم اس مقصد سے منسلک اور کارفرما ہے اور یہ ہمارے روزمرہ کے کاروبار میں فیصلہ سازی کے بنیادی معیار کے طور پر کام کرتی ہے۔

سی ایف او اور ہیڈ آف انٹرنل آڈٹ کی قابلیت

چیف فنانشل آفیسر اور ہیڈ آف انٹرنل آڈٹ مطلوبہ قابلیت اور تجربہ رکھتے ہیں جیسا کہ لسٹیکینیئر (کوڈ آف کارپوریٹ گورننس) ریگولیشن ۲۰۱۹ (کوڈ) میں بیان کیا گیا ہے۔

بورڈ کی کمیٹیاں

بورڈ کمیٹیوں اور ان کے ممبران کا بیان سالانہ رپورٹ میں کیا گیا ہے۔

بورڈ اور کمیٹیوں کی تشخیص

کوڈ آف کارپوریٹ گورننس کو بورڈ نے اس کی حقیقی روح میں اپنایا ہے۔ بورڈ کے اراکین، بورڈ کی کمیٹیوں اور بورڈ کی کارکردگی مجموعی طور پر کمپنی کی مجموعی کارکردگی کو مؤثر طریقے سے تشکیل دیتی ہے اس لیے ضروری ہے۔ بہترین طریقہ عمل کو نافذ کرنے سے بورڈ اور کمیٹیوں کی کارکردگی بہتر ہو سکتی ہے جبکہ پیشہ ورانہ کارپوریٹ کچھ کوفروغ دے کر بورڈ کے ممبران کی کارکردگی میں اضافہ کیا جا سکتا ہے۔

کارپوریٹ گورننس کا ضابطہ بورڈ سے مطالبہ کرتا ہے کہ وہ بورڈ کی اپنی کارکردگی، بورڈ کے اراکین اور اس کی کمیٹیوں کے سالانہ جائزے کے لیے ایک باضابطہ اور مؤثر طریقہ کار وضع کرے۔ ضرورت کے مطابق، کمپنی کے بورڈ آف ڈائریکٹرز نے سالانہ بنیادوں پر بورڈ، اس کے اراکین اور اس کی کمیٹیوں کی افادیت کا جائزہ لینے کے لیے ایک داخلی طریقہ کار تیار کیا ہے اور اس کی منظوری دی ہے۔

سال کے دوران، بورڈ اور اس کی کمیٹیوں کا اس طریقہ کار کو استعمال کرتے ہوئے جائزہ لیا گیا تاکہ بورڈ کی تاثیر کو مزید بہتر بنایا جاسکے۔ کارپوریٹ گورننس میں پیش رفت کا مسلسل جائزہ لیا جاتا ہے اور بورڈ کو اچھی کارپوریٹ گورننس کے اصولوں کے ساتھ ہم آہنگ کرنے کے لیے لاگو کیا جاتا ہے۔

چیئر پرسن اور سی ای او کا کردار

چیئر پرسن بورڈ آف ڈائریکٹرز کا سربراہ ہوتا ہے اور بورڈ کی جانب سے ان کا تقرر غیر ایگزیکٹو ڈائریکٹرز میں سے ہوتا ہے۔ اجلاس کی سربراہی، ایجنڈا طے کرنا اور منٹس پر دستخط کرنا چیئر مین کی بنیادی ذمہ داریاں ہیں۔ چیئر پرسن، ڈائریکٹرز کی مدت کے آغاز پر، انہیں ان کے کردار، ذمہ داریوں، فرائض اور اختیارات کے بارے میں آگاہ کرتا ہے تاکہ کمپنی کے معاملات کو مؤثر طریقے سے چلانے میں ان کی مدد کی جاسکے۔ وہ مفادات کے تنازعات کا بھی انتظام کرتا ہے، اگر کوئی ہو، اور بورڈ کی کارکردگی اور تاثیر کو بہتر بنانے کے لیے سفارشات پیش کرتا ہے۔

سی ای او کمپنی کا انتظام کرتا ہے اور اس کے تمام کاموں کا ذمہ دار ہے۔ سی ای او حکمت عملی تیار کرتا ہے اور تجویز کرتا ہے اور بورڈ کے فیصلوں کو نافذ کرتا ہے۔ سی ای او حصص یافتگان کی دولت کو بڑھانے کے لیے، بہتری کی تجویز کے ساتھ کمپنی کی کارکردگی اور منافع کے بارے میں بورڈ کو رپورٹ کرتا ہے۔ بورڈ آف ڈائریکٹرز نے واضح طور پر چیئر مین اور سی ای او کے کرداروں اور ذمہ داریوں کی وضاحت اور ان کو الگ کر دیا ہے۔

سی ای او کی کارکردگی کا جائزہ

بورڈ مالیاتی اور غیر مالیاتی اقدامات پر قائم کلیدی کارکردگی کے اشاریوں کا استعمال کرتے ہوئے سی ای او کی کارکردگی کا جائزہ لیتا ہے۔ بورڈ کمپنی کے معاملات کے ہموار آپریشن کو یقینی بنانے کے لیے سی ای او کے ساتھ کمپنی کے امکانات پر بھی تبادلہ خیال کرتا ہے۔ بورڈ سی ای او کی سالانہ کارکردگی سے مطمئن ہے۔



ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لیے آپ کی کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

اقتصادی نقطہ نظر

پاکستان موجودہ سال ۲۰۲۳ کی پہلی ششماہی میں انتہائی درجہ کی معاشی بدحالی کا شکار رہا۔ مستقبل قریب میں، IMF، اسٹیٹ بینک آف پاکستان (SBP) کے زرمبادلہ کے ذخائر جو ۲۰۲۲ کے آغاز میں تیزی سے گرے تھے دوست ممالک کی طرف سے حمایت کے ساتھ مزید تقویت دے گا۔ انتخابات کے ذریعے سیاسی استحکام کی بحالی سے مضبوطی کے عمل کو مزید مستحکم ہونے کی امید ہے۔

اقتصادی محاذ پر، پاکستان نے امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں تیزی سے کمی ۲۸۶ روپے پر بند ہونے کی بنیاد پر ایک ہنگامہ خیز صورتحال کا سامنا کیا، جس نے موجودہ سال ۲۰۲۳ کے آغاز سے لے کر اب تک کی قدر میں ۲۷ فیصد کی کمی ہے۔ روپے کی بے قدری نے افراط زر کی مجموعی سطح پر ایک دوہرا اثر ڈالا، اور اس کے نتیجے میں مہنگائی ماہ بہ ماہ کی بنیاد پر ۴۰ فیصد کی غیر معمولی ریکارڈ سطح تک پہنچ گئی۔ اس افراط زر کا مقابلہ کرنے کے لیے، اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو بڑھا کر ۲۲ فیصد کر دیا، جس سے مالی سال ۲۳-۲۰۲۲ کے دوران ۸۰۰ بیس پوائنٹ کا اضافہ ہوا۔

پاکستان کی معیشت عالمی اقتصادی سکڑاؤ کی وجہ سے مسلسل دباؤ کا شکار رہی۔ غیر یقینی سیاسی ماحول، اجناس کی قیمتوں میں تیزی سے اضافہ اور سپلائی سائیز میں رکاوٹوں نے وسیع اقتصادی پائی عدم توازن کو مزید بڑھا دیا۔ ان مسائل کے علاوہ، ملک کو اپنی تاریخ کے سب سے زیادہ تباہ کن واقعات میں سے ایک نے جھٹکا دیا کیونکہ تباہ کن سیلاب نے ملک کا تقریباً ایک تہائی حصہ پانی کے اندر غرق کر دیا، جس سے بہت سی جانیں گئیں، لاکھوں لوگ بے گھر ہو گئے، سڑکوں کے نیٹ ورک، کھیتی باڑی اور موبیٹی تباہ ہو گئے جس کے نقصانات کا تخمینہ اربوں ڈالر کا ہے۔ اس کے علاوہ، اس واقعے نے خوراک کے بحران کو بھی جنم دیا، جس سے عوام کی سماجی اور معاشی حالت براہ راست متاثر ہوئی۔

بین الاقوامی اور ملکی قرضوں کے بھاری بوجھ کے درمیان بڑھتے ہوئے دوہرے خسارے کی وجہ سے خراب معاشی حالات مزید پیچیدہ ہو گئے۔ آئی ایم ایف کی شرائط کی وجہ سے پہلے سے ہی غیر یقینی صورتحال کو مزید مشکل اور چیلنجنگ بنادیا گیا ہے جس کے نتیجے میں کاروبار کرنے کی لاگت میں بے مثال اضافہ، ایندھن/ توانائی کی بلند قیمتوں اور ٹیکس لگانے کے اقدامات میں اضافہ ہوا ہے۔ سیاسی عدم استحکام، بین الاقوامی اور ایشیائے خورد و نوش کی بلند قیمتوں اور بڑھتے ہوئے تجارتی خسارے نے زرمبادلہ کے ذخائر پر بہت زیادہ دباؤ ڈالا، جس کے نتیجے میں پاکستانی روپے کی قدر میں نمایاں کمی واقع ہوئی جس کے نتیجے میں ملک میں مہنگائی میں اضافہ ہوا۔ زیر نظر مدت کے دوران مہنگائی نمایاں طور پر بلند رہی، جس سے عوام کی قوت خرید متاثر ہوئی۔

مالی سال ۲۰۲۳ میں براہ راست غیر ملکی سے متعلق منافع اور منافع کی واپسی سرمایہ کاری (FDI) میں نمایاں کمی واقع ہوئی۔ اس کی کو دوا، ہم عوامل سے منسوب کیا جاسکتا ہے: ملک کے زرمبادلہ کے ذخائر کی نازک پوزیشن اور اس کے نتیجے میں اسٹیٹ بینک آف پاکستان کی جانب سے ڈالر کے اخراج کو روکنے کے لیے نافذ کیے گئے اقدامات، بشمول ادائیگیوں کے توازن کو سہارا دینے کے لیے درآمدی پابندیاں۔

پالیسی اقدامات ترقی کے نقطہ نظر پر منفی اثر ڈالیں گے، لیکن توقع کی جاتی ہے کہ افراط زر کے رجحانات پر قابو پالیں گے اور مختصر مدت میں کرنسی کی قدر میں کمی کو روکیں گے۔

گلوبل نقطہ نظر

زیر جائزہ مدت کے دوران عالمی ترقی میں نمایاں کمی آئی ہے۔ COVID کی مدت سے کچھ بحالی کے باوجود، یوکرین اور روس کے درمیان طویل تنازعہ اور ترقی یافتہ معیشتوں میں عمومی سست روی ابھرتی ہوئی منڈیوں اور ترقی پذیر معیشتوں میں ترقی کی رکاوٹوں کا باعث بنا ہے۔ عالمی منظر نامے میں مہنگائی کے رجحانات کو کنٹرول کرنے کے لیے مانیٹری پالیسیوں کو سخت کرنے کے لیے استعمال کیا جا رہا ہے جو پہلے ہی COVID سے متعلق رسد کی کمی سے دوچار ہے، ابھرتی ہوئی منڈیوں میں مالیاتی استحکام کے اہم چیلنج کا باعث بنی ہے، جو قرض لینے کے بڑھتے ہوئے اخراجات اور کرنسی کی شرح مبادلہ کی شرح میں اتار چڑھاؤ کے باعث مزید پیچیدہ ہو گئے ہیں۔ یہ صورت حال ابھرتی ہوئی معیشتوں میں نمو کے تخمینے میں نرمی اور قریبی مدت میں سرکاری اور نجی دونوں شعبوں کے اخراجات میں زبردست الٹ پھیر کا سبب بن سکتی ہے۔

کارپوریٹ گورننس

کمپنی نے اچھی حکمرانی کے اصولوں میں گہری جڑیں رکھنے والے کارپوریٹ کلچر کو فروغ دینے کے لیے پختہ عزم کا اظہار کیا ہے جو اس کی پالیسیوں اور طریقوں میں ہم آہنگی کے ساتھ مربوط ہیں۔ یہ اہل لگن مضبوط کارپوریٹ گورننس کے لیے، پائیدار ترقی کے حصول اور ترقی پذیر مستقبل کو محفوظ بنانے کے لیے ضروری ہے۔ ایک مستعد بورڈ کی رہنمائی میں، ASIL اس بات کو یقینی بنانے میں غیر متزلزل رہا ہے کہ اس کے آپریٹنگز کا ہر پہلو بہترین معیار کے اعلیٰ ترین معیارات کے ساتھ مطابقت رکھتا ہے، جو مزید بہترین طریقوں کے خلاف معیار (Benchmarked) ہے۔

کارپوریٹ گورننس کے ابھرتے ہوئے منظر نامے کے جواب میں، ASIL نے اس کی کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے ذریعے لاگو کی گئی تبدیلیوں کو اپناتے ہوئے اپنے فعال موقف کا مظاہرہ کیا ہے۔ جب کہ یہ ضوابط کسی بھی اختلاف کی تعمیل یا وضاحت کرنے کے لیے چلک پیش کرتے ہیں، ASIL تمام ضروریات کو پورا کرتے ہوئے، کارپوریٹ گورننس کے ضابطہ کو مکمل طور پر برقرار رکھنے کے لیے اپنی غیر متزلزل لگن کو اجاگر کرتے ہوئے اس پر ثابت قدم رہے گا۔ اس ثابت قدمی نے سرمایہ کاروں کا گہرا اعتماد حاصل کیا ہے، جس سے کمپنی کی سادھ کو ایک انتہائی قابل اعتماد اور مددگار ادارے کے طور پر تقویت ملی ہے۔

بورڈ نے کمپنی کی اسٹرٹیجک سمت، سالانہ کارپوریٹ منصوبوں اور اہداف کا جائزہ لیا۔ بورڈ گورننس کے اعلیٰ ترین معیار کو یقینی بنانے کے لیے پرعزم ہے۔

کمپنی کا موجودہ بورڈ آف ڈائریکٹرز پر مشتمل ہے:

ڈائریکٹرز کی کل تعداد	۷
ایگزیکٹو ڈائریکٹرز	۳
غیر ایگزیکٹو ڈائریکٹرز	۴

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات ہے:

الف۔ مرد ۶:

ب۔ خاتون ۱:

سال کے دوران بورڈ آف ڈائریکٹرز کے ۱۴ اجلاس ہوئے۔ ڈائریکٹرز کی حاضری حسب ذیل ہے۔

نام	حاضری
مسز شازیہ آغا	۴
جناب حسین اقبال آغا	۴
جناب رضا اقبال آغا	۴
جناب اکبر پستانی	۴
جناب عسکری اصغر آغا	۴
جناب محمد آصف	۴
* مسٹر عامر ناظم حاجی	۳
** مسٹر سعد اقبال	۱

* سبکدوش ہونے والے ڈائریکٹر

** آنے والا ڈائریکٹر



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.



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.

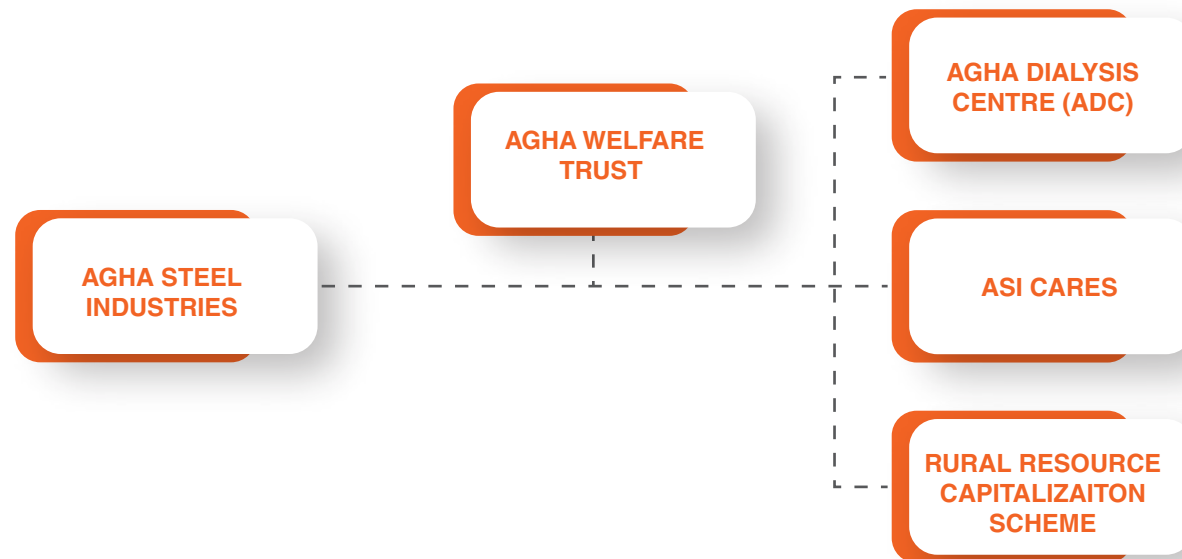
Agha Steel Industries organizes its Corporate Social Responsibility activity through the Agha Welfare Trust ("AGWT"). The basic structure of the activities is as follows:

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.



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 counsel 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





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 financial 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.

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 leadership.
- 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 confidentiality 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





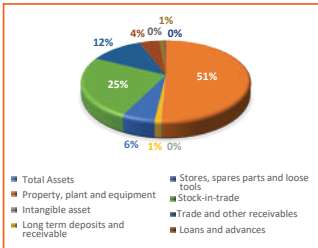
Financial Ratios

FINANCIAL RATIO		FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Profitability ratios						
Gross Margin	%	23%	21%	23%	25%	19%
Operating Margin	%	5%	10%	13%	9%	5%
Pre tax Margin	%	6%	9%	13%	10%	6%
Net Margin	%	4%	7%	10%	9%	4%
Return on equity before tax	%	7%	17%	31%	22%	11%
Return on equity after tax	%	-25%	13%	25%	20%	14%
Return on Assets before tax	%	3%	6%	9%	6%	3%
Return on Assets after tax	%	2%	11%	7%	5%	4%
Return on Capital employed before tax	%	5%	11%	18%	11%	7%
Return on Capital employed after tax	%	4%	21%	15%	10%	8%
Ebtida to sales	%	23%	19%	21%	23%	19%
Liquidity Ratio						
Current Ration	Times	1.04	1.13	1.28	1.08	1.20
Quick ratio	Times	0.48	0.56	0.47	0.35	0.40
Cash flow from Operation to sales	Times	0.13	-0.07	0.04	-0.0027	(0.19)
Investment/ Market Ratio						
EPS	Rs.	1.5	3.07	3.62	2.96	2.13
Activity Turnover ratio						
Inventory turnover ratio	Times	1.39	2.35	1.80	1.22	1.31
Inventory held	Days	263	155	203	298.12	278.63
Debtor turnover days	Times	4.88	6.36	7	2.24	3.34
Receivable days	Days	75	57	53	163.02	109.27
Total asset Turnover ratio	%	58%	78%	61%	49%	12%
Fixed asset Turnover ratio	%	57%	73%	73%	88%	89%
Capital Structure Ratio						
Long term Debt to Equity	%	50%	56%	48%	69%	93%
Long term Debt to Assets	%	20%	13%	19%	19%	24%
Gearing Ratio	%	58%	60%	58%	71%	69%
Cost of Debt	%	14%	10%	8%	10%	7%
Debt to equity	Times	1.34	1.46	1.27	2.16	2.58
Interest Cover ratio	Times	1.51	2.27	2.9933	1.8162	1.80

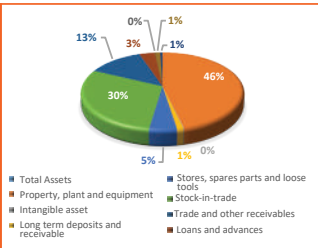
Graphical Presentation

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

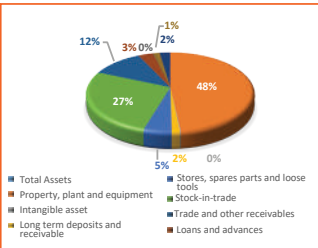
2023



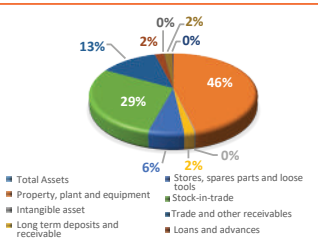
2022



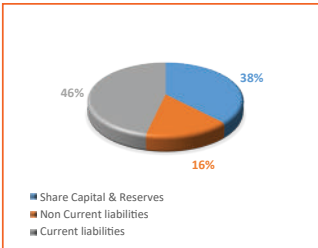
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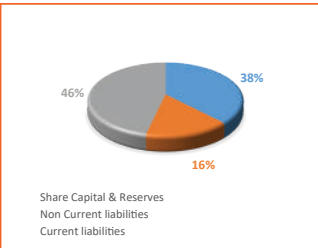
2020



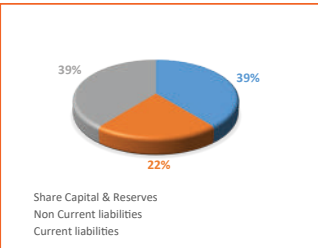
2023



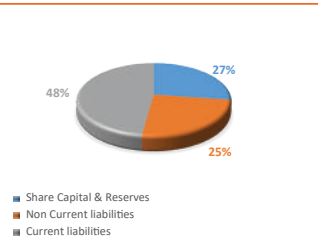
2022



2021



2020





Financial Highlights

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

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



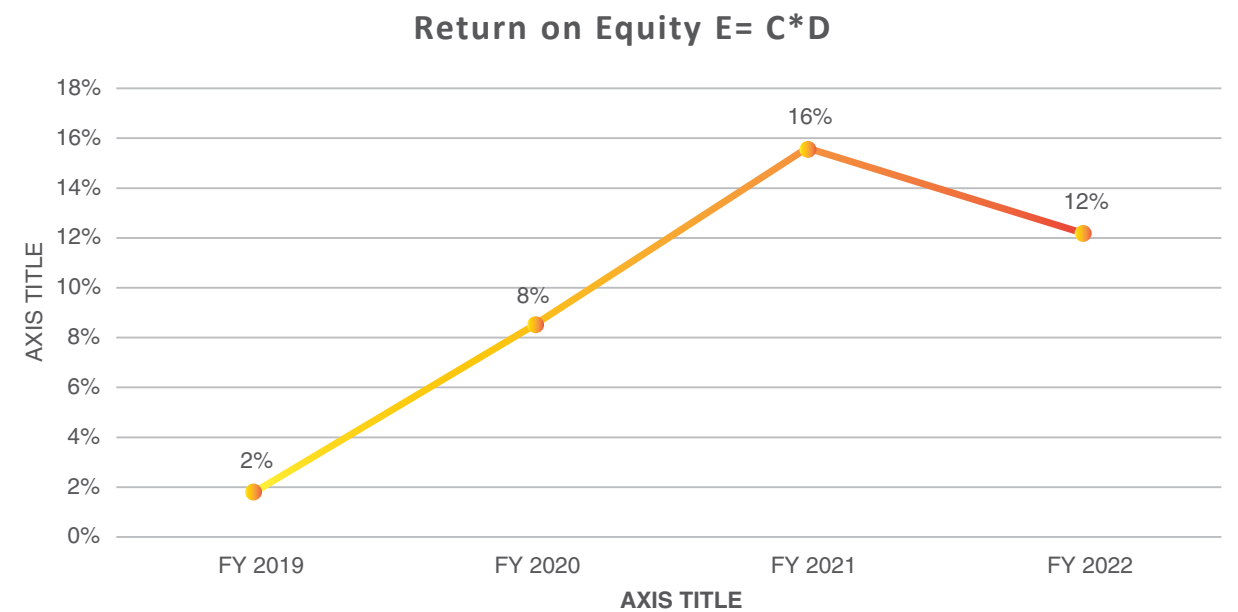
Financial Highlights

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Analysis of Profit & loss Account					
Turnover - net	20,582,205	25,647,947	19,858,243	13,426,584	10,482,191
Cost of sales	(15,762,192)	(20,157,658)	(15,355,724)	(10,029,832)	(8,451,066)
Gross profit	4,820,013	5,490,289	4,502,519	3,396,752	2,031,125
Administrative expenses	(310,906)	(334,601)	(296,737)	(269,648)	(208,041)
Selling and distribution costs	(319,830)	(353,682)	(285,429)	(213,445)	(123,561)
Finance costs	(3,208,735)	(2,135,829)	(1,408,980)	(1,702,520)	(1,134,575)
Operating profit	980,542	2,666,177	2,511,373	1,211,139	564,948
Other expenses	(163,315)	(681,044)	(197,369)	(114,553)	(34,702)
Other income	351,076	303,236	239,387	293,008	76,598
Profit before taxation	1,168,303	2,288,369	2,553,391	1,389,594	606,844
Taxation - net	(263,407)	(433,599)	(517,394)	(154,002)	161,889
Profit after taxation	904,896	1,854,770	2,035,997	1,235,592	768,733
Other comprehensive income	-	-	-	-	-
Total comprehensive income	904,896	4,424,531	2,035,997	1,235,592	768,733
Vertical Analysis					
Turnover - net	100	100	100	100	100
Cost of sales	(77)	(79)	(77)	(75)	(81)
Gross profit	23	21	23	25	19
Administrative expenses	(2)	(1)	(1)	(2)	(2)
Selling and distribution costs	(2)	(1)	(1)	(2)	(1)
Finance costs	(16)	(8)	(7)	(13)	(11)
Operating profit	5	10	13	9	5
Other expenses	(1)	(3)	(1)	(1)	(0)
Other income	2	1	1	2	1
Profit before taxation	6	9	13	10	6
Taxation - net	(1)	(2)	(3)	(1)	2
Profit after taxation	4	7	10	9	7
Other comprehensive income	-	-	-	-	-
Total comprehensive income	4	7	10	9	7
Horizontal Analysis (i) Cumulative					
Turnover - net	93%	140%	86%	26%	-2%
Cost of sales	-247%	152%	92%	25%	6%
Gross profit	-55%	104%	67%	26%	-25%
Administrative expenses	-103%	86%	65%	50%	16%
Selling and distribution costs	-103%	62%	31%	-2%	-43%
Finance costs	-130%	410%	236%	306%	171%
Operating profit	-91%	42%	34%	-35%	-70%
Other expenses	-102%	365%	35%	-22%	-76%
Other income	-97%	821%	627%	790%	133%
Profit before taxation	-89%	30%	45%	-21%	-66%
Taxation - net	-102%	41%	69%	-50%	-153%
Profit after taxation	-92%	27%	40%	-15%	-47%
Other comprehensive income	-100%	-100%	-100%	-100%	-100%
Total comprehensive income	-92%	156%	18%	-28%	-55%
Horizontal Analysis (ii) Year On Year Basis					
Turnover - net	-20%	29%	48%	28%	-2%
Cost of sales	-22%	31%	53%	19%	6%
Gross profit	-12%	22%	33%	67%	-25%
Administrative expenses	-7%	13%	10%	30%	16%
Selling and distribution costs	-10%	24%	34%	73%	-43%
Finance costs	50%	52%	-17%	50%	171%
Operating profit	-63%	6%	107%	114%	-70%
Other expenses	-76%	245%	72%	230%	-76%
Other income	16%	27%	-18%	283%	133%
Profit before taxation	-49%	-10%	84%	129%	-66%
Taxation - net	-39%	-16%	236%	-195%	-153%
Profit after taxation	-51%	-9%	65%	61%	-47%
Other comprehensive income	0%	0%	0%	0%	-100%
Total comprehensive income	-80%	117%	65%	61%	-55%

Dupont Analysis

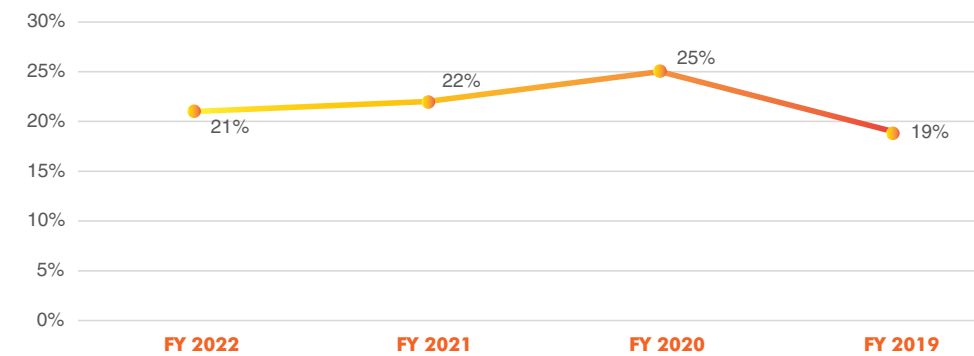
Year	Net Margin	Total assets turnover	Return Assets	Equity Multiplier	Return on Equity
	A	B	C= A*B	D	E= C*D
FY 2019	4%	12%	0.477%	3.79	2%
FY 2020	9%	49%	4.437%	1.90	8%
FY 2021	10%	61%	6.097%	2.56	16%
FY 2022	7%	67%	4.670%	2.61	12%
FY 2023	4%	58%	2.530%	2.53	6%

RETURN ON EQUITY

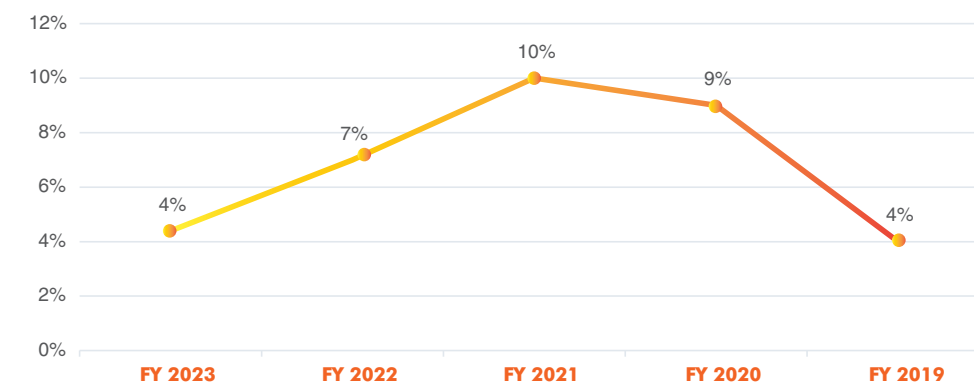




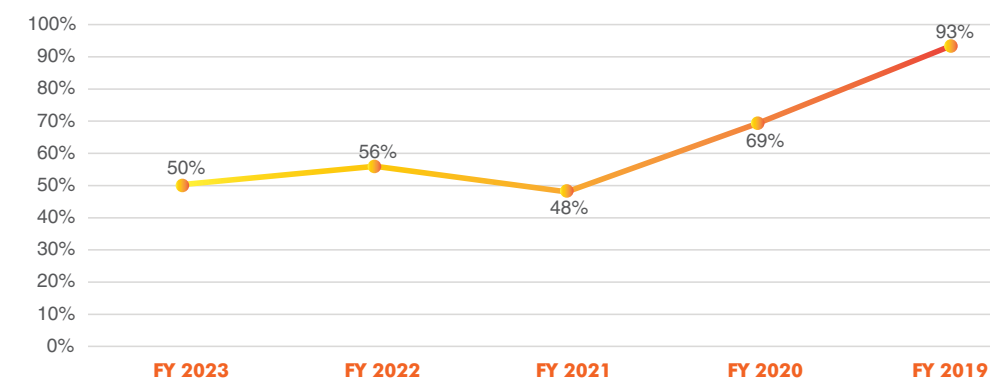
Gross Margin



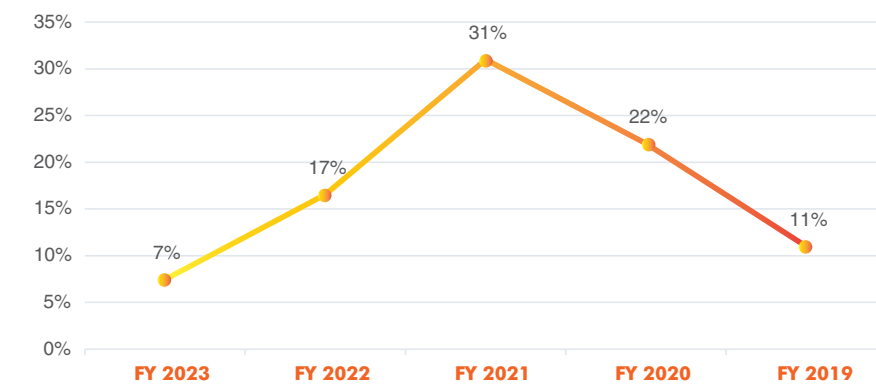
Net Margin %



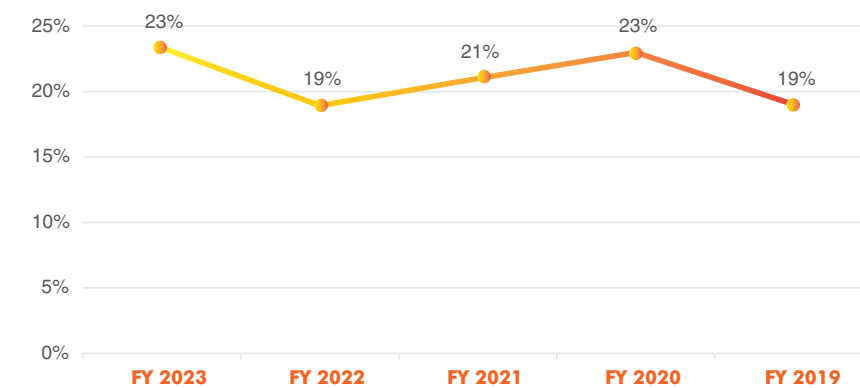
Long term Debt to Equity %



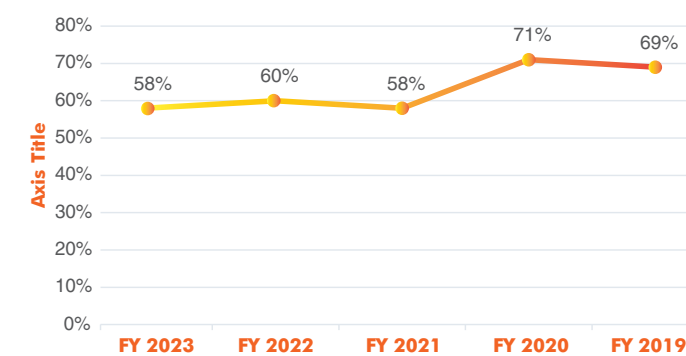
Return on equity before tax %



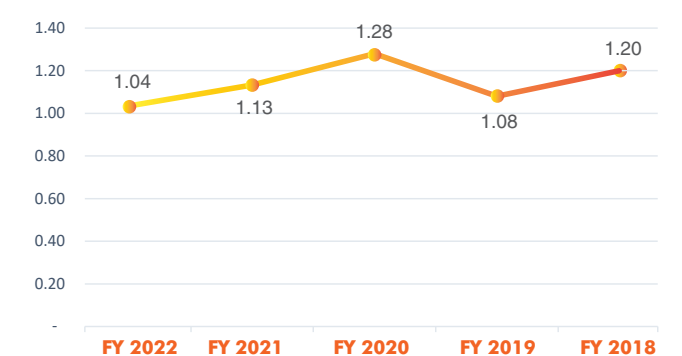
Ebtida to sales %



Gearing Ratio %



Current Ration Times





Pattern of Shareholding

As At June 30, 2023

Categories Of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
SAAD IQBAL	1	52,422,852	8.67
HUSSAIN IQBAL AGHA	1	155,552,057	25.72
SHAZIA IQBAL AGHA	1	18,856,625	3.12
RAZA IQBAL AGHA	1	147,201,502	24.34
SAKEEN IQBAL AGHA	1	525,000	0.09
MUHAMMAD ASIF	1	56,194	0.01
Associated Companies, undertakings and related parties			
	-	-	-
NIT and ICP			
	-	-	-
Banks Development Financial Institutions, Non-Banking Financial Institutions			
	3	17,209,900	2.85
Insurance Companies			
	8	30,333,575	5.01
Modarabas and Mutual Funds			
	13	3,196,378	0.53
General Public			
a. Local	5,420	167,745,677	27.73
b. Foreign	204	1,837,027	0.30
Foreign Companies	-	-	-
Others	57	9,942,271	1.64
Totals	5,711	604,879,058	100.00

Share Holders Holding 10% Or More	Shares Held	Percentage
HUSSAIN IQBAL AGHA	55,552,057	25.72
RAZA IQBAL AGHA	47,201,502	24.34

Pattern of Shareholding

As At June 30, 2023

No of Shareholders	Share holding	Total Shares Held
334	1 to 100	12,950
444	101 to 500	175,576
1310	501 to 1000	814,640
2558	1001 to 5000	5,442,938
544	5001 to 10000	3,882,617
230	10001 to 15000	2,751,428
132	15001 to 20000	2,299,130
88	20001 to 25000	1,952,546
61	25001 to 30000	1,690,711
41	30001 to 35000	1,315,643
25	35001 to 40000	952,270
25	40001 to 45000	1,077,735
18	45001 to 50000	883,946
34	50001 to 55000	1,786,643
12	55001 to 60000	691,254
13	60001 to 65000	811,340
11	65001 to 70000	744,497
14	70001 to 75000	1,023,575
12	75001 to 80000	947,382
4	80001 to 85000	333,050
3	85001 to 90000	259,356
6	90001 to 95000	564,100
11	95001 to 100000	1,087,050
13	100001 to 105000	1,360,000
3	105001 to 110000	322,000
5	110001 to 115000	564,799
3	115001 to 120000	350,809
3	125001 to 130000	385,925
3	130001 to 135000	396,250
4	135001 to 140000	551,675
2	140001 to 145000	282,450
4	145001 to 150000	596,000
3	150001 to 155000	460,435
2	155001 to 160000	314,718
2	160001 to 165000	325,850
1	170001 to 175000	172,075
2	175001 to 180000	354,500
2	180001 to 185000	366,250
2	185001 to 190000	379,471
2	190001 to 195000	385,800
4	195001 to 200000	799,500
4	200001 to 205000	813,718
3	205001 to 210000	627,900
1	210001 to 215000	213,669
2	215001 to 220000	440,000



Pattern of Shareholding

As At June 30, 2023

No of Shareholders	Share holding			Total Shares Held
3	225001	to	230000	685,000
1	230001	to	235000	231,000
2	235001	to	240000	475,884
2	245001	to	250000	499,000
1	250001	to	255000	251,000
1	255001	to	260000	257,500
2	260001	to	265000	525,000
2	265001	to	270000	533,900
1	270001	to	275000	274,000
1	280001	to	285000	283,500
1	295001	to	300000	300,000
1	340001	to	345000	341,250
1	355001	to	360000	360,000
1	360001	to	365000	364,500
2	365001	to	370000	734,557
1	375001	to	380000	378,271
1	385001	to	390000	387,700
2	395001	to	400000	795,325
1	415001	to	420000	420,000
1	435001	to	440000	437,050
1	455001	to	460000	455,300
1	465001	to	470000	465,650
1	495001	to	500000	500,000
1	520001	to	525000	525,000
1	545001	to	550000	549,375
1	565001	to	570000	567,000
1	610001	to	615000	615,000
1	615001	to	620000	619,625
1	635001	to	640000	636,363
1	695001	to	700000	700,000
1	705001	to	710000	705,600
1	710001	to	715000	714,000
1	735001	to	740000	738,350
1	740001	to	745000	740,775
1	785001	to	790000	786,823
1	820001	to	825000	822,150
1	935001	to	940000	939,550
1	1495001	to	1500000	1,500,000
1	1610001	to	1615000	1,612,000
1	1715001	to	1720000	1,718,250
1	2395001	to	2400000	2,395,050

Pattern of Shareholding

As At June 30, 2023

No of Shareholders	Share holding			Total Shares Held
1	2400001	to	2405000	2,404,500
1	2665001	to	2670000	2,667,000
1	3785001	to	3790000	3,788,000
1	4195001	to	4200000	4,200,000
1	4735001	to	4740000	4,737,500
1	5040001	to	5045000	5,041,950
1	5285001	to	5290000	5,290,000
1	9490001	to	9495000	9,490,500
1	10070001	to	10075000	10,071,400
1	13175001	to	13180000	13,180,000
1	25965001	to	25970000	25,969,731
1	112250001	to	112255000	112,251,894
2	168490001	to	168495000	336,982,114
6,063				604,879,058

Financial Report





**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, 2023 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, 2023.

RHZE
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated:
UDIN:CR202310136xMgqUIBCT

Engagement Partner
Muhammad Haroon

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (The Regulations)

Name of Company: Agha Steel Industries Limited
Year ended: June 30, 2023

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. The composition of the Board of Directors (the Board) and the meeting attended by them is as follows:

Category	Names
Independent / Non-Executive Directors	Mr. Akbar Pesnani Mr. Askari Asghar Agha Mr. Muhammad Asif*
Other Non-Executive Directors	Mrs. Shazia Iqbal Agha (Female Director)
Executive Directors	Mr. Hussain Iqbal Agha Mr. Raza Iqbal Agha Mr. Saad Iqbal**

*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 up to three because the Company has elected three Executive Directors so that they can manage the daily affairs of the Company, play an effective part within the Board and make valuable contributions.

**Changes in Board of Directors

Names of Outgoing Director	Names of Incoming Director
Mr. Amir Nazim Haji Resigned w.e.f. 28th March 2023	Mr. Saad Iqbal w.e.f. 28th March, 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. Six 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. Akbar Pesnani
 2. Mr. Askari Asghar Agha
 3. Mr. Muhammad Asif
 4. Mr. Hussain Iqbal Agha
 5. Mr. Raza Iqbal Agha
 6. Mr. Saad Iqbal
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. Askari Asghar Agha	Chairman
	Ms. Shazia Iqbal Agha	Member
	Mr. Muhammad Asif	Member
HR and Remuneration Committee	Mr. Akbar Pesnani	Chairman
	Ms. Shazia Iqbal Agha	Member
	Mr. Raza Iqbal Agha	Member
Risk Management Committee	Mr. Akbar Pesnani	Chairman
	Mr. Shazia Iqbal agha	Member
	Mr. Askari Asghar Agha	Member
	Mr. Hussain 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
Risk Management Committee	Half yearly

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: 25th September, 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AGHA STEEL INDUSTRIES LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

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, 2023, 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 a summary of significant accounting policies 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.

In our opinion 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, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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 opinion.

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.

Following are the key audit matters

S. No.	Key audit matters	How the matter was addressed in our audit
1.	<p>Capital expenditure incurred</p> <p>(Refer note 5 to the accompanying financial statements)</p> <p>The Company has incurred capital expenditure of Rs. 2,585.130 million including capital work in progress amounting to Rs. 2,444.535 under balancing, modernization and replacement to enhance the production capacity and to support company's operation. The Company has financed the aforesaid expenditure through operational cashflows and long-term financing obtained during the year as disclosed in note 16 to the accompanying financial statements.</p> <p>Capital expenditures incurred during the year represents significant transactions and involves significant judgements in respect of capitalization of eligible components of costs including borrowing costs, to determine when the assets are available for use and estimation of useful lives.</p> <p>Accordingly, we have identified the capital expenditures as a key audit matter.</p>	<p>Our audit procedures to address the matter amongst others includes the following:</p> <ul style="list-style-type: none"> we obtained understanding of the Company's process with respect to capital expenditure including execution of contracts, accumulation of cost and transfers to operating fixed assets; 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 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.
2.	<p>Stock in Trade</p> <p>(Refer note 8 to the annexed financial statements)</p> <p>The stock-in-trade balance constitutes 24.87% of total assets of the Company.</p>	<p>Our audit procedures to address the matter amongst others includes the following:</p> <ul style="list-style-type: none"> we performed a range of audit procedures in respect of inventory items including observation of physical inventory counts by management's expert (ME), testing valuation methods and their appropriateness in accordance with the applicable financial reporting framework;

S. No. Key audit matters

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.

Accordingly, we have considered this as a key audit matter.

How the matter was addressed in our audit

- We have reviewed ME's report and for using it as audit evidence, we have;
 - a) obtained an understanding of the work of the ME,
 - b) evaluated the competence, capabilities and objectivity of the ME, and
 - c) evaluated the appropriateness of ME's work for verifying existence and completeness of stock in trade.
- 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
- For stock in transit, we have inspected underlying documents on sample basis including commercial invoice, bill of lading, bill of entry and goods received notes generated subsequent to the year end
- we assessed the adequacy of the related disclosures made in accordance with the applicable financial reporting framework.

3. Revenue from contracts with customers

(Refer note 3.16 and 24 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.

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.

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.
- 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) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) 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**.

RH 200
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated:
UDIN:AR20231013651U9Yjo3O

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Note	2023 ---- Rupees in '000'----	2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	21,277,380	19,149,088
Intangible asset	6	42,390	48,670
Long term deposits and receivable	7	449,463	477,311
		<u>21,769,233</u>	<u>19,675,069</u>
Current Assets			
Stores, spare parts and loose tools		2,360,897	2,054,803
Stock-in-trade	8	10,439,863	12,299,705
Trade and other receivables	9	4,948,795	5,271,889
Loans and advances	10	1,815,346	1,439,288
Deposits	11	17,632	21,227
Tax refunds due from Government	12	540,924	500,242
Cash and bank balances	13	87,295	215,063
		<u>20,210,752</u>	<u>21,802,217</u>
Total Assets		<u>41,979,985</u>	<u>41,477,286</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital	14	<u>6,250,000</u>	<u>6,250,000</u>
Share Capital			
Issued, subscribed and paid up capital	14	6,048,791	6,048,791
Capital reserve			
Revenue Reserve	15	2,126,687	2,126,687
Unappropriated profit		8,394,972	7,490,076
Total Shareholders' Equity		<u>16,570,450</u>	<u>15,665,554</u>
Non-Current Liabilities			
Long term borrowings	16	4,223,940	5,402,833
Advance against preference shares	17	500,000	-
Lease liabilities	18	108,721	110,584
Deferred liability	19	1,063,819	1,057,122
		<u>5,896,480</u>	<u>6,570,539</u>
Current Liabilities			
Trade and other payables	20	829,386	1,128,740
Accrued markup		807,704	672,265
Short term borrowings	21	13,728,859	14,045,946
Current portion of non-current liabilities	22	4,147,106	3,394,242
		<u>19,513,055</u>	<u>19,241,193</u>
Contingencies and Commitments			
Total Capital and Liabilities	23	<u>41,979,985</u>	<u>41,477,286</u>

The annexed notes from 1 to 42 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ---- Rupees in '000'----	2022
Turnover - gross	24	24,160,372	30,008,098
Sales tax		(3,578,167)	(4,360,151)
Turnover - net		<u>20,582,205</u>	<u>25,647,947</u>
Cost of sales	25	(15,762,192)	(20,157,658)
Gross profit		<u>4,820,013</u>	<u>5,490,289</u>
Administrative expenses	26	(310,906)	(334,601)
Selling and distribution costs	27	(319,830)	(353,682)
Finance costs	28	(3,208,735)	(2,135,829)
		<u>(3,839,471)</u>	<u>(2,824,112)</u>
Operating profit		<u>980,542</u>	<u>2,666,177</u>
Other expenses	29	(163,315)	(681,044)
Other income	30	351,076	303,236
Profit before taxation		<u>1,168,303</u>	<u>2,288,369</u>
Taxation - net	31	(263,407)	(433,599)
Profit after taxation		<u>904,896</u>	<u>1,854,770</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u><u>904,896</u></u>	<u><u>1,854,770</u></u>
Earnings per share			
Basic and diluted - Rupees			
		<u><u>1.50</u></u>	<u><u>3.07</u></u>

The annexed notes from 1 to 42 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2023

Particulars	Issued, subscribed and paid up capital	Reserves		Total reserves	Total shareholders' equity
		Capital	Revenue		
		*Share Premium	**Unappropriated profit		
----- Rupees in '000' -----					
Balance as at July 01, 2021	5,760,753	2,414,725	5,635,306	8,050,031	13,810,784
Total comprehensive income for the year					
Profit after taxation	-	-	1,854,770	1,854,770	1,854,770
Other comprehensive income	-	-	-	-	-
	-	-	1,854,770	1,854,770	1,854,770
Transaction with the owners					
Issuance of 5% bonus shares for the year ended June 30, 2021	288,038	(288,038)	-	-	-
Balance as at June 30, 2022	6,048,791	2,126,687	7,490,076	9,904,801	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 30 June, 2023	6,048,791	2,126,687	8,394,972	10,809,697	16,570,450

* 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 42 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

A. CASH FLOWS FROM OPERATING ACTIVITIES	Note	2023	2022
		----- Rupees in '000' -----	
Profit before taxation		1,168,303	2,288,369
Adjustments for:			
Depreciation	5.1	451,578	425,023
Amortization	26	6,280	6,280
Allowance for expected credit losses	9.1	83,083	209,682
Finance cost	28	3,198,708	2,125,203
Finance lease markup	28	10,027	10,626
Workers welfare fund	29	61,821	28,262
Workers profit participation fund	29	6,297	121,928
Gain on disposal of fixed assets - net	30	(2,424)	(8,799)
Amortization of government grant	30	(1,367)	(9,612)
Exchange loss - net	29	12,114	293,197
Cash generated from operations before working capital changes		4,994,420	5,490,159
Changes in working capital			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(306,094)	(328,483)
Stock-in-trade		1,859,842	(2,794,398)
Trade and other receivables		240,011	(1,434,568)
Loans and advances		(376,058)	(283,133)
Deposits		3,595	20,701
		1,421,296	(4,819,881)
(Decrease) / increase in current liabilities			
Trade and other payables		(237,466)	(255,836)
Net cash generated from operations		6,178,250	414,442
Short term lease payments		(2,578)	(2,940)
Taxes paid	12.1	(369,634)	(373,733)
Workers' Profits Participation Fund paid	20.3	(67,300)	(66,985)
Financial charges paid		(3,073,296)	(1,784,170)
Net cash generated from / (used in) operating activities		2,665,442	(1,813,386)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Long term deposits and receivable recovered - net		27,848	30,448
Additions in capital work in progress - net	5.3.1	(2,444,535)	(2,211,433)
Proceeds from disposal of property, plant and equipment	5.2	7,684	16,343
Additions in property, plant and equipment	5.1	(140,595)	(303,865)
Net cash used in investing activities		(2,549,598)	(2,468,507)

Chief Executive

Chief Financial Officer

Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

C. CASH FLOWS FROM FINANCING ACTIVITIES

	Note	2023 ----- Rupees in '000'-----	2022
(Repayments) / receipts of long-term borrowings - net		(430,288)	1,190,560
Advance received against shares	17	500,000	-
Leases obtained during the period - net	18	42,951	42,345
Supplier credit paid		-	(1,749,477)
Lease rentals paid	18	(39,188)	(36,863)
(Repayments) / receipts of short-term borrowings - net		(317,087)	4,217,186
Net cash (used in) / generated from financing activities		(243,612)	3,663,751
Net decrease in cash and cash equivalents (A+B+C)		(127,768)	(618,142)
Cash and cash equivalents at the beginning of the period	13	215,063	833,205
Cash and cash equivalents at the end of the period	13	87,295	215,063

The annexed notes from 1 to 42 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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.

2 BASIS OF PREPARATION

2.1 Statement Of Compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2.4 Significant accounting judgments, estimates and assumptions

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 3.1 and 5;
- b) Intangible assets - note 3.2 and 6;
- c) Stores, spare parts and loose tools - note 3.5;
- d) Stock-in-trade - note 3.6 and 8;
- e) Recognition of financial instruments - note 3.4;
- f) Recognition of expected credit losses - note 3.4.5 , 9 and 3.7
- g) Tax refunds due from Government - note 3.10 and 12;
- h) Recognition of current tax and deferred tax - note 3.10 and 31;
- i) Accrued liabilities - note 3.12;
- j) Revenue recognition - note 3.16 and 24;
- k) Provision and estimation of contingent liability - note 3.14 and 23 .

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.

2.5 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, 2023. 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 16 'Property, Plant and Equipment': Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. January 1, 2022

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets': Amendments regarding the costs to include when assessing whether a contract is onerous. January 1, 2022

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2.6 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.

Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the disclosure of accounting policies. January 1, 2023

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, 2024

Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the classification of liabilities and debt with covenants. January 1, 2024

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

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 17 - Insurance Contracts

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are as follows:



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

3.1 Property, plant and equipment

a) 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 cost.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than land) over their estimated useful lives, applying the reducing balance method at the rates specified in the note 5.1 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 5.1 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.

b) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

3.2 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 6 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.

3.3 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.

3.4 Financial assets and liabilities

3.4.1 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.

3.4.2 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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

- 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.

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.

3.4.3 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.

3.4.4 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

3.4.5 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.

3.4.6 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.

3.4.7 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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

3.5 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.

3.6 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.

3.7 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.

3.8 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.

3.9 Cash and bank balances

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

3.10 Taxation

a) Current

Provision for current taxation is computed in accordance with the provisions of the Income Tax Ordinance, 2001.

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemptions available, if any, or minimum tax on turnover or Alternate Corporate Tax (ACT), whichever is higher.

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.

3.11 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.

3.12 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.

3.13 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.

3.14 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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

3.15 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.

3.16 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.

3.17 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.

3.18 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.

3.19 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.

3.20 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 17.1 to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

3.21 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.

3.22 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.

3.23 Cash and cash equivalents

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

3.24 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.

4 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
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
A and Z Associates	-	Director is a sole proprietor of the firm.
Agha Steel Industries Staff Provident Fund	-	Employees' Provident Fund
Mr. Hussain Iqbal Agha - Chief Executive (sponsor)	26%	Key management personnel
Mrs. Shazia Iqbal Agha - Chairperson	3%	Key management personnel
Mr. Raza Iqbal Agha - Director (sponsor)	24%	Key management personnel
Mr. Askari Asghar Agha - Director	0.00002%	Key management personnel
Mr. Saad Iqbal - Director	9%	Key management personnel
Mr. Muhammad Asif - Director	0.0093%	Key management personnel
Mr. Akbar Pesnani - Director	0.00002%	Key management personnel

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ---- Rupees in '000'----	2022
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	10,154,667	10,300,831
Capital work in progress (CWIP)	5.3	11,122,713	8,848,257
		21,277,380	19,149,088

5.1 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, 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
Opening net book value	748,561	1,602,419	6,379,793	12,525	479,400	7,067	36,349	130,856		9,396,970
Additions	-	23,622	229,841	3,021	-	3,307	429	43,645		303,865
Transfer from CWIP	-	-	1,032,563	-	-	-	-	-		1,032,563
Transfers - net										
Cost	-	-	-	-	-	-	47,888	(47,888)		-
Accumulated depreciation	-	-	-	-	-	-	(28,992)	28,992		-
	-	-	-	-	-	-	18,896	(18,896)		-
Disposals										
Cost	-	-	-	-	-	-	(18,905)	-		(18,905)
Accumulated depreciation	-	-	-	-	-	-	11,361	-		11,361
	-	-	-	-	-	-	(7,544)	-		(7,544)
Depreciation for the year	-	(42,848)	(219,381)	(2,104)	(119,850)	(3,206)	(8,135)	(29,499)		(425,023)
Closing net book value	748,561	1,583,193	7,422,816	13,442	359,550	7,168	39,995	126,106		10,300,831
As at June 30, 2022										
Cost	748,561	1,786,862	8,256,544	22,858	830,075	18,087	106,792	172,536		11,942,315
Accumulated depreciation	-	(203,669)	(833,728)	(9,416)	(470,525)	(10,919)	(66,797)	(46,430)		(1,641,484)
	748,561	1,583,193	7,422,816	13,442	359,550	7,168	39,995	126,106		10,300,831
Rate of depreciation (%)	0%	(2.5 to 3)%	(3 to 5)%	15%	25%	33%	20%	20%		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

5.2 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	1,401	(708)	694	1,244	551	As per company policy	Mr. Umer Irshad	Employee
- Suzuki Wagon R	1,190	(751)	439	826	388	As per company policy	Mr. Anus	Employee
-Suzuki Mehran	903	(262)	641	1,580	939	As per company policy	Mr.Kashif	Employee
- Honda City	2,696	(920)	1,775	1,464	(312)	As per company policy	Mr. Waqar	Employee
- Toyota Corolla GLI	2,172	(1,543)	629	1,333	705	As per company policy	Mr. Muneeb Khan	Employee
- Cultus VXL	1,085	(730)	356	500	144	As per company policy	Ms Rukhshinda	Employee
- Honda City	1,328	(602)	727	736	9	As per company policy	Mr. Ajmal Khan	Employee
2023	10,776	(5,516)	5,260	7,684	2,424			
2022	18,905	(11,361)	7,544	16,343	8,799			

5.3 Capital work in progress

Machinery in transit	5.3.1	11,122,713	8,848,257
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5.3.1 Machinery in transit

Opening		8,848,257	7,669,387
Additions during the year		1,763,761	2,023,656
Borrowing costs	5.3.2	680,774	187,777
Transfer during the year		(170,079)	(1,032,563)
	5.3.3	11,122,713	8,848,257

5.3.2 The rate used to determine the amount of borrowing costs eligible for capitalisation was 17.73%, which is the EIR of the specific borrowings.

5.3.3 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.

5.4 Depreciation has been allocated as follows:

Cost of sales	25	384,031	361,447
Gross profit	26	16,682	15,701
Administrative expenses	27	10,129	9,533
Other income - Air Separation Unit	30.1	40,736	38,341
		451,578	425,022

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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

Location	Total Area (Acres)	Covered Area
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	2023 ----- Rupees in '000'-----	2022
6 INTANGIBLE ASSET			
Computer software - net book value	6.1	<u>42,390</u>	<u>48,670</u>
6.1 Computer software - net book value			
Gross carrying amount - cost	6.1.1	<u>62,800</u>	62,800
Less: Accumulated amortization		<u>(20,410)</u>	(14,130)
Net book value		<u>42,390</u>	<u>48,670</u>
6.1.1 Accumulated amortization			
Opening balance	26	<u>14,130</u>	7,850
Amortization during the year		<u>6,280</u>	6,280
		<u>20,410</u>	<u>14,130</u>
Amortization rates		<u>10%</u>	10%
7 LONG TERM DEPOSITS AND RECEIVABLE			
Security Deposits			
Against lease liabilities	11	<u>61,855</u>	50,438
Less: Current portion shown under current assets		<u>(4,842)</u>	(1,253)
		<u>57,013</u>	49,185
Against utilities		<u>8,981</u>	8,981
		<u>65,994</u>	58,166
Receivable - considered good			
- Unsecured	7.1	<u>419,144</u>	460,650
Due from associated undertaking (related party)	9	<u>(35,675)</u>	(41,506)
Less: Current portion shown under current assets		<u>383,469</u>	419,144
		<u>449,463</u>	<u>477,311</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

7.1 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. 460.650 (2022: Rs. 508.966) million. It carries markup 3 months KIBOR + 1% per annum (2022: 3 months KIBOR + 1%).

	Note	2023 ----- Rupees in '000'-----	2022
8 STOCK-IN-TRADE			
Raw materials		<u>4,803,583</u>	7,685,229
Raw materials in transit		<u>889,304</u>	442,878
Work in process		<u>2,703,979</u>	1,658,273
Finished goods		<u>2,042,997</u>	2,513,325
		<u>10,439,863</u>	<u>12,299,705</u>
9 TRADE AND OTHER RECEIVABLES			
- Considered good			
Trade debts	9.1	<u>5,005,501</u>	5,084,620
Allowance for expected credit losses		<u>(449,087)</u>	(366,004)
		<u>4,556,414</u>	4,718,616
- from associated undertakings	9.2	<u>79,105</u>	61,930
- markup	7	<u>35,675</u>	41,506
- current maturity of long term receivable	9.3	<u>277,601</u>	449,837
- sales tax		<u>392,381</u>	553,273
		<u>4,948,795</u>	<u>5,271,889</u>
9.1 Allowance for expected credit losses			
Opening		<u>366,004</u>	156,322
Impairment losses recognized during the year - net		<u>83,083</u>	209,682
Closing		<u>449,087</u>	<u>366,004</u>
9.2			
Represents markup on loan to Denim International (Private) Limited (related party) and receivable from Agha Steel Industries (related party) amounting to Rs Nil (2022: 13.148) and Rs. 79.105 (2022: 48.782) million, respectively, at the interest rate disclosed in note 7 to these financial statements. The maximum aggregate amount outstanding at any month's end was Rs. 79.105 (2022: 48.782) million respectively. The outstanding amount at the reporting date is not past due.			
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. 449.837 (2022: Rs. 449.837) million. During the year, Rs. 172.236 million has been received. 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 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.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

10 LOANS AND ADVANCES

- Considered good
- Loans
 - to employees
- Advances
 - against supplies
 - against sales tax

Note	2023 ---- Rupees in '000'----	2022
10.1	5,599	15,130
	<u>1,299,057</u>	<u>1,163,919</u>
	<u>510,690</u>	<u>260,239</u>
	<u>1,809,747</u>	<u>1,424,158</u>
	<u>1,815,346</u>	<u>1,439,288</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 DEPOSITS

- Deposits against
- Current portion of lease liabilities
- Containers
- Rent
- Earnest money
- Others

Note	2023 ---- Rupees in '000'----	2022
7	4,842	1,253
	-	2,165
	5,394	5,124
	2,774	7,284
	<u>4,622</u>	<u>5,401</u>
	<u>17,632</u>	<u>21,227</u>

12 TAX REFUNDS DUE FROM GOVERNMENT

Income tax refundable

12.1	<u>540,924</u>	<u>500,242</u>
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12.1 Income tax refundable

Opening	500,242	471,731
Paid during the year	369,634	373,733
Prior year tax	19,460	30,768
Current tax	(276,170)	(375,990)
Adjustment of WWF	(72,242)	-
Closing	<u>540,924</u>	<u>500,242</u>

13 CASH AND BANK BALANCES

Cash in hand	3,439	3,276
Cash at banks		
Current accounts	<u>80,436</u>	<u>206,668</u>
Deposit account	<u>3,420</u>	<u>5,119</u>
	<u>83,856</u>	<u>211,787</u>
	<u>87,295</u>	<u>215,063</u>

13.1 Deposit account carries profit ranging from 3.9% to 5.03% (2022: 3.5% to 4.4%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

14 SHARE CAPITAL

14.1 Authorized Capital

2023 --- Number of shares ---	2022	Note	2023 ---- Rupees in '000'----	2022
<u>625,000,000</u>	<u>625,000,000</u>	Ordinary shares of Rs. 10 each		

14.2 Issued, subscribed and paid up capital

2023	2022		Note	2023 ---- Rupees in '000'----	2022
1,000,000	1,000,000	Ordinary shares of Rs. 10 each		10,000	10,000
360,401,293	360,401,293	fully paid in cash	14.3	3,604,013	3,604,013
94,674,000	94,674,000	for other than cash	14.4	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	-	bonus shares		288,038	288,038
<u>604,879,058</u>	<u>576,075,293</u>		14.5 & 14.6	<u>6,048,791</u>	<u>6,048,791</u>

14.3 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.

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

14.5 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.

	2023 ---- Number of shares ----	2022
14.6 Reconciliation of number of shares outstanding is as under:		
Shares at the beginning of the year	604,879,058	576,075,293
Bonus shares issued during the year	-	28,803,765
Shares at the end of the year	<u>604,879,058</u>	<u>604,879,058</u>

14.7 Shares held by the related parties of the Company

Name of the shareholders	2023	2022
Mr. Hussain Iqbal Agha - Chief Executive	155,552,057	168,491,057
Mrs. Shazia Iqbal Agha - Chairperson	18,856,625	112,251,894
Mr. Raza Iqbal Agha - Director	147,201,502	168,491,057
Mr. Saad Iqbal - Director	52,422,852	-
Mr. Muhammad Asif - Director	56,194	56,194
Mr. Askari Asghar Agha - Director	105	105
Mr. Akbar Pesnani - Director	105	105

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- Rupees in '000'-----	2022
15 CAPITAL RESERVE			
Share premium	15.1	2,126,687	2,126,687
15.1 Movement in share premium account during the year			
Opening	1.2	2,126,687	2,414,725
Less: utilized as transaction cost on issuance of shares as allowed under section 81 of the Act.			
Bonus issued during the year		-	(288,038)
Closing		2,126,687	2,126,687
16 LONG TERM BORROWINGS			
Secured			
- From banking companies			
- Conventional			
Samba Bank Limited - TF	16.1	200,000	300,000
United Bank Limited - NIDF	16.2	87,500	145,813
JS Bank Limited - PF	16.3	-	79,445
JS Bank Limited - TERF	16.4	491,105	349,618
JS Bank Limited - STFF	16.5	2,450,794	-
Bank Al Habib Limited - BF	16.6	-	1,700,000
Askari Bank Limited - STFF	16.7	1,565,584	1,734,486
		<u>4,794,983</u>	<u>4,309,362</u>
- Shariah compliant			
Meezan Bank Limited - IFRE	16.8	124,744	124,744
Sukuk certificates	16.9	3,416,882	4,332,791
		<u>3,541,626</u>	<u>4,457,535</u>
		<u>8,336,609</u>	<u>8,766,897</u>
Less: Current portion shown under current liabilities	22	<u>(4,112,669)</u>	<u>(3,364,064)</u>
		<u>4,223,940</u>	<u>5,402,833</u>
16.1	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, 2023 is repayable in 08 quarterly installments starting from July 01, 2023 and latest by April 01, 2025.		
16.2	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, 2023 is repayable in 6 equal quarterly installments starting from September 04, 2023 and latest by December 04, 2024.		
16.3	The entire amount of loan has been repaid during the year.		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

16.4	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.		
	The facility is disbursed in separate tranches and each disbursement to be treated as a separate loan. The outstanding amount as at June 30, 2023 is repayable in equal quarterly installments starting from November, 2023 and latest by January 2031.		
16.5	During the year, 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 as disclosed in note 16.6 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, 2031.		
16.6	The company had financing to bridge the timeline between maturities of acceptances under supplier credit LCs for Mi. Da. plant and drawdown of long term loan (syndicated / Sukuk). The entire amount of the loan has been repaid from the proceed of the syndicated term finance facility availed during the year as disclosed in note 16.5 to these financial statements.		
16.7	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.		
	The outstanding amount is repayable in 12 quarterly installments (twelve installments of 131.25 million each) starting from September 30, 2023 and latest by June 30, 2026.		
16.8	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 6%.		
	The outstanding amount is repayable in 40 quarterly installments starting from July 28, 2023 and latest by April 28, 2034.		
16.9	Represents privately placed rated secured sukuk certificates issued by the Company aggregating to Rs. 5,000 million having face value of Rs. 1,000,000/- each for a period of 6 years (inclusive of 2 years grace period) for the purpose of settlement of existing long term debts and funding portion of costs associated with BMR and commission of new rolling mill unit. 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 11 equal quarterly installments. The Company has incurred transaction cost of Rs. 89.109 million to issue said certificates.		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Subsequent to the year end, the Company has fully repaid the outstanding amount of sukuk certificates at year. For this the Company has arranged loan facility of shariah compliant privately placed sukuk under islamic diminishing musharaka (or other islamic mode) amounting to Rs. 3,400 million. Accordingly, the entire amount of sukuk certificates outstanding at year end is classified under current maturity.

	Note	2023 ----- Rupees in '000'-----	2022
17 ADVANCE AGAINST PREFERENCE SHARES			
Opening		-	-
Received during the year		500,000	-
Closing	17.1	500,000	-

- 17.1** During the year, an advance of Rs. 500 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 which will be issued in the subsequent year subject to compliance with applicable laws and approval of SECP.

	Note	2023 ----- Rupees in '000'-----	2022
18 LEASE LIABILITIES			
- Secured			
Opening		139,395	133,914
Paid during the year		(35,499)	(17,447)
Terminated during the year		(3,689)	(19,417)
Obtained during the year		42,951	42,345
		143,158	139,395
Less: Current portion shown under current liabilities	22	(34,437)	(28,811)
	18.1	108,721	110,584

- 18.1** 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 21.1, 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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- Rupees in '000'-----	2022
Minimum lease payment			
Up to one year		44,731	35,581
More than one year but not later than 5 years		121,354	118,880
		166,085	154,461
Financial charges			
Up to one year		10,294	6,770
More than one year but not later than 5 years		12,633	8,296
		22,927	15,066
Present value of minimum lease payments			
Up to one year		34,437	28,811
More than one year but not later than 5 years		108,721	110,584
		143,158	139,395
Current portion shown under current liabilities		(34,437)	(28,811)
		108,721	110,584

19 DEFERRED LIABILITY

Deferred taxation - net	19.1	1,063,819	1,057,122
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19.1 Deferred taxation - net

This comprises of the following: - Taxable temporary difference

Accelerated tax depreciation	1,535,106	1,639,697
Long term financing	4,531	396
	1,539,637	1,640,093

Deductible temporary differences

Alternate corporate tax	(40,241)	(206,302)
Minimum tax	(263,826)	(229,707)
Deferred grant	-	(396)
Liabilities against assets subject to finance lease	(41,516)	(40,425)
Expected credit loss	(130,235)	(106,141)
	(475,818)	(582,971)
	1,063,819	1,057,122

20 TRADE AND OTHER PAYABLES

Trade creditors		14,986	20,080
Bills payable	20.1	494,780	714,794
Advance from customers - unsecured		-	33,096
Retention payables		4,509	4,509
Accrued liabilities		127,379	112,687
Payables to provident fund	32	2,720	6,276
Workers welfare fund payable	20.2	20,174	77,242
Workers profit participation fund payable	20.3	163,468	157,181
Withholding tax payable		1,370	2,875
		829,386	1,128,740

- 20.1** Includes Rs. Nil (2022: 27.975 million) payable on account of bills discounting charges of Company's Supplier that are borne by the Company in accordance with the underlying agreement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ---- Rupees in '000'----	2022
20.2 Workers welfare fund payable			
Opening		77,242	51,564
Provision during the year	29	6,297	28,262
Reversal of provision during the year		-	(6,922)
Adjustment with income tax refund - TY 2020		(72,242)	-
Markup on unpaid WWF		8,877	4,338
		<u>20,174</u>	<u>77,242</u>
20.3 Workers profit participation fund payable			
Opening		157,181	100,979
Paid during the year		(67,300)	(66,985)
Provision during the year	29	61,821	121,928
Markup on unpaid WPPF		11,766	1,259
		<u>163,468</u>	<u>157,181</u>
21 SHORT TERM BORROWINGS			
- From banking companies			
- Secured			
Running Finance			
- Conventional banks			
- Bank Al Habib Limited		1,838,664	1,423,852
- Bank Alfalah Limited		198,114	197,697
- Askari Bank Limited		515,000	515,000
- United Bank Limited		250,000	250,000
- Samba Bank Limited		299,847	286,926
- Habib Metro Bank Limited		229,748	299,731
- Habib Bank Limited		94,612	42,764
- MCB Bank Limited		297,131	299,183
- Bank of Punjab		100,000	100,000
- JS Bank Limited		96,592	37,500
- National Bank Limited		250,000	250,000
	21.1	<u>4,169,708</u>	<u>3,702,653</u>
- Islamic bank			
- Dubai Islamic Bank Limited		50,000	50,000
- MCB Islamic Bank Limited		200,000	200,000
	21.1	<u>250,000</u>	<u>250,000</u>
		<u>4,419,708</u>	<u>3,952,653</u>
Finance against Trust Receipt (FATR)			
- Conventional banks			
- Habib Bank Limited		1,201,480	959,477
- Bank Alfalah Limited		365,280	502,130
- United Bank Limited		836,858	775,582
- Habib Metro Bank Limited		456,063	257,070

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ---- Rupees in '000'----	2022
- Samba Bank Limited		504,294	592,993
- JS Bank Limited		458,377	505,519
- MCB Bank Limited		184,929	78,961
- Bank Al Habib Limited		993,691	793,877
- Bank of Punjab		1,110,517	930,771
- Bank of Khyber		119,989	108,204
- National Bank Limited		-	471,489
- Askari Bank Limited		1,339,036	1,240,294
	21.2	<u>7,570,514</u>	<u>7,216,367</u>
- Islamic bank			
- Meezan Bank Limited - Istasna		571,756	983,018
- MCB Islamic Bank Limited		164,982	244,928
- Dubai Islamic Bank Limited		200,109	6,522
- Faysal Bank Limited		701,217	782,468
- Allied Bank Islamic Banking		89,355	98,385
- Bank Islami Limited		-	656,524
	21.2	<u>1,727,419</u>	<u>2,771,845</u>
LDBP - Bank Al Habib Limited	21.3	<u>11,218</u>	<u>105,081</u>
		<u>13,728,859</u>	<u>14,045,946</u>

21.1 Details of Running Financing are as follows:

Name of Bank	Purpose	Security	Markup Rate	Available Limit (Rs.)	Unavailed Limit (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. 2,466.67 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.	1 month KIBOR plus 0.85 % p.a	1,900 (2022: 1,900) million	61.34 (2022: 476.15) 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 (2022: 200) million	1.89 (2022: 2.303) million
Askari Bank Limited	For working capital requirements	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.	3 month KIBOR plus 0.85% p.a	515 (2022: 640) million	Nil (2022: 125) million
United Bank Limited	For working capital requirements	Joint pari passu hypothecation charge of Rs. 1,000 million over stocks and receivables, and personal guarantees of all the sponsor directors.	1 month KIBOR plus 1% p.a	250 (2022: 250) million	Nil (2022: Nil) million

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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 (2022: 290) million	0.154 (2022: 3.074) 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	300 (2022: 300) million	70.25 (2022: 0.269) 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 (2022: 100) million	5.39 (2022: 57.236) million
MCB Bank Limited	For working capital requirements	1st Joint pari passu charge over all future and current assets amounting to Rs. 934 million with 25 % margin duly registered with SECP.	3 month KIBOR plus 0.5% p.a	300 (2022: 300) million	2.87 (2022: 0.817) 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 (2022: 100) million	Nil (2022: Nil)
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 (2022: 100) million	3.41 (2022: 62.5) 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. 1333.33 million.	3 month KIBOR plus 1% p.a	250 (2022: 250) million	Nil (2022: Nil) million

ISLAMIC

Dubai Islamic Bank	For working capital requirements	Joint pari passu hypothecation charge over stocks and Receivables of the company amounting to Rs. 333.334 million and personal guarantees of all sponsor directors.	Matching KIBOR plus 1.15% p.a	50 (2022: 50) million	Nil (2022: Nil)
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 (2022: 200) million	Nil (2022: Nil) million

21.2 Details of FATR are as follows:

Name of Bank	Purpose	Security	Markup Rate	Available Limit (Rs.)	Unavailed Limit (Rs.)
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	1,201.48 (2022: 1000) million	Nil (2022: 40.523) million

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Bank Alfalah Limited	Retirement of import documents under SLC	Joint pari passu hypothecation charge over stocks and receivables of Rs. 1,067 million, trust receipt for FATR and accepted draft backed by TR for acceptance and personal guarantees of all executive directors.	1 month KIBOR plus 1.25% p.a	370 (2022: 600) million	4.72 (2022: 97.87) 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	950 (2022: 950) million	113.14 (2022: 174.42) 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	550 (2022: 300) million	94.27 (2022: 42.93) 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 (2022: 618) million	195.71 (2022: 25.01) 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	550 (2022: 600) million	91.62 (2022: 94.481) 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. 934 million duly registered with SECP and Trust Receipts favouring in the name of MCB.	3 month KIBOR plus 0.5% p.a	200 (2022: 500) million	15.07 (2022: 421.039) 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 (2022: 1000) million	6.31 (2022: 206.123) million
The Bank of Khyber	Retirement of import LC sight established through BOK	First 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	200 (2022: 110) million	80.01 (2022: 1.796) 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. 1333.33 million and trust receipts duly executed in favour of NBP.	3 month KIBOR plus 1.0% p.a	Nil (2022: 650) million	Nil (2022: 178.511) million

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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 0.85 % p.a	1410 (2022: 1,250) million	70.96 (2022: 9.706) 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 amounting to Rs. 1,200 million duly registered in SECP and total charge amounting to 1,334 million.	3 month KIBOR plus 1.25 % p.a	900 million (2022: 930.77)	Nil (2022: Nil)

Name of Bank	Purpose	Security	Markup Rate	Available Limit (Rs.)	Unavailed Limit (Rs.)
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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 (2022: 1,000) million	429 (2022: 16.982) 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 million (2022: 245)	0.02 million (2022: 0.07)
Dubai Islamic Bank Limited	Retirement of Sight LCs only established through DIBPL	First Joint pari passu hypothecation charge over stocks, receivables, amounting to Rs. 333.334 million, Lien over import documents and personal guarantees all sponsor directors.	Matching KIBOR plus 1.15%	200.11 (2022: 150) million	Nil (2022: 143.478) million
Faysal Bank Limited	Retirement of Sight LCs only	Joint pari passu hypothecation charge over 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 (2022: 1,200) million	48.780 (2022: 417.532) million
Allied Bank Islamic Banking	Retirement of foreign LCs/contracts only.	Joint pari passu hypothecation charge over stocks and receivables of Rs. 1,067 million and personal guarantees of all executive directors.	Relevant KIBOR+ 0.9%	500 (2022: 100) million	410.64(2022 : 1.615) million
Bank Islami Limited	Retirement of Sight LCs only established through BIPL's counter.	Joint pari passu charge over current assets of amounting to Rs. 1,200 million, along with 25% margin and personal guarantees of all executive directors.	Respective KIBOR plus 1.25 % for Import murhaba and Karobar finance	500 (2022: 750) million	500 (2022: 93.476) million

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

21.3 LDBP - Bank Al Habib Limited

Name of Bank / Facility	Purpose	Security	Markup Rate	Available Limit (Rs.)	Unavailed Limit (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	1200 (2022: 1200) million	1188.782 million (2022: 1094.919)

	Note	2023 ----- Rupees in '000'-----	2022
22 CURRENT PORTION OF NON-CURRENT LIABILITIES			
- long term borrowings	16	4,112,669	3,364,064
- deferred grant	30.2	-	1,367
- lease liabilities	18	34,437	28,811
		4,147,106	3,394,242

23 CONTINGENCIES AND COMMITMENTS

23.1 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

23.2 During the previous year, when 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.

	Note	2023 ----- Rupees in '000'-----	2022
23.3 Commitments			
Outstanding against letter of credits - sight/usance	23.4	1,879,357	1,989,914
Outstanding against letter of guarantees	23.5	267,377	211,771
Capital commitments		195,688	436,052
		<u>2,342,422</u>	<u>2,637,737</u>
23.4 Letter of credits - sight / usance / acceptance			
Available			
Unavailed		3,279,000	4,847,000
		<u>904,863</u>	<u>2,142,292</u>
23.5 Letter of guarantees			
Available			
Unavailed		300,000	350,000
		<u>32,623</u>	<u>138,229</u>
24 TURNOVER - GROSS			
Local sales		24,160,372	30,008,098
Less: sales tax		(3,578,167)	(4,360,151)
		<u>20,582,205</u>	<u>25,647,947</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- Rupees in '000'-----	2022
25 COST OF SALES			
Raw materials consumed	25.1	9,783,622	12,148,390
Stores, spare parts and loose tools consumed	25.2	1,455,611	1,535,642
Salaries, wages and other benefits	25.3	545,883	560,850
Fuel and power		3,600,733	4,007,618
Repairs and maintenance		11,598	14,711
Communication		3,795	4,499
Staff transportation		3,886	35,420
Insurance		17,558	5,932
Oil and fuel		25,700	26,024
Depreciation	5.4	384,031	361,447
Others		5,657	7,450
Cost of goods manufactured		<u>15,838,074</u>	<u>18,707,983</u>
Work in process			
Opening stock		1,658,273	1,564,321
Purchases		499,496	1,582,257
Closing stock	8	(2,703,979)	(1,658,273)
		<u>(546,210)</u>	<u>1,488,305</u>
Finished goods			
Opening stock		2,513,325	2,474,695
Closing stock	8	(2,042,997)	(2,513,325)
		<u>470,328</u>	<u>(38,630)</u>
Cost of Sales		<u>15,762,192</u>	<u>20,157,658</u>
25.1 Raw materials consumed			
Opening stock		7,685,229	4,862,130
Purchases		6,901,976	14,971,489
		<u>14,587,205</u>	<u>19,833,619</u>
Closing stock	8	(4,803,583)	(7,685,229)
		<u>9,783,622</u>	<u>12,148,390</u>
25.2 Stores, spare parts and loose tools consumed			
Opening stock		2,054,803	1,726,320
Purchases		1,761,705	1,864,125
		<u>3,816,508</u>	<u>3,590,445</u>
Closing Stock		(2,360,897)	(2,054,803)
		<u>1,455,611</u>	<u>1,535,642</u>
25.3	Includes Rs. 21.98 (2022: Rs. 17.06) million in respect of staff retirement benefits related to provident fund.		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

26 ADMINISTRATIVE EXPENSES

	Note	2023 ----- Rupees in '000'-----	2022
Salaries and other benefits	26.1	132,114	133,426
Director's remuneration		29,900	29,900
Travelling and conveyance		7,209	12,657
Repairs and maintenance		2,493	1,521
Office expenses		16,408	11,286
Fees and subscription		6,972	10,075
Staff transportation		145	1,319
Legal and professional fee		16,577	21,818
Health and safety		1,058	1,161
Oil and fuel		1,397	1,414
Insurance		1,951	1,090
Communication		141	168
Security charges		213	5,447
Auditors' remuneration	26.2	1,751	1,525
Software development and consultancy		11,662	17,110
Charity and donation	26.3	53,356	56,793
Depreciation	5.4	16,682	15,701
Amortization	6.1	6,280	6,280
SECP Penalty		-	110
Others		4,597	5,800
		<u>310,906</u>	<u>334,601</u>

26.1 Includes Rs. 4.94 (2022: Rs. 3.90) million in respect of staff retirement benefits related to provident fund.

26.2 Auditors' remuneration

	Note	2023 ----- Rupees in '000'-----	2022
Annual audit		1,210	1,050
Code of corporate governance and other services		175	150
Review of interim financial statements		281	250
Out of pocket expenses		85	75
		<u>1,751</u>	<u>1,525</u>

26.3 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	2023 ----- Rupees in '000'-----	2022
Agha Welfare Trust	26.3.1	42,341	41,345
Qasr e Fatima Widow Home		-	4,075
Other donations - anonymous		<u>11,015</u>	<u>8,850</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

26.3.1 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.

26.3.2 No director(s) or their spouse had any interest in the donees to which these donations were made other than as disclosed in note 26.3.1 to these financial statements.

27 SELLING AND DISTRIBUTION COSTS

	Note	2023 ----- Rupees in '000'-----	2022
Salaries, wages and other benefits	27.1	100,970	102,100
Advertisement and marketing		37,429	63,083
Postage and courier		703	655
Rent		2,578	2,940
Staff transportation		103	942
Carriage and freight		125,459	121,383
Brokerage		35,312	46,222
Travelling and conveyance		4,601	3,502
LC charges		-	145
Communication		101	120
Oil and fuel		838	849
Entertainment		461	1,963
Depreciation	5.4	10,129	9,533
Others		1,146	245
		<u>319,830</u>	<u>353,682</u>

27.1 Includes Rs. 3.78 (2022: Rs. 2.92) million in respect of staff retirement benefits related to provident fund.

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

28 FINANCE COSTS

	Note	2023 ----- Rupees in '000'-----	2022
Mark up on long term finance		323,075	348,813
Mark up on Sukuk		566,602	414,814
Mark up on running finance		782,399	400,337
Mark up on FATR		1,468,266	915,803
Bank charges		32,856	37,931
Bank commission on guarantees		4,867	143
Markup on WPPF and WWF		20,643	5,597
		<u>3,198,708</u>	<u>2,123,438</u>
Mark up on supplier credit		-	1,765
Finance lease obligation		10,027	10,626
		<u>10,027</u>	<u>12,391</u>
		<u>3,208,735</u>	<u>2,135,829</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- Rupees in '000'-----	2022
29 OTHER EXPENSES			
Workers welfare fund	20	6,297	28,262
Workers profit participation fund	20	61,821	121,928
Impairment loss on trade receivables - net	9.1	83,083	209,682
Discounting charges of supplier	20.1	-	27,975
Exchange loss - net		12,114	293,197
		<u>163,315</u>	<u>681,044</u>

30 OTHER INCOME

Income from financial instruments

Mark up on loan to associates (related parties)	9	79,105	61,930
Mark up on deposit account		1,732	1,165
		<u>80,837</u>	<u>63,095</u>

Income from other than financial instruments

Reversal of provision for workers welfare fund	20.2	-	6,922
Profit from air separation unit	30.1	265,603	214,808
Gain on disposal of fixed assets - net		2,424	8,799
Amortization of government grant	22 & 30.2	1,367	9,612
Miscellaneous		845	-
		<u>270,239</u>	<u>240,141</u>
		<u>351,076</u>	<u>303,236</u>

30.1 Profit from air separation unit (ASU)

Sales			
Less: sales tax		614,995	497,715
Net sales		(91,025)	(72,318)
Cost apportioned for supply of natural gas	30.1.1	523,970	425,397
		(258,367)	(210,589)
		<u>265,603</u>	<u>214,808</u>

30.1.1 Breakup of cost apportioned for supply of natural gas

Salaries wages and other benefits			
Fuel and power		41,453	32,809
Depreciation on ASU Plant	5.4	176,178	139,439
		40,736	38,341
		<u>258,367</u>	<u>210,589</u>

30.2 Represent amortization of deferred government grant in respect of term finance facility obtained under SBP Salary Refinance Scheme that has been fully repaid during the year. There are no unfulfilled conditions or other contingencies attaching to this grant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- Rupees in '000'-----	2022
31 TAXATION - NET			
Current tax		276,170	375,990
Prior year tax	31.1	(19,460)	(30,768)
Deferred tax charge - net	19	6,697	88,377
		<u>263,407</u>	<u>433,599</u>

31.1 Represents adjustment made during the year to align tax refunds due from Government with the refundable as per Income Tax Return filed for the tax year 2020 (2022: tax year 2021).

31.2 Relationship between tax expense and accounting profit

	2023 ----- Rupees in '000'-----	2022
Accounting profit	1,168,303	2,288,369
Tax at applicable tax rate of 29%	(338,808)	(663,627)
Effect of adjustments related to prior years	19,460	30,768
Effect of alternate corporate tax regime	-	389,023
Effect of minimum tax regime	263,827	-
Effect of tax rebate / credits	-	13,033
Effect of super tax	12,343	138,483
Others	306,585	525,919
	<u>263,407</u>	<u>433,599</u>

32 PROVIDENT FUND TRUST

- Size of fund	42,598	47,309
- Cost of investment	39,500	44,500
- Fair value of investment	39,500	44,500
- Percentage of investment	93%	94%
- Breakup of investment - Amounts		
- in money market	39,500	44,500

32.1 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.

	2023 ----- Rupees in '000'-----	2022
33 EARNINGS PER SHARE		
Basic		
Profit attributable to ordinary shareholders (Rupees in '000')	904,896	1,854,770
Weighted average number of ordinary shares	604,879,100	604,879,100
Earnings per share - (In Rupees)	1.50	3.07

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Diluted

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

34 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	
	2023	2022	2023	2022	2023	2022
	----- Rupees in '000' -----					
Managerial remuneration	10,909	10,909	14,040	14,040	295,403	285,943
Medical allowance	1,091	1,091	1,560	1,560	29,540	28,594
Company's contributions	-	-	-	-	11,071	7,534
Board and other meeting fee	-	-	2,300	2,300	-	-
Total	12,000	12,000	17,900	17,900	336,014	322,071
No. of persons	1	1	6	6	105	107

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

35 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

35.1 Financial Instrument by Category

Financial Assets

- At amortized cost

	Note	2023 ----- Rupees in '000'-----	2022
Long term deposits and receivables	7	428,125	469,631
Trade and other receivables - gross	9	5,397,882	5,637,893
Loans	10	5,599	15,130
Deposits	11	12,790	19,974
Cash and bank balances	13	87,295	215,063
		5,931,691	6,357,692

Financial Liabilities

- At amortized cost

	Note	2023	2022
Long term borrowings including current portion	16	8,336,609	8,766,897
Lease liabilities including current portion	18	143,158	139,395
Trade and other payables	20	644,374	858,346
Short term borrowings	21	13,728,859	14,045,946
Accrued markup		807,704	672,265
		23,660,704	24,482,849

NOTES TO THE FINANCIAL STATEMENTS

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35.2 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

35.3 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	2023 ----- Rupees in '000'-----	2022
Long term deposits and receivables	35.3.1	428,125	469,631
Trade and other receivables - gross	35.3.2	5,397,882	5,637,893
Loans	35.3.3	5,599	15,130
Deposits	35.3.4	12,790	19,974
Bank balances	35.3.5	83,856	211,787
		5,928,252	6,354,415

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

35.3.1 The Company believes that no impairment allowance is necessary in respect of long term receivables because these are not impaired.

35.3.2 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. 449.087 million includes recognized during the year amounting to Rs. 83.083 million as disclosed in note 9.1 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Ageing of trade debts (gross) are as follows:

	2023	2022
	----- Rupees in '000'-----	
Not past due	10,318	-
Not past due 1-90 days	4,211,948	4,370,245
Past due 91-180 days	92,507	109,820
Past due 181-365 days	215,300	241,638
More than one year	475,428	362,917
	5,005,501	5,084,620

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.

35.3.3 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.

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

35.3.5 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+	AA+
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	A-1+	AA
Faysal Bank Limited	VIS	A-1+	AA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Habib Bank Limited	VIS	A-1+	AAA
JS Bank Limited	PACRA	A1+	AA-
Meezan Bank Limited	VIS	A-1+	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	A-1+	AAA

35.4 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;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	2023					
	Carrying amount	Contractual cash flows	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	8,336,609	2,056,335	2,056,335	4,747,648	(523,708)
Supplier credit	-	-	-	-	-	-
Lease liabilities	166,086	166,086	22,994	21,738	101,015	20,340
Trade and other payables	644,374	644,374	644,374	-	-	-
Accrued markup	807,704	807,704	807,704	-	-	-
Short term borrowings	13,728,859	13,728,859	6,864,430	6,864,430	-	-
	23,683,632	23,683,632	10,395,836	8,942,502	4,848,662	(503,368)

	2022					
	Carrying amount	Contractual cash flows	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	8,766,897	8,766,897	2,532,032	832,032	4,816,131	586,702
Supplier credit	-	-	-	-	-	-
Lease liabilities	154,460	154,460	17,900	17,681	101,026	17,853
Trade and other payables	858,346	858,346	858,346	-	-	-
Accrued markup	672,265	672,265	672,265	-	-	-
Short term borrowings	14,045,946	14,045,946	7,022,973	7,022,973	-	-
	24,497,914	24,497,914	11,103,516	7,872,686	4,917,157	604,555

35.5 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 and AED. The Company's exposure to foreign currency risk for Dollars and AED is as follows:

	2023	2022
	----- Rupees in '000'-----	
Bills payables - foreign	403,481	308,950
Outstanding against letter of credits - sight/usance	1,879,357	1,989,914
	2,282,838	2,298,864

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

The following significant exchange rate has been applied:

AED to PKR
USD to PKR

Spot rate at reporting date	
2023	2022
78.72	55.38
287.10	206.00

Sensitivity analysis

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

	2023	2022
	----- Rupees in '000'-----	
Effect on profit or loss	228,284	229,886

The weakening of the PKR against AED and USD 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:

	2023 "Effective interest rate (in percent)"	2023 Carrying amount -----Rupees in '000'-----	2022
Variable rate instruments			
Financial assets			
- Long term receivable due from associated undertaking (related party)"	16.16% to 20.93%	419,144	460,650
- Deposit account	3.9% to 5.03%	3,420	5,119
		422,564	465,769
Financial liabilities			
- Long term borrowings	3% to 23.33%	8,336,609	8,766,897
- Lease liabilities	4.63% to 13.75%	143,158	139,395
- Short term borrowings	15.15% to 23.33%	13,728,859	14,045,946
		22,208,626	22,952,238
Net variable rate instruments		(21,786,062)	(22,486,469)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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, 2023	+100 -100	(217,861) 217,861
June 30, 2022	+100 -100	(224,865) 224,865

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.

35.6 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:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of control and procedures;
- Requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risk identified;
- Ethical and business standards;
- Risk mitigation, including insurance where this is effective.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

35.7 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.

	Note	2023 ----- Rupees in '000'-----	2022
Long term borrowings		8,336,609	8,766,897
Lease liabilities		143,158	139,395
Accrued markup		807,704	672,265
Short term borrowings		13,728,859	14,045,946
		23,016,330	23,624,503
Less: Cash and bank balances		(87,295)	(215,063)
Net debt	A	22,929,035	23,409,440
Total capital and reserves		16,570,450	15,665,554
Total capital including net debt	B	39,499,485	39,074,994
Gearing ratio	(C=A/B)	58%	60%

In order to maintain the capital structure, the management may adjust payment of dividend and issue new shares.

35.8 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).

As of the reporting date, the Company does not have any financial assets carried at fair value that required categorization in Level 1, Level 2 and Level 3.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 M. Tons	2022
36 PLANT CAPACITY AND ACTUAL PRODUCTION			
Billets			
Plant capacity		450,000	450,000
Actual production		117,887	168,823
Shortfall	36.1	332,113	281,177
Bars			
Plant capacity		250,000	250,000
Actual production		102,374	144,606
Shortfall	36.1	147,626	105,394
Liquid gases			
Plant capacity - cubic meters		16,800,000	16,800,000
Actual production - cubic meters		10,363,333	9,807,035
Shortfall - cubic meters		6,436,667	6,992,965

Plants are located at Port Qasim Karachi

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

37 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, 2023 are located in Pakistan.
- (iii) The company's principal classes of products accounted for the following percentage of sales:

	2023 ----- Rupees in '000'-----	2022	2023 ----- percentage -----	2022
Deformed bars	20,190,850	23,534,556	98%	92%
Billets	391,355	2,113,391	2%	8%
	20,582,205	25,647,947	100%	100%

38 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 34 to these financial statements. Other transactions with related parties during the year are as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- Rupees in '000'-----	2022
Associated Undertaking			
Denim International (Private) Limited			
Markup income received during the year		13,148	15,804
Markup income accrued during the year		-	13,148
Loan disbursed during the year	30	-	786,206
Loan recovered / adjusted during the year		-	951,742
Agha Steel Industries			
Markup income received during the year		48,782	39,248
Markup income accrued during the year		-	48,782
Loan recovered during the year		41,506	48,316
Loan recovered during the year against sales tax		172,236	-
A & Z Associates			
Sales during the year		118,984	141,493
Receipts during the year		118,984	141,493
Agha Steel Industries Staff Provident Fund			
Employer contributions recognized by the Company		15,354	12,225
Employee contributions recognized by the Company		15,354	12,225
Total contributions made to the Trust by the Company		34,264	19,880

39 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 capacity by installing Mi. Da. Mill Rolling Plant from IPO proceeds as disclosed in note 1.2 to these financial statements. As at June 30, 2023, the utilization of proceeds from IPO is as follows:

	2023 ----- Rupees in '000'-----	2022
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	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

39.1 IPO proceeds have been fully utilized.

	2023	2022
40 NUMBER OF EMPLOYEES		
Total number of employees at reporting date	350	395
Average number of employees during the year	373	353

41 GENERAL

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

41.2 Corresponding figures have been reclassified, whenever necessary for the purpose of compliance, comparison and better presentation.

42 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on 25th September, 2023.

Chief Executive

Chief Financial Officer

Director





NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 10th Annual General Meeting of the Shareholders of Agha Steel Industries Limited ("the Company") will be held on Monday, 16th October, 2023 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 Extra Ordinary General Meeting held on 23rd June, 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, 2023.
- 3) To appoint the Auditors for the year ending June 30, 2024 and fix their remuneration. The Board of Directors have recommended for reappointment of M/s. Reanda Haroon Zakaria & Company Chartered Accountants as external auditors.
- 4) To elect 7 (seven) Directors, as fixed by the Board in accordance with the provision of Section 159 of the Companies Act, 2017, for a term of 3 (three) years commencing immediately upon the conclusion of the 10th AGM of this Company. The names of the retiring directors of the Company, also eligible to offer themselves for re-election, are as follows:

- | | |
|--------------------------|---------------------------|
| 1. Ms. Shazia Iqbal Agha | 2. Mr. Hussain Iqbal Agha |
| 3. Mr. Raza Iqbal Agha | 4. Mr. Saad Iqbal |
| 5. Mr. Akbar Pesnani | 6. Mr. Askari Asghar Agha |
| 7. Mr. Muhammad Asif | |

Special Business

- 5) To consider and, if thought fit, pass the following resolutions as special resolutions, with or without modification, pursuant to the provisions of Sections 58, 83(1)(b) and 85 of the Companies Act, 2017 (along with all applicable laws), for the purposes of (i) authorizing the Company to issue up to 100,000,000 (One Hundred Million) preference shares, with differential rights and privileges, having face value of PKR 10/- (Pak Rupees Ten) each, constituting up to 16.5% of the existing paid up capital (which is currently 604,879,058 ordinary shares) and up to approximately 14.18% of the post-issuance paid up capital of the Company, other than by way of right for cash consideration, in favour of existing sponsors/shareholders of the Company and certain strategic investors who have offered to subscribe to the Preference Shares ("Issuance").

"RESOLVED THAT subject to compliance with the applicable laws and obtaining the approval of the Securities and Exchange Commission of Pakistan ("SECP") pursuant to Sections 58 and 83(1)(b) of the Companies Act, 2017 (along with all applicable laws), the Company be and is hereby authorized to issue up to 100,000,000 (One Hundred Million) preference shares, with differential rights and privileges,

having a face value of PKR 10/- (Pak Rupees Ten) each, other than by way of right for cash consideration, in favour of existing sponsors/shareholders of the Company and certain strategic investors who have offered to subscribe to the Preference Shares, at a price of PKR 10/- (Pak Rupees Ten) each, in cash, aggregating up to PKR 1,000,000,000/- (Pak Rupees One Billion).

FURTHER RESOLVED THAT the Company is hereby authorized to obtain an advance against the issuance of the Preference Shares from the following strategic shareholders and investors who have offered to subscribe to the Preference Shares:

- (i) Hussain Iqbal Agha; and
- (ii) Raza Iqbal Agha

FURTHER RESOLVED THAT the Company be and is hereby authorized and empowered to take all such actions including, but not limited to, filing the requisite applications for seeking the permission of the SECP and / or any other regulatory approvals that may be required under the applicable laws for the issuance of the Preference Shares.

FURTHER RESOLVED THAT the Chief Executive Officer and / or Chief Financial Officer and / or Company Secretary of the Company, or such other person(s) as may be authorized by any of them, be and are hereby, jointly and severally, authorized and empowered to execute and deliver all necessary documents, take all necessary steps, and do all such acts, deeds and things including, but not limited to, carrying out all filings, submissions and applications with the PSX and the SECP, for and on behalf, and in the name, of the Company as may be necessary or required or as any of them may think fit for or in connection with or incidental for the purposes of fulfilling the above resolutions and fulfilling the objectives thereof.

FURTHER RESOLVED THAT the aforesaid resolutions shall be subject to any amendments, modifications, additions or deletions as may be suggested, directed or required by the SECP or any other regulatory body, which changes shall be deemed to be part of these special resolutions without the need of the shareholders to pass fresh resolutions unless the same are of a substantial nature."

Any Other Business:

- 6) To transact any other business with the permission of Chair.

Statement as required under section 134(3) of the Companies act, 2017 in respect of the special business to be considered at the meeting is being sent to the shareholder with this notice.

By the order of the Board

Date: 25th September 2023
Karachi

Muhammad Muneeb Khan
Company Secretary



Notes:

1. Book Closure:

The Share Transfer Books of the Company will remain closed from 09th October, 2023 to 16th October, 2023 (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 06th October, 2023 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:

- 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.
- 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.
- The instrument of proxy should be duly signed, stamped and witnessed by two persons with their names, address, CNIC numbers and signatures.
- 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:

- 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.
- Members registered on Central Depository Company (CDC) are also requested to bring their particulars, I.D. numbers and account numbers in CDS.
- 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:

- 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.
- The Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- 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 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. Election of Directors:

A. Any person who seeks to contest the election for the office of Director shall, whether he is a retiring director or otherwise, file following documents/information with the Company at its registered office, no later than fourteen (14) days before the date of meeting:

- Notice of his/her intention to offer himself /herself for election of directors in terms of Section 159(3) of the Companies Act, 2017.
- Consent to act as director on Form-28 under section 167 of the Companies Act, 2017 along with copy of attested copy of CNIC, NTN or Passport.
- A detailed profile of the Candidate including his/her office address for placement onto the Company's website as required under SECP's SRO 1196(I) / 2019 dated October 03, 2019.
- A declaration confirming that:

iv. A declaration confirming that:

- He/she is aware of his/her duties, liabilities and powers under the Companies Act 2017, the Securities Act 2015, Listed Companies (Code of Corporate Governance) Regulations, 2019, listing regulations of Pakistan Stock Exchange, Memorandum and Articles of Association and all other applicable laws/rules/regulations/codes etc.
- He/she is not ineligible to become a director of a listed company under any provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and any other applicable law, rules and regulations.
- He / she is not a minor neither of unsound mind nor an un-discharged insolvent.
- He / she is borne on the register of National Taxpayers.



- He / she has not been convicted by a court as defaulter in payment of loan to financial institutions, Development Financial Institution and Non-Banking Financial Institution. .
 - He / she is not serving as director in more than seven listed companies simultaneously.
 - Neither he / she nor his / her spouse is engaged in the business of stock brokerage.
 - He / she is aware of “Closed Period”, required prior to the announcement of interim and final results, and business decisions, which may materially affect the market price of company's securities.
- v. Copy of valid CNIC (in case of Pakistani national)/ Passport (in case of foreign national), and NTC and Folio Number/CDC Investors Account No./CDC Sub- Account No (applicable for person filing consent for the first time).

B. Independent Directors shall be elected through a process of Election of Directors required under section 159 of the Companies Act, 2017. Independent Director(s) shall meet the criteria laid down in Section 166 of the Companies Act, 2017 as well as the Companies (Manner and Selection of Independent Directors) Regulations, 2018 Accordingly, the following additional documents are to be submitted by the candidates intending to contest election of Directors as an Independent Director:

- Declaration by Independent Director under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
- Undertaking on the appropriate denomination of non-judicial stamp paper that he / she meets the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

9. Filer and Non-Filer Status:

- The Government of Pakistan through the Finance Act, 2022 in Section 150 of the Income Tax Ordinance, 2001 prescribed the following rates for withholding tax against dividend payments by the companies. Members whose names are not entered into the Active Taxpayers List (ATL) provided on the FBR website, despite the fact that they are filers, are advised to make sure that their names are entered into ATL to avoid higher tax deductions against any future dividends.
- 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
- 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.

10. 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 Number	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

11. Procedure for Postal Ballot / E-Voting:

In accordance with the Companies (Postal Ballot) Regulations, 2018, latest amendments circulated through SRO dated December 05, 2022, SECP has directed all listed companies for the purpose of Polling on Special Business / election of directors, if the number of persons who offer themselves to be elected is more than the number of directors fixed under Section 159 (1) of the Companies Act, 2017, shareholders will be allowed to exercise their right to vote through postal ballot i.e. by post or e-voting, in the manner and subject to the conditions contained in the aforesaid regulations. Procedure and details will be communicated accordingly.

12. Code of Conduct for Shareholders in General Meeting:

- 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:
 - 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.
 - 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.
- 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.



STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 REGARDING THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING

This statement sets out below the material facts concerning the Special Business to be transacted at the Annual General Meeting of Agha Steel Industries Limited (the “Company”) to be held on Monday 16th October, 2023.

The Company is desirous of issuing Preference Shares, with differential rights and privileges, having a face value of PKR 10/- (Pak Rupees Ten) each, constituting up to approximately 16.5% of the existing paid up capital (which is currently 604,879,058 ordinary shares) and up to approximately 14.18% of the post-issuance paid up capital of the Company (the “Preference Shares”), other than by way of right issue for cash consideration, pursuant to Sections 58, 83(1)(b) and 85 of the Companies Act, 2017 and other applicable laws, as permitted under the Memorandum and Articles of Association of the Company.

In light of the above, the Board in their meeting held on 25th September, 2023 have approved the issuance of up to 100,000,000 (One Hundred Million) Preference Shares of the Company, having face value of PKR 10/- (Pak Rupees Ten) each, other than by way of right for cash consideration, in favour of existing sponsors/shareholder of the Company and certain strategic investors who have offered to subscribe to the Preference Shares (the “Subscribers”), at a price of PKR 10/- (Pak Rupees Ten) each, aggregating up to PKR 1,000,000,000/- (Pak Rupees One Billion) (the “Direct Issuance”).

The Preference Shares shall be issued other than by way of right for cash consideration to the Subscribers subject to: (i) the approval of the members of the Company; (ii) the approval of the SECP; and (iii) compliance with all relevant legal requirements.

It is highlighted that for the purposes of the Direct Issuance, under the applicable laws, the Company is required to, inter alia, obtain the approval of its shareholders pursuant to Sections 83(1)(b) of the Companies Act, 2017.

Accordingly, the Board of Directors of the Company have recommended that the shareholders of the Company consider and, if thought fit, pass the resolutions set forth in the notice convening the Annual general meeting, which resolutions shall be proposed and passed as special resolutions based on the information contained herein and below.

The Board of Directors of the Company have no direct or indirect interest in the Special Business, except and to the extent of their respective shareholding in the Company.

The information required to be annexed to the Notice in accordance with Regulation 5 and Regulation 6 of the Companies (Further Issue of Shares) Regulations, 2020 is set out below:

INFORMATION REQUIRED		DETAILS
(i)	Quantum of the Issue i.e. total number of shares to be issued and percentage of existing paid up capital share	Up to 100,000,000 (One Hundred Million) Preference Shares are intended to be issued at a price of PKR 10/- (Pak Rupees Ten) each, aggregating up to PKR 1,000,000,000/- (Pak Rupees One Billion), constituting up to 16.5 % of the existing paid up capital (which is currently 604,879,058 ordinary shares) and up to approximately 14.18% of the post-issuance paid up capital of the Company.
(ii)	Issue price and justification thereof	<p>PKR 10 (Pak Rupees Ten) per Preference Share.</p> <p>The terms of the proposed Preference shares are unique and fundamentally differ from those of ordinary shares of the Company and hence a comparison with the market price of the listed ordinary share would not be appropriate or reflective of the value of the Preference shares. Key difference is that the proposed Preference shares are non-voting shares and offer a guaranteed return which is fixed at 6-month KIBOR + 0.5% per annum and does not depend on any potential increase in the value of the company's equity.</p> <p>(Please note that KIBOR is the Karachi Interbank Offered Rate).</p>
(iii)	Name and brief profile of the Company to whom such shares are to be issued	Existing sponsors/shareholders of the Company and certain strategic investors who have offered to subscribe to the Preference Shares.
(iv)	Purpose of Issuance	<p>The funds received by the Company from the Issuance shall be utilized to strengthen and capitalize the Company to support Company's financial stability and long-term growth objectives such as expanding operations, funding new projects, reducing debt, or investing in new opportunities.</p> <p>It may be noted that the issuance of the Preference Shares other than by way of rights for cash consideration shall be subject to approval of the SECP.</p>



(v)	Justification as to why the proposed shares are to be issued other than right and not as rights shares	The features and terms and conditions of the proposed Issuance are unique and fundamentally differ from those of the ordinary shares of the Company. The liquidity, return offering and risk profile of the proposed Issuance are different from those of the ordinary shares which is why the proposed Preference Shares are intended to be issued through other than by way of right.						
(vi)	Break-up value per share Market price	<p>The break value per share as per the latest available audited and reviewed accounts of the Company is PKR 26/- (Pak Rupees Twenty Six).</p> <p>Market Price as at June 6, 2023 – PKR 26/- Latest available average market price - PKR 19.97/- Last 3 month average market price – PKR 11.46/- Last 6 month average market price – PKR [10]</p> <p>However, it may be noted that the aforementioned break up value and market price pertains to the ordinary shares of the Company, whereas the Company is seeking to issue Preference Shares.</p>						
(vii)	If proposed shares are to be issued for consideration other than cash, detail of non-cash assets	The Preference Shares are being issued to the Subscribers for cash consideration.						
(viii)	Utilization of the proceeds of the issue (in numeric terms under suitable heads) and benefits to the Company and its shareholders with necessary details	The Issuance shall result in a stronger capitalization of the Balance Sheet and enable the Company to obtain sizeable tax credits under the applicable laws, the benefit of which will accrue to the ordinary shareholders, without any additional investment by the ordinary shareholders.						
(ix)	Existing shareholding of the Subscribers as the case may be to whom shares will be issued (in number as well as percentage vis-à-vis to existing paid up capital of the Company)	<table><tr><th>Name</th><th>Relationship with the Company and existing shareholding (if any)</th></tr><tr><td>Mr. Raza Iqbal Agha</td><td>Existing Shareholder (27.86%)</td></tr><tr><td>Mr. Hussain Iqbal Agha</td><td>Existing Shareholder (27.86%)</td></tr></table>	Name	Relationship with the Company and existing shareholding (if any)	Mr. Raza Iqbal Agha	Existing Shareholder (27.86%)	Mr. Hussain Iqbal Agha	Existing Shareholder (27.86%)
Name	Relationship with the Company and existing shareholding (if any)							
Mr. Raza Iqbal Agha	Existing Shareholder (27.86%)							
Mr. Hussain Iqbal Agha	Existing Shareholder (27.86%)							

(x)	Total shareholding of the Subscribers after the proposed issue of shares (in number as well as percentage vis-à-vis to increased paid up capital of the Company)	<table border="1"> <thead> <tr> <th>Subscribers</th><th>Total Shares held Post Issuance</th><th>% of the Paid-up Share Capital Post Issuance</th></tr> </thead> <tbody> <tr> <td>Mr. Raza Iqbal Agha</td><td>201,826,057</td><td>29%</td></tr> <tr> <td>Mr. Hussain Iqbal Agha</td><td>201,826,057</td><td>29%</td></tr> <tr> <td>Ms. Natasha Iqbal</td><td>11,110,000</td><td>2%</td></tr> <tr> <td>Mr. Saad Iqbal</td><td>11,110,000</td><td>2%</td></tr> <tr> <td>Mr. Danish Iqbal</td><td>11,110,000</td><td>2%</td></tr> </tbody> </table>	Subscribers	Total Shares held Post Issuance	% of the Paid-up Share Capital Post Issuance	Mr. Raza Iqbal Agha	201,826,057	29%	Mr. Hussain Iqbal Agha	201,826,057	29%	Ms. Natasha Iqbal	11,110,000	2%	Mr. Saad Iqbal	11,110,000	2%	Mr. Danish Iqbal	11,110,000	2%
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Mr. Saad Iqbal	11,110,000	2%																		
Mr. Danish Iqbal	11,110,000	2%																		
(xi)	Whether the Subscribers to whom the shares are being issued has provided written consent to the Company	<p>The consent of the following sponsors/existing shareholders and strategic investors has been obtained in respect of the issuance of the preference shares:</p> <ol style="list-style-type: none"> Mr. Raza Iqbal Agha; Mr. Hussain Iqbal Agha; Ms. Natasha Iqbal; Mr. Saad Iqbal; and Mr. Danish Iqbal. 																		
(xiii)	Nature of the differential rights of the Preference Shares	<p>Terms and Conditions of Issue of Preference Shares</p> <p>(i) The Preference Shares shall be unlisted;</p> <p>(ii) The holders of the Preference Shares shall not be entitled to receive notice, attend General Meetings or vote at such meetings of the Company, except as otherwise provided in the Companies Act, 2017;</p> <p>(iii) The Preference Shares shall carry dividend at the rate of 6-month KIBOR + 0.5% per annum on a cumulative basis and payment of the same shall be in priority to ordinary shareholders;</p> <p>(iv) The Preference Shares shall be non-convertible;</p> <p>(v) The Preference Shares shall be perpetual and may be called and redeemed by the Company at its</p>																		



		option, on a cumulative basis, 3 (three) years from the issue date; and (vi) The Preference Shares shall have priority and preference over the ordinary shareholders of the Company in the event of liquidation / winding up of the Company.
(xiv)	The right of holders of Preference Shares to participate in profits or surplus funds	The holders of the Preference Shares shall be entitled to dividend payment (subject to and as declared by the Company from time to time) in priority to the ordinary shareholders, out of the Company's profit, on a cumulative basis and calculated at the rate of 6-month KIBOR + 0.5% per annum.
(xv)	The right of holders of Preference Shares to participate in surplus assets and profits on winding-up	In the event of the Company's winding up, surplus assets and profits of the Company, if any, shall be distributed to the Preference Shares holders in priority to the ordinary shareholders.
(xvi)	The payment of dividend on cumulative or non-cumulative basis to holders of preference shares	Dividends will be paid to the Subscribers on a cumulative basis and calculated at the rate of 6-month KIBOR + 0.5% per annum. Payment of the same shall be in priority to ordinary shareholders.
(xvii)	Manner, mode, terms and conditions for whole or partial redemption of Preference Shares	<p>The Preference Shares shall be perpetual and may be called and redeemed by the Company at its option, on a cumulative basis, 3 (three) years from the issue date.</p> <p>The Company shall be entitled to call and redeem the Preference Shares, or any part thereof, from the holders, from time to time, after the expiry of 3 (three) years from the Issue Date ("Call Option"). In the event that the Company seeks to exercise the Call Option, the Company shall provide the preference shareholders with at least 30 (thirty) days prior notice. In the event of a partial redemption, the Preference Shares shall be redeemed pro rata from all preference shareholders.</p> <p>The price for each Preference Share to be redeemed, as part of the Call Option, shall be equal to its principal amount plus any accumulated profit.</p>
(xviii)	The change in control, if any, in the Company that may occur consequent to the issue of Preference Shares	Not Applicable as the Preference Shares do not carry any voting rights.

	with differential voting rights	
(xix)	Shareholding pre and post issue of Preference Shares with differential voting rights	Pre Issuance: Approximately 16.5% Post Issuance: Approximately 14.19%
(xx)	Remedy available to holders of Preference Shares in case of failure of the Company to redeem or share profit or impart any rights thereof being contrary to the terms of conditions of the proposed issue or disclosures made by company	As per law
(xxi)	Mechanism on resolving disputes with members regarding any feature of Preference Shares or shares with differential rights	As per law



11	آیا جن سبسکرائبرز کو حصص جاری کیے جارہے ہیں انہوں نے کمپنی کو تحریری رضامندی فراہم کی ہے۔	ترجیحی حصص کے اجراء کے سلسلے میں درج ذیل اسپانسرز/موجودہ شیئرز ہولڈرز اور اسٹریٹجک سرمایہ کاروں کی رضامندی حاصل کی گئی ہے:
		1. جناب رضا اقبال آغا؛ 2. جناب حسین اقبال آغا؛ 3. محترمہ منشا اقبال؛ 4. جناب سعد اقبال؛ اور 5. جناب دانش اقبال۔
12	ترجیحی حصص کے امتیازی حقوق کی نوعیت	ترجیحی حصص کے اجراء کی شرائط و ضوابط (i) ترجیحی حصص غیر لہڈ ہوں گے۔ (ii) ترجیحی حصص کے حاملین نوٹس وصول کرنے، جنرل میٹنگز میں شرکت کرنے یا کمپنی کے ایسے اجلاسوں میں ووٹ دینے کے حقدار نہیں ہوں گے، سوائے اس کے کہ دوسری صورت کمپنیز ایکٹ ۲۰۱۷ میں فراہم کی گئی ہو۔ (iii) ترجیحی حصص 6 ماہ کے KIBOR + 0.5% سالانہ کی شرح سے مجموعی بنیادوں پر ڈیویڈنڈ لے جائیں گے اور اس کی ادائیگی عام شیئرز ہولڈرز کو ترجیح دی جائے گی۔ (iv) ترجیحی حصص نا قابل تبدیل ہوں گے۔ (v) ترجیحی حصص دائمی ہوں گے اور جاری ہونے کی تاریخ سے 3 (تین) سال بعد مجموعی طور پر کمپنی اپنے اختیار پر واپس لے سکتی ہے اور نقد میں بدل سکتی ہے۔ اور (vi) ترجیحی حصص کو کمپنی کے دیوالیہ ہونے/ختم ہونے کی صورت میں کمپنی کے عام شیئرز ہولڈرز پر ترجیح اور اہمیت حاصل ہوگی۔
13	ترجیحی حصص کے حاملین کا منافع یا اضافی فائدہ ز میں حصہ لینے کا حق	ترجیحی حصص کے حاملین عام حصص یافتگان کو ترجیحی طور پر، کمپنی کے منافع میں سے، مجموعی بنیاد پر اور 6-KIBOR + 0.5% سالانہ کی شرح سے شریکے جانے والے ڈیویڈنڈ کی ادائیگی کے حقدار ہوں گے۔
14	ختم ہونے پر ترجیحی حصص کے حاملین کا فاضل اثاثوں اور منافع میں حصہ لینے کا حق	کمپنی کے ختم ہونے کی صورت میں، کمپنی کے زائد اثاثے اور منافع، اگر کوئی ہے تو، ترجیحی شیئرز ہولڈرز کو عام شیئرز ہولڈرز کی ترجیح میں تقسیم کیا جائے گا۔

۱۵	ترجیحی حصص کے حاملین کو مجموعی یا غیر مجموعی بنیادوں پر ڈیویڈنڈ کی ادائیگی	سبسکرائبرز کو ڈیویڈنڈ کی ادائیگی مجموعی بنیاد پر کی جائے گی اور اس کا حساب ۶ ماہ کے KIBOR + 0.5% سالانہ کی شرح سے کیا جائے گا۔ اس کی ادائیگی عام شیئرز ہولڈرز کو ترجیح دی جائے گی۔
۱۶	ترجیحی حصص کی مکمل یا جزوی نقد میں تبدیلی کے لیے طریقہ کار اور شرائط و ضوابط	ترجیحی حصص دائمی ہوں گے اور جاری ہونے کی تاریخ سے 3 (تین) سال کی مجموعی بنیاد پر کمپنی اپنے اختیار پر واپس لے سکتی ہے۔ کمپنی حصص کے اجراء ہونے کی تاریخ ("کال آپشن") سے 3 (تین) سال کی مبادعت ختم ہونے کے بعد، وقتاً فوقتاً، ہولڈرز سے ترجیحی حصص یا اس کے حصے کو واپس لینے اور نقد میں تبدیلی کی حقدار ہوگی۔ اس صورت میں کہ کمپنی کال آپشن کو استعمال کرنے کی کوشش کرتی ہے، کمپنی ترجیحی شیئرز ہولڈرز کو کم از کم 30 (تیس) دن پیشگی اطلاع فراہم کرے گی۔ جزوی چھٹکارے کی صورت میں، ترجیحی حصص کو تمام ترجیحی حصص یافتگان سے مناسب تناسب کے ساتھ پھنچا لیا جائے گا۔ کال آپشن کے حصے کے طور پر، ہر ترجیحی شیئر کی قیمت اس کی اصل رقم کے علاوہ کسی بھی جمع شدہ منافع کے برابر ہوگی۔
۱۷	کمپنی میں کنٹرول میں تبدیلی، اگر کوئی ہے، جو کہ غیر متوازن وونگ کے حقوق کے ساتھ ترجیحی حصص کے اجراء کے نتیجے میں ہو سکتی ہے۔	قابل اطلاق نہیں ہے کیونکہ ترجیحی حصص میں وونگ کا کوئی حق نہیں ہے۔
۱۸	غیر متوازن وونگ کے حقوق کے ساتھ ترجیحی حصص کے اجراء سے پہلے اور بعد میں شیئرز ہولڈنگ	پیشگی اجراء: تقریباً ۱۶.۵۰ فیصد اجراء کے بعد: تقریباً ۱۴.۱۹ فیصد
۱۹	ترجیحی حصص کے حاملین کے لیے بہت حد تک کمپنی کے منافع کو نقد میں تبدیل کرنے یا تقسیم کرنے میں ناکامی کی صورت میں یا مجوزہ الٹو کی شرائط یا کمپنی کی طرف سے کیے گئے انکشافات کے خلاف ہونے کی وجہ سے اس کا کوئی حق فراہم کرنا	قانون کے مطابق
۲۰	ترجیحی حصص یا امتیازی حقوق کے ساتھ حصص کی کسی بھی خصوصیت سے متعلق اراکین کے ساتھ تنازعات کو حل کرنے کا طریقہ کار	قانون کے مطابق



۲	اجراء کی قیمت اور اس کا جواز	۱۰ روپے فی ترجیحی حصص۔ مجوزہ ترجیحی حصص کی شرائط منفرد ہیں اور کمپنی کے عام حصص سے بنیادی طور پر مختلف ہیں اور اس لیے درج کردہ عام حصص کی مارکیٹ قیمت کے ساتھ موازنہ مناسب یا ترجیحی حصص کی قدر کا عکاس نہیں ہوگا۔ اہم فرق یہ ہے کہ مجوزہ ترجیحی حصص غیر ووٹنگ والے حصص ہیں اور ضمانت شدہ واپسی کی پیشکش کرتے ہیں جو کہ 6 ماہ کے KIBOR + 0.5% سالانہ پر طے شدہ ہے اور کمپنی کی ایکویٹی کی قدر میں کسی ممکنہ اضافے پر منحصر نہیں ہے۔ (براہ کرم نوٹ کریں کہ KIBOR کراچی انٹر بینک آفر ریٹ ہے)۔
۳	کمپنی کا نام اور مختصر پروفائل جس کو ایسے حصص جاری کیے جانے ہیں۔	کمپنی کے موجودہ سپانسرز حصص یافتگان اور بعض اسٹریٹجک سرمایہ کار جنہوں نے ترجیحی حصص کو سبسکرائب کرنے کی پیشکش کی ہے۔
۴	اجراء کا مقصد	اجراء کرنے سے کمپنی کو ملنے والے فنڈز کا استعمال کمپنی کے مالی استحکام اور طویل مدتی ترقی کے مقاصد جیسے کہ آپریشنز میں توسیع، نئے پروڈیکٹس کی مالی اعانت، قرض کو کم کرنے، یا نئے مواقع میں سرمایہ کاری کرنے کے لیے کمپنی کو مضبوط اور سرمایہ کاری کے لیے استعمال کیا جائے گا۔ واضح رہے کہ نقد رقم کے حصول کے لیے رائٹس کے علاوہ ترجیحی حصص کا اجراء ایس ای سی پی کی منظوری سے مشروط ہوگا۔
۵	اس بات کا جواز کہ کیوں مجوزہ شیئرز رائٹ کے علاوہ جاری کیے جائیں نہ کہ رائٹس شیئرز کے طور پر	مجوزہ اجراء کی خصوصیات اور شرائط وضو ابط منفرد ہیں اور کمپنی کے عام حصص سے بنیادی طور پر مختلف ہیں۔ مجوزہ اجراء کی کیلویڈیٹی، واپسی کی پیشکش اور رسک پروفائل عام حصص سے مختلف ہیں جس کی وجہ سے مجوزہ ترجیحی حصص حق کے علاوہ کسی اور ذریعے سے جاری کیے جانے کا ارادہ رکھتے ہیں۔

۶	بریک اپ ویلیو فی حصص	کمپنی کے تازہ ترین دستیاب آڈٹ شدہ اور نظر ثانی شدہ اکاؤنٹس کے مطابق فی شیئر بریک اپ ویلیو ۲۶ روپے (تجیبیں روپے) ہے۔
	مارکیٹ کی قیمت	۶ جون ۲۰۲۳ تک مارکیٹ کی قیمت -/۲۶ روپے تازہ ترین دستیاب اوسط مارکیٹ قیمت -/۱۹.۹۷ روپے گزشتہ 3 ماہ کی اوسط مارکیٹ قیمت -/۱۱.۴۶ روپے گزشتہ 6 ماہ کی اوسط مارکیٹ قیمت -/۱۰.۰۰ روپے تاہم، یہ واضح رہے کہ مذکورہ بالا بریک اپ ویلیو اور مارکیٹ کی قیمت کمپنی کے عام حصص سے متعلق ہے، جبکہ کمپنی ترجیحی حصص جاری کرنے کی کوشش کر رہی ہے۔
۷	اگر مجوزہ حصص نقد کے علاوہ غور کے لیے جاری کیے جائیں تو غیر نقد اثاثوں کی تفصیل	ترجیحی حصص سبسکرائبرز کو نقد رقم کے لیے جاری کیے جا رہے ہیں۔
۸	ایٹو کی آمدنی کا استعمال (عدوی لحاظ سے مناسب مد کے تحت) اور کمپنی اور اس کے شیئرز ہولڈرز کو ضروری تفصیلات کے ساتھ فوائد	اجراء کرنے کے نتیجے میں پبلنٹس شیٹ کی مضبوط سرمایہ کاری ہوگی اور کمپنی کو قابل اطلاق قوانین کے تحت قابل قدر ٹیکس کریڈٹ حاصل کرنے کے قابل بنائے گا، جس کا فائدہ عام شیئرز ہولڈرز کو بغیر کسی اضافی سرمایہ کاری کے حاصل ہوگا۔
۹	نام سبسکرائبرز کی موجودہ شیئرز ہولڈنگ جیسا کہ معاملہ ہو سکتا ہے کہ جن کو حصص جاری کیے جائیں گے (تعداد کے ساتھ ساتھ کمپنی کے موجودہ ادا شدہ سرمائے کے مقابلے میں فی صد)	نام کمپنی کے ساتھ رشتہ اور موجودہ شیئرز ہولڈنگ (اگر کوئی ہے) جناب رضا اقبال آغا موجودہ شیئرز ہولڈر (۲۷.۸۶ فیصد) جناب حسین اقبال آغا موجودہ شیئرز ہولڈر (۲۷.۸۶ فیصد)
۱۰	حصص کے مجوزہ اجراء کے بعد سبسکرائبرز کی کل شیئرز ہولڈنگ (تعداد کے ساتھ ساتھ کمپنی کے ادا شدہ سرمائے میں اضافہ کے مقابلے میں فیصد)	سبسکرائبرز کے کل شیئرز پوسٹ جاری کرنے کے بعد ادا شدہ شیئرز کی کمپنیل پوسٹ کے اجراء کا فیصد % جناب رضا اقبال آغا ۲۰۱,۸۲۶,۰۵۷ ۲۹ فیصد جناب حسین اقبال آغا ۲۰۱,۸۲۶,۰۵۷ ۲۹ فیصد محترمہ منشا اقبال ۱۱,۱۱۰,۰۰۰ ۲ فیصد جناب سعد اقبال ۱۱,۱۱۰,۰۰۰ ۲ فیصد مسٹر دانش اقبال ۱۱,۱۱۰,۰۰۰ ۲ فیصد



نوٹ:

- مینٹگ کانولس کمپنی کی ویب سائٹ www.aghasteel.com پر شیئر ہولڈرز کو بھیجنے کے علاوہ رکھا گیا ہے۔
- شیئر ہولڈرز کی ہولٹ کے لیے، کمپنی پاکستان اسٹاک ایکسچینج میں صبح ۱۰:۰۰ بجے اجلاس کے مقام تک اور واپس پاکستان اسٹاک ایکسچینج پہنچنے کے لئے ٹرانسپورٹ کی ہولٹ فراہم کرے گی۔

۱۱۔ پوسٹل بیلٹ/ای ووٹنگ:

کمپنیز (پوسٹل بیلٹ) ریگولیشنز، ۲۰۱۸ کے مطابق ڈائریکٹرز کے انتخاب کے مقصد کے لیے اوکینیز ایکٹ ۲۰۱۷ کے سیکشن ۱۱۴۳ اور ۱۴۴ کے تقاضوں سے مشروط کسی دوسرے ایجنڈے کے لیے، مجموعی طور پر ۱۰ فیصد یا اس سے زیادہ شیئر ہولڈنگ کے حامل اراکین کو قانون کے مطابق پوسٹل بیلٹ کے ذریعے یعنی ڈاک یا ای ووٹنگ کے ذریعے اپنے ووٹ کا حق استعمال کرنے کی اجازت مذکورہ ضوابط میں موجود شرائط کے تحت دی جائے گی۔

۱۲۔ جنرل مینٹگ میں شیئر ہولڈرز کے لیے ضابطہ اخلاق:

۱۔ کمپنیز ایکٹ، ۲۰۱۷ ("ایکٹ") کا سیکشن ۲۱۵ اوکینیز (جنرل پروڈیوزر اینڈ فارمر) ریگولیشنز، ۲۰۱۸ کا ریگولیشن ۲۸، شیئر ہولڈرز کا ضابطہ اخلاق درج ذیل بیان کرتا ہے:

الف۔ شیئر ہولڈرز کو ایسے فیصلوں کے لیے براہ راست انتظامیہ سے رجوع کرنے یا اثر و رسوخ استعمال کرنے کی اجازت نہیں ہے جس کی وجہ سے انتظامیہ کے ہموار کام کرنے میں رکاوٹیں پیدا ہو سکتی ہیں۔ قانون میں کہا گیا ہے کہ شیئر ہولڈرز ایسا مواد نہیں لائیں گے جس سے شرکاء یا احاطے کو خطرہ ہو جہاں سالانہ عام اجلاس منعقد ہو رہی ہو، خود کو سالا نہ عام اجلاس کے نوٹس میں شامل ایجنڈا آنظر تک محدود رکھیں اور کسی سیاسی وابستگی کو ظاہر کرنے کے طریقے سے کام نہیں کریں گے۔

ب۔ کوئی بھی شیئر ہولڈر جو اس سیکشن میں فراہم کردہ طریقے سے کام کرنے میں ناکام رہتا ہے اور جیسا کہ کمیشن نے بیان کیا ہے وہ اس سیکشن کے تحت کسی جرم کا مجرم ہوگا اور معیاری پیمانے پر لیول 1 سے زیادہ جرمانے کا ذمہ دار ہوگا۔

۲۔ مزید برآں کمپنیز ایکٹ، ۲۰۱۷ کی دفعہ ۱۸۵ کے مطابق: کمپنی کو اجازت نہیں ہے کہ وہ اپنی مینٹگ میں اپنے ممبران کو کسی بھی شکل میں تحائف تقسیم کرے۔

سالانہ عام اجلاس میں خصوصی کاروبار کے حوالے سے لین دین کے لیے کمپنیز ایکٹ، ۲۰۱۷ کے سیکشن (۳) ۱۳۴ کے تحت مادی حقائق کا بیان

یہ بیان آغا اسٹیل انڈسٹریز لمیٹڈ ("کمپنی") کی پیر ۱۶ اکتوبر ۲۰۲۳ کو منعقد ہونے والی سالانہ جنرل مینٹگ میں خصوصی کاروبار سے متعلق مادی حقائق کو ذیل میں بیان کرتا ہے۔

کمپنی امتیازی حقوق اور مراعات کے ساتھ، ترجیحی حصص جاری کرنے کی خواہش مند ہے، جس کی قیمت ۱۰ روپے ہے، جو کہ موجودہ ادا شدہ سرمائے (جو اس وقت ۹،۰۵۸،۷۰۴،۶۰۴ عام حصص ہے) کا ۱۶.۵ فیصد اور کمپنی کے پوسٹ الیٹوڈ ادا شدہ سرمایہ کا تقریباً ۱۸.۱۴ فیصد ہے جو نقد کے حصول کے لئے رائٹ اجراء کے علاوہ اور سیکشن ۵۸، (b) (۱) ۱۸۳ اوکینیز ایکٹ، ۲۰۱۷ کے ۸۵ اور دیگر قابل اطلاق قوانین کے مطابق ہے، جیسا کہ کمپنی کی ایسوی الیشن کے ممبرانڈم اور آرٹیکلز کے تحت اجازت دی گئی ہے۔

مندرجہ بالا کی روشنی میں، بورڈ نے _____ کو منعقدہ اپنے اجلاس میں کمپنی کے ۱۰۰،۰۰۰،۰۰۰ (ایک سو ملین) تک کے ترجیحی حصص جاری کرنے کی منظوری دی ہے، جس کی قیمت ۱۰ روپے فی حصص ہے، نقد رقم کے حصول کے لئے رائٹ اجراء کے علاوہ دیگر طریقے سے، کمپنی کے موجودہ اسپانسرز/شیئر ہولڈر اور بعض اسپنر/تجگ سرمایہ کاروں کے حق میں جنہوں نے ۱۰ روپے کی قیمت مجموعی طور پر ۱،۰۰۰،۰۰۰،۰۰۰ روپے (ایک ارب روپے) کے ترجیحی حصص ("سسکراہیز") کو سسکراہب کرنے کی پیشکش کی ہے ("براہ راست اجراء")۔

ترجیحی حصص سسکراہیز کو نقد رقم کے حصول کے لئے رائٹ کے علاوہ دیگر طریقے سے، جاری کیے جائیں گے: (i) کمپنی کے اراکین کی منظوری: (ii) ایس ای سی پی کی منظوری: اور (iii) تمام متعلقہ قانونی تقاضوں کی تعمیل۔

اس بات پر روشنی ڈالی جاتی ہے کہ براہ راست اجراء کے مقاصد کے لیے، قابل اطلاق قوانین کے تحت، کمپنی کمپنیز ایکٹ، ۲۰۱۷ کے سیکشن (b) (1) ۸۳ کے تحت اپنے شیئر ہولڈرز کی منظوری حاصل کرنا کی ضروری ہے۔

اسی مناسبت سے، کمپنی کے بورڈ آف ڈائریکٹرز نے غارش کی ہے کہ کمپنی کے حصص یافتگان غور کریں اور اگر مناسب سمجھیں تو، سالانہ عام اجلاس بلانے والے نوٹس میں بیان کردہ قراردادوں کو منظور کریں، جن قراردادوں کو خصوصی قراردادوں کے طور پر تجویز کیا جائے گا اور منظور کیا جائے گا انکی معلومات یہاں نیچے موجود ہیں۔

کمپنی کے ڈائریکٹرز میں سے کسی کی بھی خصوصی کاروبار میں براہ راست یا بالواسطہ دلچسپی نہیں ہے، ہوائے اسکے کو وہ کمپنی کے ممبران اور ڈائریکٹرز کی حیثیت میں ہیں۔

کمپنیز کے ریگولیشن ۵ اور ریگولیشن ۶ کے مطابق نوٹس کے ساتھ منسلک کرنے کے لیے درکار معلومات (حصص کا اضافی اجراء) ریگولیشنز، ۲۰۲۰ ذیل میں بیان کی گئی ہیں:

معلومات درکار ہے۔	تفصیلات
۱ اجراء کی مقدار یعنی جاری کیے جانے والے حصص کی کل تعداد اور موجودہ ادا شدہ سرمائے کے حصص کا فیصد	۱۰۰،۰۰۰،۰۰۰ (ایک سو ملین) تک کے ترجیحی حصص ۱۰ روپے فی حصص کی قیمت پر اجراء کیے جانے کا ارادہ ہے، مجموعی طور پر ۱،۰۰۰،۰۰۰،۰۰۰ روپے (ایک ارب روپے) جو موجودہ ادا شدہ سرمایہ (جو اس وقت ۹،۰۵۸،۷۰۴،۶۰۴ عام حصص ہے) کا ۱۵ فیصد اور کمپنی کے پوسٹ الیٹوڈ ادا شدہ سرمایہ کا تقریباً ۱۸.۱۴ فیصد تک بنتا ہے



۸۔ ڈائریکٹرز کا انتخاب:

الف۔ کوئی بھی شخص جو ڈائریکٹر کے عہدے کے لیے الیکشن لڑنا چاہتا ہے، چاہے وہ ریٹائر ہونے والا ڈائریکٹر ہو یا کسی دوسری صورت میں، وہ سالانہ اجلاس عام کی تاریخ سے چودہ (۱۴) دن پہلے، درج ذیل دستاویزات/معلومات کمپنی کے رجسٹرڈ آفس میں جمع کروائے:

i۔ کمپنیز ایکٹ، ۲۰۱۷ء کے سیکشن (۳)۱۵۹ کے مطابق ڈائریکٹرز کے انتخاب کے لیے خود کو پیش کرنے کے ارادے کا نوٹس۔

ii۔ بطور ڈائریکٹر کام کرنے کے لیے رضامندی کا فارم۔ ۲۸ کمپنیز ایکٹ، ۲۰۱۷ء کے سیکشن ۱۶۷ کے تحت اور اس کے ساتھ کمپیوٹرائزڈ قومی شناختی کارڈ، انکم ٹیکس نمبر یا پاسپورٹ کی تصدیق شدہ کاپی بھی شامل ہے

iii۔ امیدوار کا تفصیلی پروفائل بشمول اس کے دفتر کا پتہ کمپنی کی ویب سائٹ پر تقرری کے لیے جیسا کہ کمپنیز ایکٹ، ۲۰۱۷ء کے ایس ای سی پی کے ایس آر او ۱۹۶(۱) / ۲۰۱۹ مورخہ ۳ اکتوبر ۲۰۱۹ کے تحت درکار ہے۔

iv۔ ایک اعلامیہ اس بات کی تصدیق کرتا ہو کہ:

۔ وہ کمپنیز ایکٹ ۲۰۱۷ء سیکو ریٹیز ایکٹ ۲۰۱۵ء، کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ء، پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز، میمورنڈم اور آرٹیکلز آف ایسوسی ایشن اور دیگر تمام قابل اطلاق قوانین/قواعد/ضابطے/کوڈز وغیرہ کے تحت اپنے فرائض، ذمہ داریوں اور اختیارات سے واقف ہے۔
۔ وہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ء اور کسی دوسرے ایکٹ کے قابل اطلاق قانون، قواعد و ضوابط کے تحت کسی لسٹڈ کمپنی کا ڈائریکٹر بننے کے لیے نااہل نہیں ہے۔

۔ وہ نا بالغ نہیں ہے اور مذہبی نا بالغ دماغ کا ہے اور مذہبی غیر دیوالیہ ہے۔

۔ وہ قومی ٹیکس دہندگان کے رجسٹر میں رجسٹرڈ ہے۔

۔ اسے عدالت نے مالیاتی اداروں، ترقیاتی مالیاتی ادارے اور غیر بینکنگ مالیاتی ادارے کو قرض کی ادائیگی میں ڈیفالٹر کے طور پر سزا نہیں دی ہے۔

۔ وہ بیک وقت سات سے زیادہ لسٹڈ کمپنیوں میں بطور ڈائریکٹر خدمات انجام نہیں دے رہا ہے۔

۔ نہ وہ اور مذہبی اس کی شریک حیات اسٹاک بروکرینج کے کاروبار میں مصروف ہے۔

۔ وہ "close period" سے واقف ہے، جو عبوری اور حتمی نتائج کے اعلان سے پہلے درکار ہے، اور کاروباری فیصلوں سے، جو کمپنی کی سکیورٹیز کی مارکیٹ کی قیمت کو مادی طور پر متاثر کر سکتے ہیں۔

v۔ درست کمپیوٹرائزڈ قومی شناختی کارڈ کی کاپی (پاکستانی شہری کی صورت میں) / پاسپورٹ (غیر ملکی شہری کی صورت میں)، اور NTCD اور فو لیو نمبر/ CDC سرمایہ کار کا ڈسٹ نمبر/ CDC ذیلی اکاؤنٹ نمبر (بجلی بار رضامندی داخل کرنے والے شخص کے لیے قابل اطلاق)۔

ب۔ آزاد ڈائریکٹرز کا انتخاب کمپنیز ایکٹ، ۲۰۱۷ء کے سیکشن ۱۵۹ کے طریقہ ڈائریکٹرز کے انتخاب کے تحت عمل کیا جائے گا۔ آزاد ڈائریکٹر کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۱۶۶ میں طے شدہ معیار پر پورا اتریں گے۔ یہ کمپنیز (آزاد ڈائریکٹرز کا طریقہ اور انتخاب) کے ضوابط، ۲۰۱۸ء کے مطابق، ایک آزاد ڈائریکٹر کے طور پر ڈائریکٹرز کا انتخاب لڑنے کے خواہشمند امیدواروں کو درج ذیل اضافی دستاویزات جمع کرانی ہوں گی:-

i۔

آزاد ڈائریکٹر کا اعلامیہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ء کی شق (۳)۶ کے تحت۔

ii۔

عہد ناموں جو ڈسٹنٹ (non-judicial) اسٹامپ پیپر پر جو کمپنیز (آزاد ڈائریکٹرز کا طریقہ اور انتخاب) ریگولیشنز، ۲۰۱۸ء کے ضابطہ ۴ کے ذیلی ضابطے (۱) کے تقاضوں کو پورا کرتا ہے۔

۹۔ فائیکراورٹان فائیکر کی حیثیت:

i۔

حکومت پاکستان نے انکم ٹیکس آرڈیننس ۲۰۰۱ء کے سیکشن ۱۵۰ میں فائیکس ایکٹ، ۲۰۲۲ء کے ذریعے کمپنیوں کی جانب سے ڈیویڈنڈ کی ادائیگیوں کے خلاف ووہولڈنگ ٹیکس کے لیے درج ذیل شرحیں تجویز کیں۔ جن ممبران کے نام ایف بی آر کی ویب سائٹ پر فراہم کردہ ایکٹو ٹیکس پیئر ڈسٹ (اے ٹی ایل) میں درج نہیں ہیں، اس حقیقت کے باوجود کہ وہ فائیکرز ہیں، ان کو شورہ دیا جاتا ہے کہ وہ اپنے ناموں کو اے ٹی ایل میں اندراج کرائیں تاکہ مستقبل میں کسی بھی ڈیویڈنڈ کے عوض زیادہ ٹیکس کوٹوئیں سے بچا جاسکے۔

ii۔

کسی بھی سوال/مسئلہ/معلومات کے لیے، سرمایہ کار درج ذیل فون نمبرز، یا ای میل پتوں پر شیئرز رجسٹرار سے رابطہ کر سکتے ہیں:

سی ڈی سی شیئرز رجسٹرار سرولیمینڈ

سی ڈی سی ہاؤس، بی۔ بلاک۔ بی،

ایس۔ ایم۔ سی۔ اسٹج۔ ایس، مین شاہراہ فیصل،

کراچی۔ ۷۴۳۰۰

ٹول فری نمبر 0800-23275

iii۔

سی ڈی سی اکاؤنٹس رکھنے والے کارپوریٹ شیئرز ہولڈرز کو ان کے متعلقہ بروکرز کے پاس اینٹیشنل ٹیکس نمبر (NTN) اپ ڈیٹ کرنا ضروری ہے، جب کہ کارپوریٹ فزیکل شیئرز ہولڈرز کو اپنے NTN غلطی کی ایک کاپی شیئرز رجسٹرار یعنی میسرز سی ڈی سی شیئرز رجسٹرار سرولیمینڈ کو بھیجنی چاہیے۔ شیئرز ہولڈرز کو NTN یا NTN غلطی کی تصحیح وقت، جس طرح کا معاملہ ہو، کمپنی کا نام اور اپنے متعلقہ فو لیو نمبر کا حوالہ دینا چاہیے۔

۱۰۔ ویڈیو کانفرنسنگ کی سہولت کے ذریعے AGM میں شرکت:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے سرکلر نمبر ۶ مورخہ ۳ مارچ ۲۰۲۱ء کے ذریعے لسٹڈ کمپنیوں کو اجازت دی ہے کہ وہ ویڈیو لنک کی سہولت کے ذریعے سالانہ عام اجلاس میں شیئرز ہولڈرز کی شرکت کے علاوہ ممبران کی ذاتی حاضری کا اہتمام کریں۔ ویڈیو کانفرنسنگ کے ذریعے میٹنگ میں شرکت میں دلچسپی رکھنے والے شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل معلومات کو "آغا اسٹیل انڈسٹریز لمیٹڈ سالانہ عام اجلاس کے لیے رجسٹریشن" کے موضوع کے ساتھ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کے دونوں اطراف کی درست کاپی کے ساتھ _____ پر ای میل کریں۔ ویڈیو لنک اور لاگ ان کی تفصیلات صرف ان اراکین کے ساتھ شیئرز کی جائیں گی جن کی تمام مطلوبہ معلومات پر مشتمل ای میلز ۱۳ اکتوبر ۲۰۲۳ کو سالانہ عام اجلاس کے وقت سے پہلے موصول ہوگی۔

شیئرز ہولڈرز سالانہ عام اجلاس کے ایجنڈا آخری کے لیے اپنے تبصرے اور سوالات بھی ای میل ایڈریس پر فراہم کر سکتے ہیں: _____

شیئرز ہولڈر/پراکسی ہولڈر کا پورا نام	کمپنی	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	فو لیو نمبر	موبائل نمبر	ای میل ایڈریس
	آغا اسٹیل انڈسٹریز لمیٹڈ				



نوٹس:

۱۔ کھانوں کی بندش:

کمپنی کے حصص کی منتقلی کی کتاب میں ۹ اکتوبر ۲۰۲۳ء سے ۱۶ اکتوبر ۲۰۲۳ء تک بند رہیں گی (بشمول دونوں ایام)۔ وہ فرانسفرز جو ہر طرح سے مکمل ۶ اکتوبر ۲۰۲۳ء کو کاروبار کے اختتام تک کمپنی کے شیئرز جسٹس کے دفتر، میسرز سی ڈی سی شیئرز جسٹس اور سرور لمیٹڈ، سی ڈی سی ہاؤس، ۹۹۔ بی، بلاک۔ بی، ایس۔ ایم۔ سی۔ ایچ۔ ایس، مین شاہراہ فیصل، کراچی۔ ۲۴۰۰۷ کو موصول ہوئے انہیں کسی بورڈ آف ڈائریکٹرز کی سفارش کے مطابق کسی بھی حق کے تعین کے لیے اور اجلاس میں شرکت کرنے کے لیے بروقت تصور کیئے جائیں گے۔

۲۔ پراسیکیوٹن کی تقرری اور سالانہ اجلاس عام (AGM) میں شرکت:

- میٹنگ میں شرکت کرنے اور ووٹ دینے کا حقدار ممبر کسی دوسرے ممبر کو اپنا پراسی مقرر کر سکتا ہے جس کے پاس میٹنگ میں شرکت، بولنے اور ووٹ دینے جیسے حقوق ہوں گے جو کسی ممبر کو دستیاب ہیں۔
- پراسی فارم کے ساتھ درست کمپیوٹرائزڈ قومی شناختی کارڈ یا ممبر اور پراسی کے پاسپورٹ کی تصدیق شدہ کاپیاں پیش کی جائیں گی۔
- پراسی کے فارم پر دو افراد کے نام، پتہ، کمپیوٹرائزڈ قومی شناختی کارڈ نمبر اور دستخط کے ساتھ دستخط، مہر اور گواہی ہونی چاہیے۔
- سی ڈی سی اکاؤنٹ ہولڈرز کو بھی ۲۶ جنوری ۲۰۰۰ کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے جاری کردہ سرکل نمبر 1 میں بیان کردہ رہنما خطوط پر عمل کرنے کی ضرورت ہے۔

الف۔ میٹنگ میں شرکت کے لیے:

- انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور ایجنٹ کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہیں، میٹنگ میں شرکت کے وقت کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ ظاہر کر کے اپنی شناخت کی تصدیق کریں گے۔
- سینٹرل ڈپازٹری کمپنی (CDC) میں رجسٹرڈ ممبران سے بھی درخواست کی جاتی ہے کہ وہ اپنی تفصیلات ID نمبر اور CDS میں اکاؤنٹ نمبر ساتھ لائیں۔
- کارپوریٹ اداروں کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی امیدوار کے شخص دستخط کے ساتھ کمپنی کو پراسی فارم کے ساتھ جمع کروانی ہوگی (۲۰۲۳ء تک پہلے فراہم نہ کی گئی ہو)۔

ب۔ پراسیکیوٹن کی تقرری کے لیے:

- انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور ایجنٹ کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہوں، کمپنی کی طرف سے مطلع کردہ قوانین کے مطابق پراسی فارم جمع کرائے گا۔
- پراسی فارم پر دو افراد گواہی دیں گے جن کے نام، پتہ اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں گے۔
- اصل مالکان کی کمپیوٹرائزڈ قومی شناختی کارڈ کی تصدیق شدہ کاپیاں یا پاسپورٹ کی مصدقہ نقول کو پراسی فارم کے ساتھ پیش کیا جائے گا۔

iv۔

نامزد شخص کو اجلاس میں شرکت کے وقت اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوں گے۔ کارپوریٹ اداروں کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی امیدوار کے شخص دستخط کے ساتھ کمپنی کو پراسی فارم کے ساتھ جمع کروانی ہوگی

۳۔ ممبران کے بچوں میں تبدیلی:

ممبران سے درخواست ہے کہ وہ اپنے بچوں میں کسی بھی تبدیلی کی اطلاع شیئرز جسٹس اور میسرز سی ڈی سی شیئرز جسٹس اور سرور لمیٹڈ کو فوری طور پر دیں۔

۴۔ درست کمپیوٹرائزڈ قومی شناختی کارڈ CNICs کی کاپیاں جمع کرانا (لازمی):

ممبران، جنہوں نے ابھی تک اپنے درست کمپیوٹرائزڈ قومی شناختی کارڈ کی تصدیق شدہ فوٹو کاپی فوٹو نمبر کے ساتھ جمع نہیں کرائی ہے، ان سے درخواست کی جاتی ہے کہ وہ اسے جلد از جلد کمپنی کے شیئرز جسٹس کو بھیج دیں۔

۵۔ الیکٹرونک موڈ کے ذریعے ڈیوٹڈ کی ادائیگی (لازمی):

کمپنیز ایکٹ، ۲۰۱۷ء کے سیکشن ۲۴۲ کی دفعات کے تحت، ایسڈ کمپنی کے لیے لازمی ہے کہ وہ اپنے شیئرز ہولڈرز کو نقد ڈیوٹڈ نہ صرف الیکٹرونک موڈ کے ذریعے براہ راست حقدار شیئرز ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں ادا کرے۔

براہ راست اپنے بینک اکاؤنٹ میں ڈیوٹڈ حاصل کرنے کے لیے، شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ پر دستیاب الیکٹرونک کرڈٹ مینڈیٹ فارم کو پُر کریں اور فزیکل شیئرز کی صورت میں دستخط شدہ فارم کمپنی کے رجسٹرار کو کمپیوٹرائزڈ قومی شناختی کارڈ کی ایک کاپی کے ساتھ بھیجیں۔

اگر حصص سی ڈی سی میں رکھے گئے ہیں تو الیکٹرونک کرڈٹ مینڈیٹ فارم براہ راست شیئرز ہولڈر کے بروکر یا اسٹریڈی سی ڈی سی اکاؤنٹ سرورس میں جمع کرانا چاہیے۔

۶۔ آڈٹ شدہ مالیاتی بیانات کی ترسیل QR فعال کوڈ کے ذریعے:

کمپنی کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") نے اپنے نوٹیفکیشن نمبر ایس آر او ۳۸۹/۱ (۲۰۲۳ مورخہ ۳۱ مارچ ۲۰۲۳ء) کے مطابق سالانہ آڈٹ شدہ مالیاتی گوشوارے سالانہ بیلنس شیٹ اور منافع اور نقصان کے اکاؤنٹ، آڈیٹر کی رپورٹ اور ڈائریکٹرز کی رپورٹ، وغیرہ USB/DVD/CD کے بجائے QR فعال کوڈ اور ویب لنک کے ذریعے ترسیل کرنے کی اجازت دی ہے۔ شیئرز ہولڈر کمپنی کے سیکریٹری یا شیئرز جسٹس سے سالانہ آڈٹ شدہ اکاؤنٹس کی بارڈ کاپی فراہم کرنے کی درخواست کر سکتا ہے، اور یہ مطالبہ کے ایک ہفتے کے اندر شیئرز ہولڈر کے رجسٹرڈ پتے پر مفت فراہم کی جائے گی۔ اس سلسلے میں، کمپنی کا نامزد ای میل ایڈریس/شیئرز جسٹس اکاؤنٹ ایڈریس کمپنی کی ویب سائٹ پر رکھا جائے گا۔

۷۔ غیر دعوی شدہ منافع اور بونس حصص:

شیئرز ہولڈرز، جو کسی بھی وجہ سے اپنے ڈیوٹڈ یا بونس شیئرز کا دعوی نہیں کر سکتے یا اپنے فزیکل شیئرز کو جمع نہیں کر سکتے، انہیں مشورہ دیا جاتا ہے کہ وہ اپنے غیر دعوی دار ڈیوٹڈ یا زیر التواء حصص، اگر کوئی ہو تو اس کے بارے میں معلومات حاصل کرنے کے لیے ہمارے شیئرز جسٹس اور میسرز سی ڈی سی شیئرز جسٹس اور سرور لمیٹڈ سے رابطہ کریں۔

براہ کرم نوٹ کریں کہ کمپنیز ایکٹ، ۲۰۱۷ء کے سیکشن ۲۴۲ کی تعمیل میں، مقررہ طریقہ کار کو مکمل کرنے کے بعد، مقررہ تاریخ سے تین سال کی مدت کے لیے بغیر دعوی کیے گئے تمام منافع اور قابل ادائیگی وفاقی حکومت کے کرڈٹ میں جمع کیے جائیں گے اور حصص کی صورت میں رقم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو دی جائے گی۔



سالانہ عام اجلاس کا نوٹس

اراکین کو مطلع کیا جاتا ہے کہ آغا اسٹیل انڈسٹریز لمیٹڈ ("کمپنی") کے شیئرز ہولڈرز کا دسواں سالانہ اجلاس عام ("AGM") بروز پیر ۱۹ اکتوبر ۲۰۲۳ کو صبح ۱۱:۳۰ بجے، پلاٹ نمبر D-2(SP-6)، P-133/1/NWIZ، پورٹ قاسم، کراچی درج ذیل کاروباری امور کی انجام دہی کے لیے منعقد ہوگا:

عمومی امور

- ۱۔ ۲۳ جون ۲۰۲۳ کو منعقدہ پہلی غیر معمولی جنرل میٹنگ کے منٹس کی تصدیق کرنا۔
- ۲۔ ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لیے ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ کمپنی کے آڈٹ شدہ سالانہ مالیاتی گوشواروں کو وصول کرنا، ان پر غور کرنا اور اپنانا۔
- ۳۔ ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لیے، معاوضے کی باہمی متفقہ شرح پر کمپنی کے آڈیٹرز کا تقرر کرنا۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمپنی کی سفارش پر میسرز ریندا ہارون زکریا اینڈ کمپنی چارٹڈ اکاؤنٹنٹس کے تقرری کی تجویز دی ہے۔
- ۴۔ کمپنیز ایکٹ ۲۰۱۷ کی شق ۱۵۹ کی کے مطابق بورڈ کی طرف سے مقرر کردہ سات (۷) ڈائریکٹرز کا، کمپنی کی دسویں AGM کے فوراً بعد شروع ہونے والی تین (۳) سال کی مدت کے لیے انتخاب کرنا۔ کمپنی کے ریٹائر ہونے والے ڈائریکٹرز کے نام، جو خود کو دوبارہ انتخاب کے لیے پیش کرنے کے اہل بھی ہیں، درج ذیل ہیں:

- | | |
|---------------------------|------------------------|
| ۱۔ محترمہ شازیہ اقبال آغا | ۲۔ جناب حسین اقبال آغا |
| ۳۔ جناب رضا اقبال آغا | ۴۔ جناب سعد اقبال |
| ۵۔ جناب اکبر پٹانی | ۶۔ جناب عسکری اصغر آغا |
| ۷۔ جناب محمد آصف | |

خصوصی امور:

- ۵۔ مندرجہ ذیل قراردادوں کو کمپنیز ایکٹ، ۲۰۱۷ کے شق ۵۸، (b)(1) اور ۸۳ کی دفعات کے مطابق (تمام قابل اطلاق قوانین کے ساتھ)، خصوصی قراردادوں کے طور پر غور کرنا اور، اگر مناسب لگے تو، ترمیم کے ساتھ یا بغیر ترمیم کے پاس کرنا۔ اس مقاصد کے لیے (i) کمپنی کو امتیازی حقوق اور مراعات کے ساتھ، ۱۰۰،۰۰۰،۰۰۰ (۱۰۰ ملین) ترجیحی حصص جاری کرنے کا اختیار دینا، جس کی غامضی قیمت - ۱۰/ روپے (دس روپے) فی حصص ہے، جو کہ موجودہ ادا شدہ سرمائے (جو اس وقت ۹،۰۵۸،۶۰۴ عام حصص ہے) کا ۱۶.۵ فیصد اور کمپنی کے پوسٹ ایٹیو ایڈا شدہ سرمایہ کا تقریباً ۱۸.۱۴ فیصد ہے، موجودہ اسپانسرز/حصص یافتگان کے حق میں نقد کے حصول کے لئے رائٹ اجراء کے علاوہ کمپنی اور بعض اسٹریٹجک سرمایہ کار جنہوں نے ترجیحی حصص ("اجراء") کو سبسکرائب کرنے کی پیشکش کی ہے۔

"طے کیا گیا کہ قابل اطلاق قوانین کی تعمیل اور کمپنیز ایکٹ، ۲۰۱۷ کے شق ۵۸ اور (b)(1) ۸۳ کے تحت سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") کی منظوری سے شروط قوانین کے مطابق (تمام قابل اطلاق قوانین کے ساتھ)، کمپنی امتیازی حقوق اور مراعات کے ساتھ، ۱۰۰،۰۰۰،۰۰۰ (۱۰۰ ملین) تک ترجیحی حصص جاری کرنے کی مجاز ہے، جس کی قیمت - ۱۰/ روپے (دس روپے) فی حصص ہے، نقد کے حصول کے لئے رائٹ اجراء کے علاوہ، کمپنی کے موجودہ اسپانسرز/حصص یافتگان اور بعض اسٹریٹجک سرمایہ کاروں کے حق میں جنہوں نے ۱۰/ روپے (دس روپے) فی حصص کی قیمت پر، نقد میں، مجموعی طور پر -/۱۰،۰۰۰،۰۰۰،۰۰۰ روپے (ایک ارب روپے) کے ترجیحی حصص کو سبسکرائب کرنے کی پیشکش کی ہے۔"

مزید طے کیا گیا کہ کمپنی اس کے ذریعے درج ذیل اسٹریٹجک شیئرز ہولڈرز، سرمایہ کاروں سے ترجیحی حصص کے اجراء کے مد میں پیشگی رقم حاصل کرنے کی مجاز ہے جنہوں نے ترجیحی حصص کو سبسکرائب کرنے کی پیشکش کی ہے:

- (i) حسین اقبال آغا؛ اور
- (ii) رضا اقبال آغا

مزید طے کیا گیا کہ کمپنی ترجیحی حصص کے اجراء کے لیے ایسی تمام کارروائیاں کرنے کی مجاز اور بااختیار ہے جس میں ایس ای سی پی اور/یا کسی دوسرے ریگولیٹری منظوری کے حصول کے لیے مطلوبہ درخواستیں دائر کرنا شامل ہے، جو قابل اطلاق قوانین کے تحت درکار ہو سکتی ہیں لیکن ان تک محدود نہیں ہے۔

مزید یہ طے کیا گیا کہ چیف ایگزیکٹو آفیسر اور/یا چیف فنانشل آفیسر اور/یا کمپنی کے کمپنی سیکرٹری، یا ایسا کوئی دوسرا شخص (مخصوصیات)، جو ان میں سے کسی کی طرف سے مشترکہ اور الگ طور پر، تمام ضروری امور کو انجام دینے اور ڈیلیور کرنے کے لیے، تمام ضروری اقدامات کرنے، اور اس طرح کے تمام اقدامات، کارروائیاں اور ڈیڈز کی انجام دہی کرنے، لیکن ان تک محدود نہیں، اور کمپنی کی طرف سے یا کمپنی کے نام پر IPSX اور SECP کے ساتھ تمام کاغذات فائل کرنے، اور درخواستوں کو جمع کرانے، جو ضروری ہو یا جس کی ضرورت ہو یا اتفاقی طور یا عیسما کہ مناسب سمجھا جائے ان میں سے کوئی بھی مذکورہ قراردادوں کے مقاصد کو پورا کرنے کے سلسلے میں مجاز اور بااختیار ہیں۔

مزید یہ طے کیا گیا کہ مذکورہ قراردادیں ایس ای سی پی یا کسی دوسرے ریگولیٹری باڈی کی طرف سے تجویز کردہ، ہدایت یا ضرورت کے مطابق کسی بھی ترمیم، ترمیم، اضافے یا حذف سے مشروط ہوں گی، جو تبدیلیاں بغیر ضرورت کے ان خصوصی قراردادوں کا حصہ سمجھی جائیں گی۔ حصص یافتگان کی نئی قراردادیں منظور کریں جب تک کہ یہ مکمل نوعیت کی نہ ہوں۔"

دیگر امور:

- ۶۔ چیئر کی اجازت سے کسی دیگر معاملے پر غور۔

کمپنیز ایکٹ ۲۰۱۷ کے سیکشن (۳) ۱۳۳ کے تحت میٹنگ میں زیر غور خصوصی کاروبار کے حوالے سے بیان اس نوٹس کے ساتھ شیئرز ہولڈر کو بھیجا جا رہا ہے۔

بحکم بورڈ

تاریخ: ۲۵ ستمبر ۲۰۲۳

کراچی

محمد منیب خان

کمپنی سیکرٹری

FORM OF PROXY

10th Annual General Meeting

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 10th Annual General Meeting of the Company to be held on Monday, October 16, 2023 11:30
a.m. at the registered office of the Company and/or any adjournment thereof.

Signed this _____ day of _____ 2023.

Signature on
Rs. 5/-
Revenue Stamp

Witnesses

1. Name: _____
Address: _____
No: _____
Signature: _____

Witnesses

2. Name: _____
Address: _____
No: _____
Signature: _____

IMPORTANT:

1. The Proxy Form must be deposited at the registered office of the Company Plot No NWIZ/1/P-133, (SP-6) D-2, Port Qasim, Karachi as soon as possible but not later than 48 hours before the time of holding the meeting and in default Proxy Form will not be treated as valid.
2. No person shall act as proxy unless he / she is a member of the Company except a corporation being a member may appoint as its proxy any officer of such corporation whether a member of the Company or not.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

FOR CDC ACCOUNT HOLDERS / CORPORATE ENTITIES:

In addition to the above, the following requirements have to be met:

- i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- iv) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

پراکسی کا فارم

دسواں سالانہ اجلاس عام

میں/ہم _____ ساکن _____

_____ عوامی/ترجیحی حصص کے حامل بے مطابق CDC کے اکاؤنٹ نمبر، _____ مسٹر/مسز/میں _____

_____ ساکن (مکمل پتہ) _____ یا ان کی عدم حاضری کی صورت میں مسٹر/مسز/میں _____

_____ ساکن (مکمل پتہ) _____ (جو کہ کمپنی کے ممبر ہیں) میری/ہماری جانب سے پراکسی _____

_____ ہو گئے جو کہ میری/ہماری طرف سے بروز پیر ۱۶ اکتوبر ۲۰۲۳ کو صبح ۱۱:۳۰ بجے، کراچی میں دسواں سالانہ اجلاس عام میں حاضر ہو گئے اور وہ دے سکیں گے اور ملتوی ہونے کی صورت میں بھی میرے _____

_____ پراکسی ہو گئے۔ _____

<p style="text-align: center;">دستخط برائے</p> <p style="text-align: center;">پانچ روپے ریونیو اسٹیٹمپ</p>	<p style="text-align: center;">۲۰۲۳ء کے دن _____</p>
<p style="text-align: center;">گواہ 2:</p> <p style="text-align: center;">نام: _____</p> <p style="text-align: center;">پتہ: _____</p> <p style="text-align: center;">شناختی کارڈ نمبر: _____</p> <p style="text-align: center;">دستخط: _____</p>	<p style="text-align: center;">گواہ 1:</p> <p style="text-align: center;">نام: _____</p> <p style="text-align: center;">پتہ: _____</p> <p style="text-align: center;">شناختی کارڈ نمبر: _____</p> <p style="text-align: center;">دستخط: _____</p>

اہم نکات:

- ۱۔ پراسی فارم کمپنی کے رجسٹرڈ آفس پلاٹ نمبر NWIZ/1-133/P-6(SP)-2، پورٹ قاسم کراچی میں جلد از جلد لیکن مینٹک کے لیے مقررہ وقت سے کم از کم ۴۸ گھنٹے پہلے موصول ہونا چاہیے ناکامی کی صورت میں پراسی فارم کارآمد نہیں سمجھا جائے گا۔
- ۲۔ ایٹیشن جب کمپنی کا ممبر نہ ہو پراسی کے طور پر کام نہیں کرے گا مگر کارپوریشن کے ممبر ہونے کی صورت میں کارپوریشن کسی بھی افر کو خواہ وہ کمپنی کا ممبر ہو یا نہ ہو اپنے پراسی کے طور پر مقرر کر سکتی ہے
- ۳۔ اگر کوئی رکن ایک سے زیادہ پراسی کا تقرر کرتا ہے اور اس کی طرف سے پراسی کے ایک سے زیادہ انشرومنٹ کمپنی کے پاس جمع کرائے جاتے ہیں، تو پراسی کے ایسے تمام انشرومنٹ کو غلط قرار دیا جائے گا۔

سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ اداروں کے لیے

مندرجہ بالا کے علاوہ، مندرجہ ذیل ضروریات کو پورا کرنا ہوگا۔

- الف۔ - - - - -
 ب۔ - - - - -
 ج۔ - - - - -
 د۔ - - - - -
- پرائیویٹ فارم پر دو افراد گواہی دیں گے جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں گے۔
 پرائیویٹ اور اصل مالکان کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پرائیویٹ فارم کے ساتھ پیش کی جائیں گے۔
 پرائیویٹ مینجنگ کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرے گا۔
 کارپوریٹ ادارے کی صورت میں، پرائیویٹ فارم بورڈ آف ڈائریکٹرز کی قرارداد/ باورآورد اثباتی نمونہ دستخط کے ساتھ کمپنی کے ساتھ جمع کرایا جائے گا (اگر یہ پہلے فراہم نہ کیا گیا ہو)