



Shaping Sustainable Future

Annual Report **2022**

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.

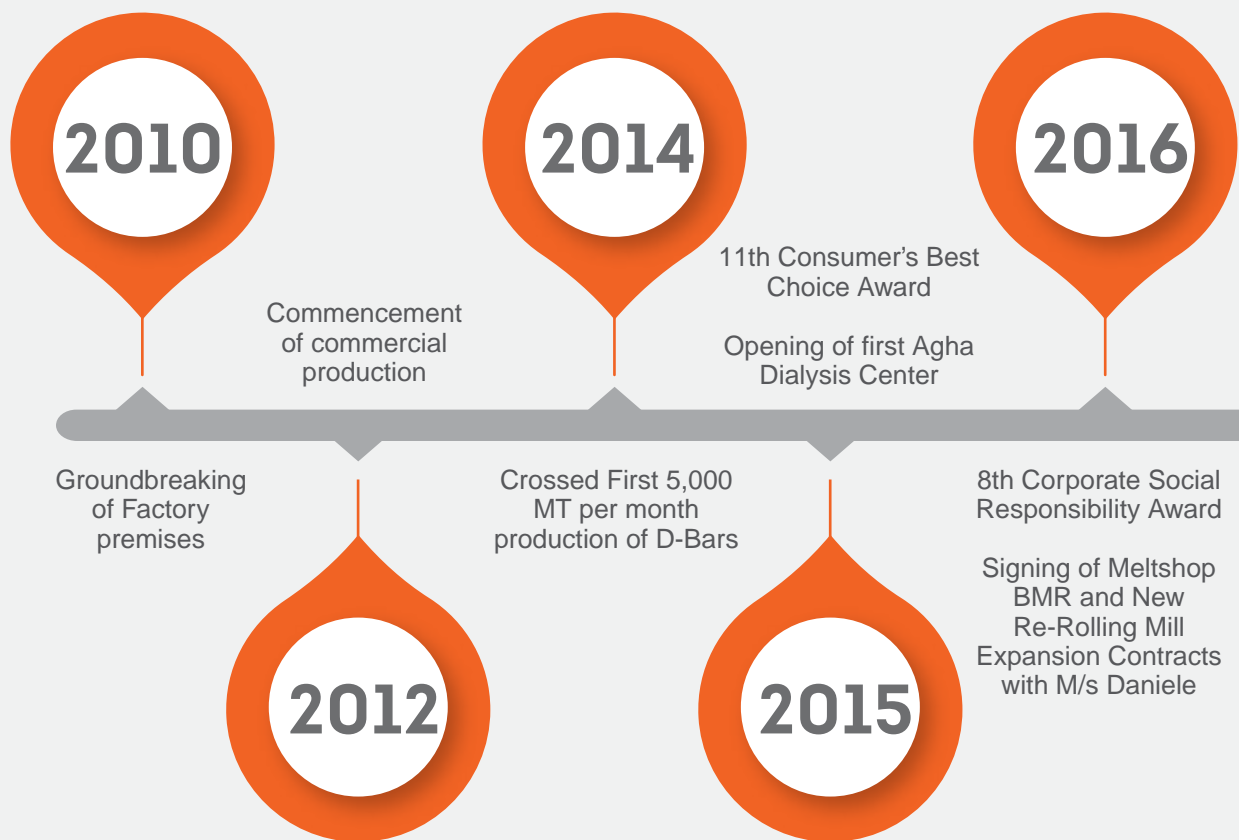
On 1st June 2017, the Agha Steel Industries Limited entered into a Business Transfer Agreement (“BTA”) with the Agha Steel Industries for the acquisition of net assets of ASI against issuance of shares of ASIL to the partners of ASI (Mr. Iqbal Hussain Agha, Mr. Hussain Iqbal Agha and Mr. Raza Iqbal Agha) 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



2017

Completion of Melt shop
and Re-Rolling Mill BMR
Increasing the Melting
capacity to 450,000 MTPA

2019

Issued share to general
Public through IPO
Commencement of Mida
installation
Increase in market share

2021

NFEH's 9th CSR
Summit &
Awards-2017

Started commercial
production after Phase
I expansion

2018

2020

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

Signed MOU with Engro
Energy Limited for
Renewable Energy

Initiated Green Steel
Revolution

TECHNOLOGY

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

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

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

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

The Company possesses 45-ton Eccentric Bottom Tapping ("EBT") Electric Arc Furnace ("EAF") with ladle refining furnace and has Cut to Length ("CTL") facility allowing it to cast molten steel in a 3 strand continuous casting machine and

enabling the Company to produce customized lengths of Billets and Rebars. The process drives the Company's exclusive method of manufacturing, enabling it to attain the highest quality and safety standards available in the Pakistani market.

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

The manufacturing process adopted by ASIL also ensures lower level of impurities and wastage, thereby increasing the efficiency of the production resources. Additionally, the EAF is considered energy efficient compared to induction furnaces and is primarily automated which leads to lower labor costs.

Further, the ability to produce Rebars of different grades and sizes from the same production facility allows the Company to adjust its production mix with respect to the demand in the market.





PRODUCT PORTFOLIOS



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

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

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

ASTM A615 Grade 60 Rebar

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

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



Agha Steel Arcon 706 (Earthquake Resistant) Deform Steel Rebar

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

- 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.
- 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

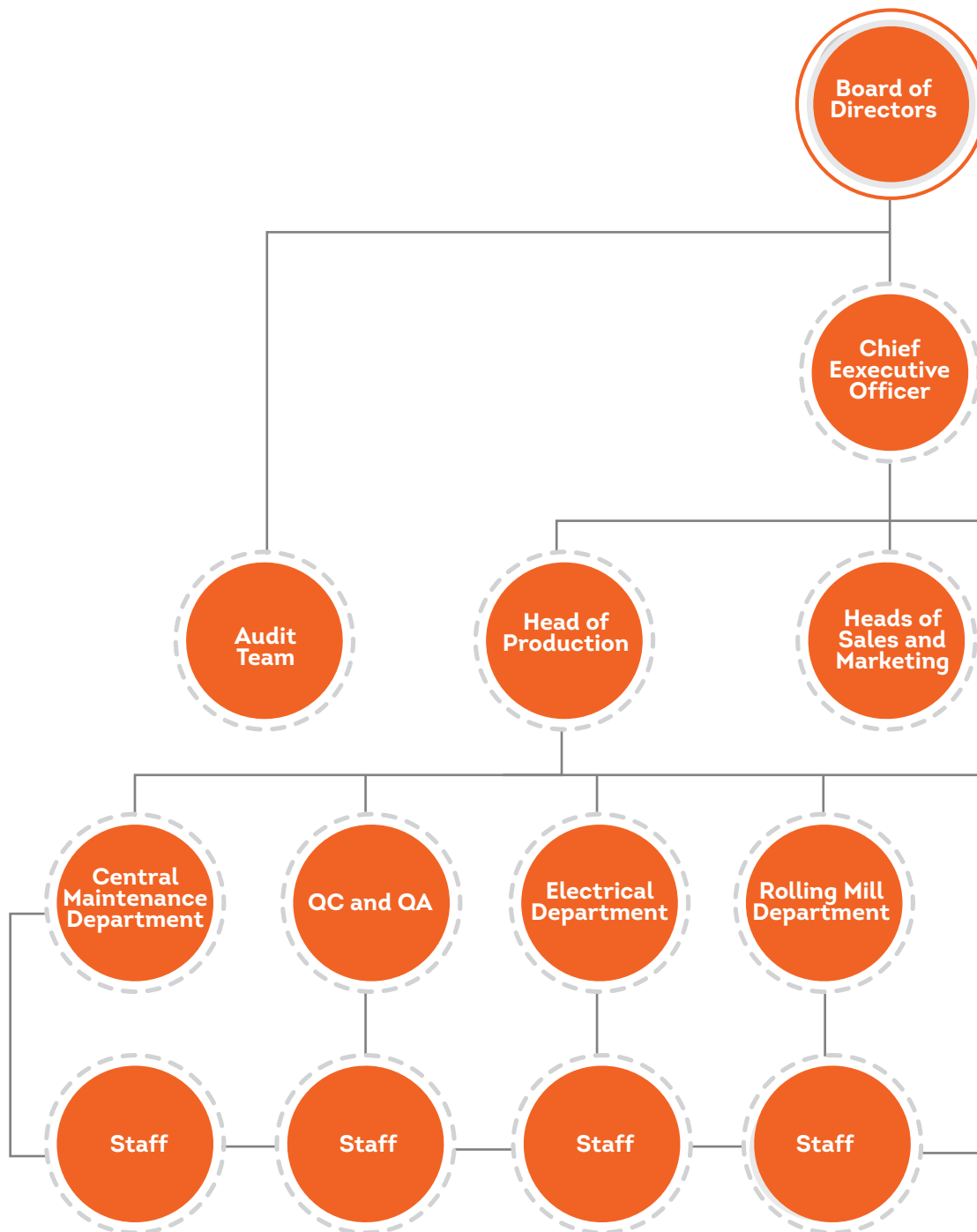
We strive to achieve excellence through:

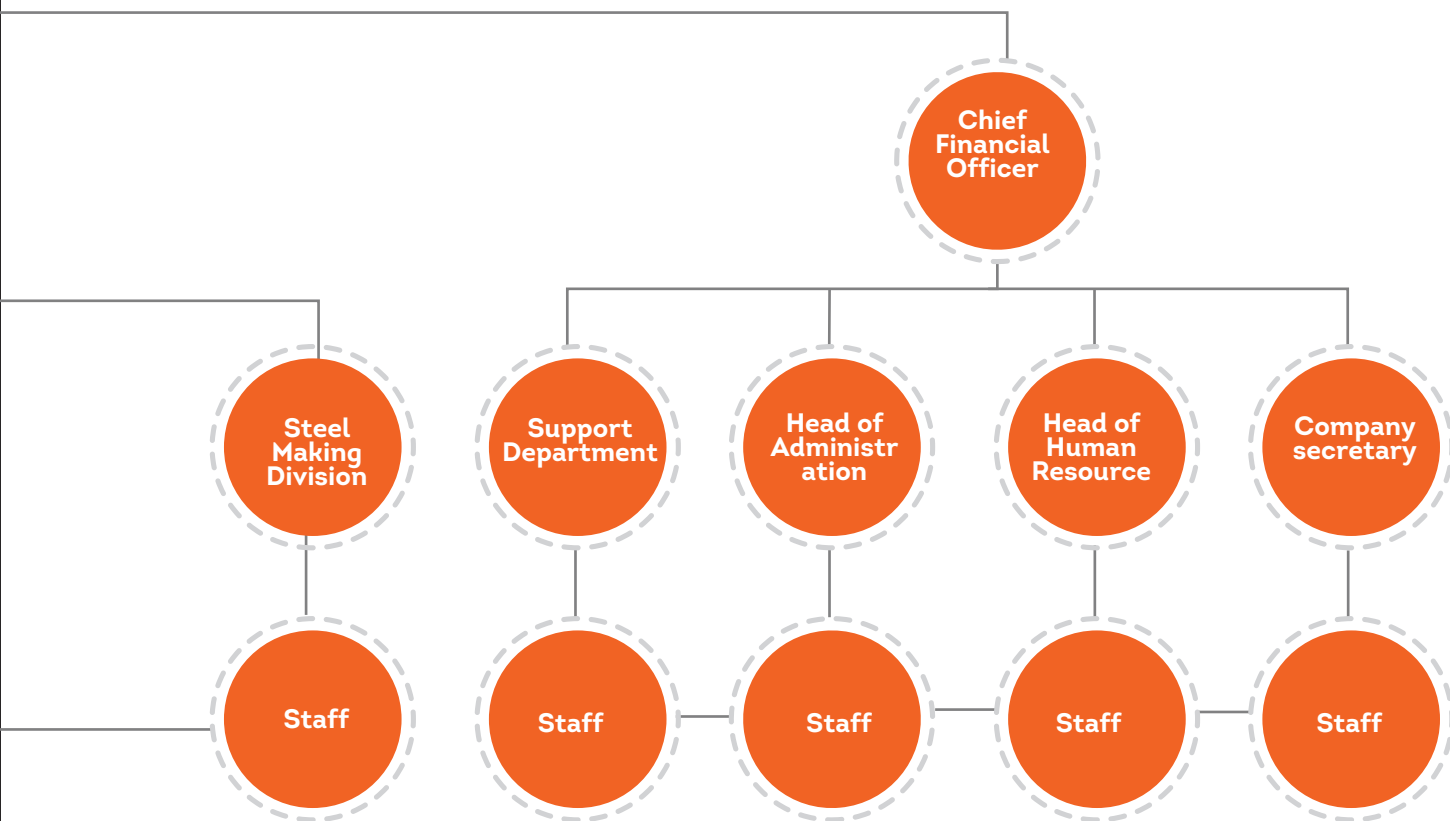
- Becoming the industry leader and the largest manufacturer of steel products in Pakistan.
- Technological leadership.
- Optimum utilization of resources.
- Sustainable environment friendly procedure and practices.
- Positive impact on economy, community and environment.
- Hiring, developing and training 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 2021-22



Dealers and Contractors Event in Chichawatni

To create awareness about the Agha Steel product and the method it utilizes to produce steel rebars and exclusive event was held in Chichawatni region in which dealers, retailers and contractors of the surrounding areas were invited. In the event the senior sales team of Agha Steel explained in detail the difference between Agha Steel and other brands Steel rebars, this information session was highly appreciated by the attendees of the event.



Agha Steel Exclusive Outlet AR Steel Inauguration in Karachi

AR Steel, Agha Steel exclusive outlet near quaidabad was inaugurated in Jan 2022, an event was held at the location where major steel dealers , retailers and contractors were invited. The outlet is ideally located to cater the steel need of the area as it lies on the main road and is good visibility from all sides



Construction 4.0 event at NED University

Mr Hussain Agha gave a presentation on latest Steel manufacturing process at construction 4.0 event held at NED University, the idea of this session was to bring all the key stakeholder including Academia, Industry and Government on one platform to discuss and debate upon the latest technologies with reference to their adoption in the Pakistani Architecture , Engineering and Construction industry for transforming it into Smart, Sustainable & Safe built environment.



Mother's Day Celebration at Agha Steel

Agha Steel Celebrated this year's Mother's Day by honoring the selfless sacrifices a mother makes every day to nourish the talent of their child & change their world to shape ours, this enormous contribution of each mother has helped Agha Steel in becoming one of the leading steel manufacturing company of Pakistan. To recognize this amazing effort Agha Steel sent a Certificate of Appreciation to the mothers of all of its employees.



Eid Gift Basket for Employees

This year Agha Steel celebrated Eid with the employees and their families by distributing Eid Gift basket which was highly appreciated by the team. At Agha Steel we strongly believe in cherishing and sharing happy moments with our employees as they are the real steel behind the company



Cricket Tournament at Naya Nazimabad

Agha Steel Sponsored Ramadan Night Cricket tournament held in Naya Nazimabad in which top clubs of Pakistan participated, the event was covered live on PTV sports and watched by thousands at the ground



Dealer & Retailer Event Karachi

Agha Steel conducted an event in Karachi for one of its Dealer Hilal Building Material, in which retailer and contractors were invited. The participants appreciated the nature and information shared during the event and specially liked the live demonstration of Agha Steel's superior quality of Steel.



Women Day Event

To acknowledge the efforts of women who defy all odds, who break the stereotype, who wake up every day and do wonders both at home and at work, Agha Steel organized an event "Women with Nerves of Steel" at Avari Hotel Karachi. The event was attended by women from different walks of life including the fields of Medical Science, Structural Engineers, Architects, Fashion Industry and many more.



Agha Steel, Engro Energy join hands for Renewable energy transition

Agha Steel Industries signed a term sheet with Engro Energy Limited for providing Renewable Energy to Agha Steel from its Renewable Energy Park, which is being established at Jhimpir, District Thatta in Sindh. The signing of term sheet is another major step taken by Agha Steel to initiate a 'green steel revolution' by helping in the sustainability of its energy mix and at the same time reducing burden on the national grid. The signing ceremony took place at the sideline of 'Pakistan Energy Symposium' event held at Marriott Hotel Karachi.



Asal Strength and Innovation meets sustainability

Agha Steel and Saima Group Signed an MOU for Pakistan's First-Ever Green Structure Project, Saima Premium Residency, making it Pakistan's first Eco-Friendly Green Housing Structure project that shall be built exclusively with the finest and most technologically advanced rebars supplied by Agha Steel. This is in accordance with Agha Steel long term goal of transforming into an environmentally conscious organization, it is our aim to partner with organizations that share our values to give sustainable development for our future generations.



Kids Cricket Summer Camp

Agha Steel Sponsored a Kids Summer Cricket Coaching Camp at Karachi Gymkhana, the participants and their parents congratulated and appreciated the excellent facilities provided at the camp and also lauded the efforts of the Agha Steel for facilitating in organizing the excellent Summer Camp for the youngsters.



Arc Convention Event with NESPAK- Karachi Division

Agha Steel Conduct an Event with the Engineers of NESPAK- Karachi Division, the event was also graced by Mr Akeel Bilgrami (Chairman/ Principal Najimi Bilgrami collaborative (Pvt)Ltd), Ms Noorjehan Bilgrami (Sitar-e-imtiaz) , Mr Sh. Muhammad Farooq (GM- Head NESPAK Karachi Division), along with the Mr Hussain Agha (CEO Agha Steel) and senior management team of Agha Steel and NESPAK Karachi.



Hajj Ballot for Agha Steel Employee

Agha Steel conducted Hajj Ballot 2022 for its employees, in which 3 lucky people were selected through Lucky draw which went to perform Hajj this year. The lucky ones included Mr Muhammad Alam Khan (Sr. Assistant Manager Slag & Auto workshop), Mr Muhammad Qasim (Rolling Mill Desk Operator) & Mr Faiz Rasool (Shift Engineer ASU Production)



Corporate and Academic Interactive Session

An interactive session between Agha Steel with the SZABIST Faculty from Operations and Management Department was held at Agha Steel HO to discuss the New Technological Advancement in line with Green Structure Initiatives taken by Agha Steel. The faculty members interacted with the organization top management including the CEO Mr. Hussain Agha. One of the main objective of this session was to build industrial linkages through corporate involvement in curriculum and to enrich Academia knowledge with real time industry practices.



Agha Steel Cricket Team

Agha Steel formed its hard ball cricket Team this year, for which proper trials were conducted at PIA Academy, after the trial a squad of 22 members were selected who are now regularly playing cricket with other team from the corporate world on weekends..



Junior Fitness Challenge program Sponsorship

As part of the CSR initiative and encouraging healthy activities, Agha Steel sponsored a Junior Fitness Challenge program for the talented youngsters in the field of Karate. Such activities for the underprivileged helps in channelizing the energy in the right direction and at the same time provide opportunity for the young kids to showcase their talent at the right platforms.



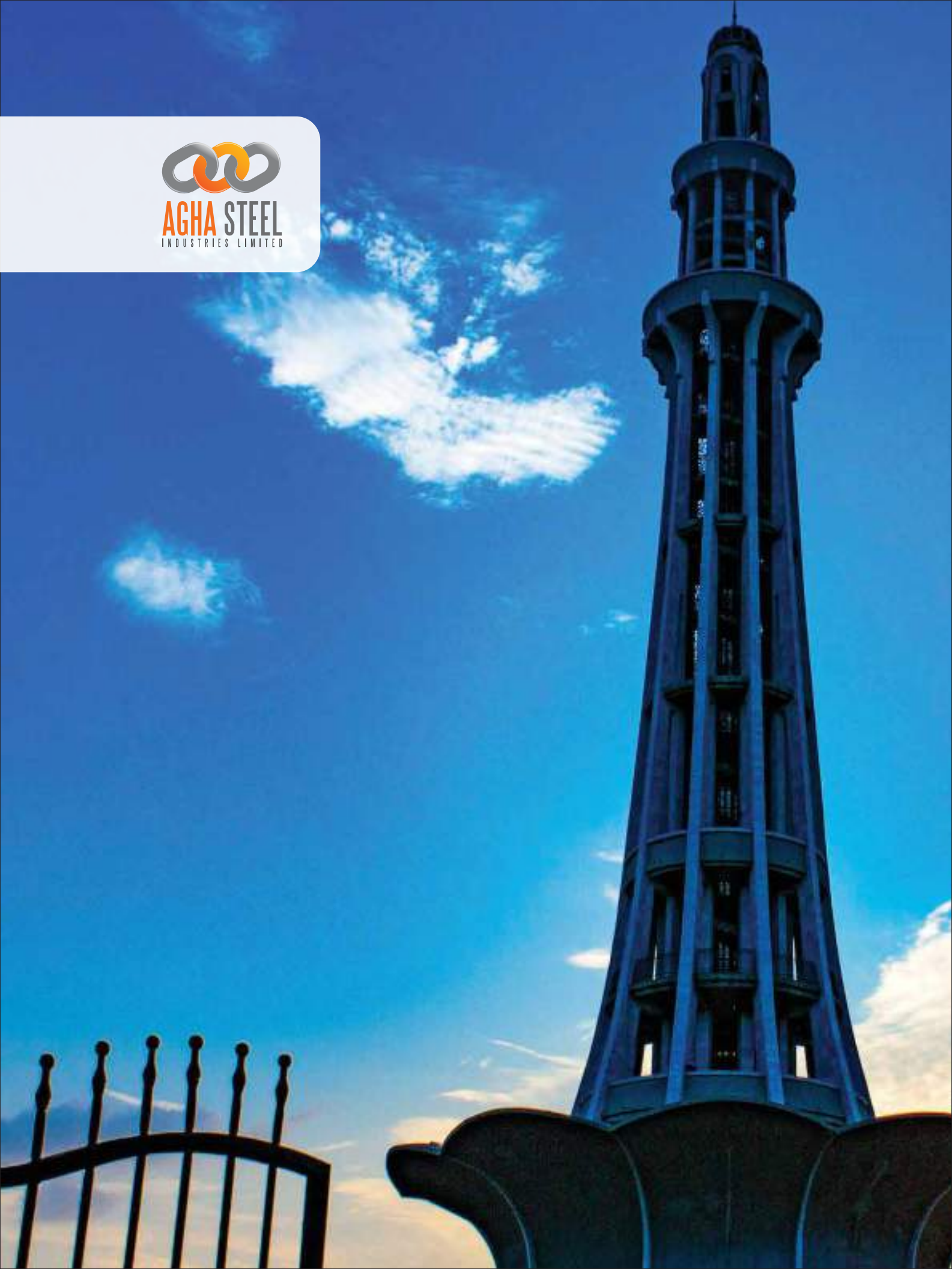
Consultant & Structural Engineer Event

In order to recognize the efforts of one of the top consultants of Pakistan, Mr. Arif Kasam Maysorewala, Agha Steel conducted an event with the top consultant and structural engineers of the country, inviting them to have a discussion on modern construction and the quality of steel required. The event was highly appreciated by all the attendees as it gave them the opportunity to discuss many aspects of structural designing with the gurus of the field, and at the same time gave Agha Steel insights on the .

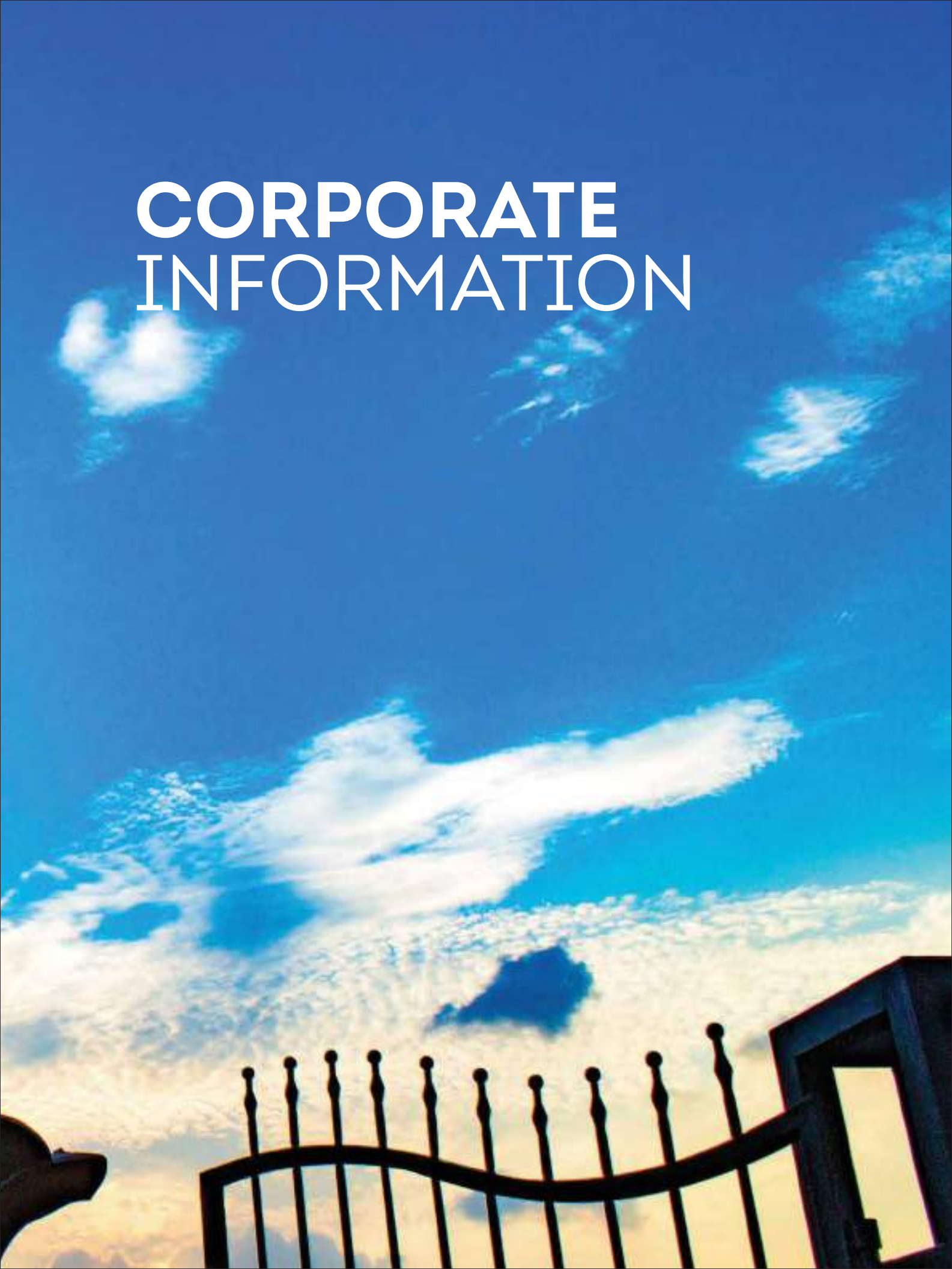


Bahria Town Karachi Builders Event

Agha Steel organized an event for the Builders segment of Bahria Town Karachi. The event was attended by renowned Builders from Bahria Town Karachi. Mr. Yasir Hussain (GM Bahria Town Karachi) was the Chief Guest for the event. He appreciated Agha Steel's efforts in supplying high quality steel, using state-of-the-art Electric Arc Furnace for its production.



CORPORATE INFORMATION



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. Shazia Agha	chairperson, Non-Executive Director
Mr. Hussain Iqbal Agha	Chief Executive Officer
Mr. Raza Agha	Executive Director
Mr. Amer Nazim Haji	Non- 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
Mr. Amer Nazim Haji	Member
Mr. Muhammad Asif	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Akbar Pesnani	Chairman
Mr. Muhammad Asif	Member
Mr. Raza Agha	Member

CHIEF FINANCIAL OFFICER

Mr. Kamran Ahmed

COMPANY SECRETARY

Mr. Muhammad Muneeb Khan

HEAD OF INTERNAL AUDIT

Mr. Muhammad Azam

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

REGISTERED 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. AMER NAZIM HAJI
NON-EXECUTIVE DIRECTOR

Mr. Amer Nazim Haji is a reputable name in the manufacturing and trading sector. Currently he is the managing director of Resale international private limited. Previously he was marketing director of Alucan Private limited manufacturer of Aluminum collapsible tube. He has an overall experience of around 26 years with private limited companies. Mr. Amer Nazim Haji holds Bachelor's degree in Business Administration from Nova University USA.

Mr. Amer Nazim Haji will be a pivotal figure 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.







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. SYED ALI NASIR

GM SALES & MARKETING

With over 25 years of association with the Marketing and Sales function, Mr. Syed Ali Nasir is leading the Sales & Marketing function as General Manager. He has served long tenures with organizations like Cable & Wireless (Paktel), Honda Atlas Cars (Pakistan) Limited, Fatima Group & Pioneer Cement. In his previous roles, Ali has run Marketing and Sales operations entailing brand management, product launches, digitization, product planning, sales, planning & channel development.

Ali has a master degree in Business Administration and has attended management courses from leading institutions like LUMS & Harvard (On-Line). He is a certified "Train the Trainer" from Honda Motors, Japan.



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. ATIF ATIQ

General Manager IT & Digital Transformation

Atif Atiq joined Agha Steel Industries Limited as GM IT & Digital Transformation. He is the technology expert with over 12 years of experience in Program Management, Digital Strategy and Automation.

He led various Enterprise Resource Planning (ERP - SAP) implementation advisory services projects, Data Management and Dashboards, Robotics Process Automation and Customer Relationship Management related consultancy services engagements.

During his career he digitized several industries including Oil & Gas, FMCGs, Manufacturing, DISCOs, Port & shipping and banks. He has done his Masters in IT from Monash University, Australia and further obtained the post-graduation diploma in SAP from Victoria University, Australia.



MR. MUHAMMAD AZAM KHAN

HEAD OF INTERNAL AUDIT

The rigorous and intensive educational training at the ICMAP and 15+ years of experience in Finance & Accounts have sharpened my analytical and problem solving skills.

As a resourceful problem solver and have a proven ability to conceptualize solution to challenging situations and maximize success. Providing business solutions through innovative techniques, implementation of ERPs and developing accounting processes. Advance computer skills in MS Office Suit, SAP, Sidat Financial, and Quick Book. The learning is a continuous process and keen to gain further knowledge for my professional and personal development.





CHAIRPERSON REVIEW REPORT

Dear Shareholders,

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 2022 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, HR & RC 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.

Based on my assessment throughout the period it can reasonably be stated that Board of AGHA STEEL INDUSTRIES LIMITED has played instrumental role in ensuring that corporate objectives are achieved in line with the expectation of shareholders and other important stakeholders.

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

Karachi: September 29, 2022

- بورڈ نے ڈائریکٹر کی رپورٹ تیار اور منظور کر لی ہے اور اس بات کو یقینی بنایا ہے کہ ڈائریکٹر کی رپورٹ کمپنی کے سہ ماہی اور سالانہ مالیاتی بیان کے ساتھ شائع کی جاتی ہے۔ اور ڈائریکٹر 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 کمپنی پر لاگو متعلقہ قوانین اور ضابطوں کے ساتھ بورڈ کو تفویض کردہ اختیارات کی روشنی میں کیا ہے۔
- پوری مدت میں میرے جائزے کی بنیاد پر یہ معقول طور پر کہا جاسکتا ہے کہ آگاسٹیل انڈسٹریز لمیٹڈ کے بورڈ نے اس بات کو یقینی بنانے میں اہم کردار ادا کیا ہے کہ کارپوریٹ مقاصد کو شیئر ہولڈرز اور دیگر اہم اسٹیک ہولڈرز کی توقعات کے مطابق حاصل کیا جائے۔

اعتراف

بورڈ کی جانب سے، میں اپنے ملازمین، شیئر ہولڈرز، سپلائرز کی انتھک کوششوں کو سراہتا 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 29 ستمبر 2022

چیز مین کی جائزہ رپورٹ:

آغا سٹیل انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز (بورڈ) نے کمپنی کے حصص یافتگان کے بہترین مفاد کو برقرار رکھنے کے لیے تندہی سے اپنے فرائض سرانجام دیے ہیں اور کمپنی کے معاملات کو موثر انداز میں چلایا ہے۔ بورڈ نے اپنے اختیارات کا استعمال کیا ہے اور کمپنیز ایکٹ 2017 (پہلے کمپنیز آرڈیننس 1984) اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2017 میں بیان کردہ ضوابط کے تحت اپنے فرائض کو سرانجام دیا ہے۔

مزید، 30 جون 2022 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 سالانہ جائزہ 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، ان کی متعلقہ شرائط کی منظوری دی ہے اور مناسب وسائل تفویض کیے ہیں تاکہ کمیٹیاں اپنی ذمہ داریاں پوری تندہی سے انجام دیں۔
- بورڈ نے اس بات کو یقینی بنایا ہے کہ کمپنی کے ایک ڈائریکٹر ڈائریکٹرز کی تربیت پروگرام سے ان کی اہلیت کی وجہ سے مستثنیٰ ہوں۔ پانچ ڈائریکٹرز نے ڈائریکٹرز تربیت پروگرام کے تحت سرٹیفیکیشن لی ہے اور بقیہ کو مقررہ وقت میں ڈی ٹی پی پروگرام کے تحت سرٹیفیکیشن حاصل کرنا ہوگی۔
- بورڈ نے اس بات کو یقینی بنایا ہے کہ بورڈ اور اس کی کمیٹی کی میٹنگیں مطلوبہ کورم کے ساتھ ہوں اور تمام میٹنگز (بشمول کمیٹیوں) کے منٹس کو مناسب طریقے سے ریکارڈ اور برقرار رکھا گیا ہے۔
- بورڈ نے کمپنی 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۔

CEO'S MESSAGE

Dear Stake holders,

I am pleased to share the vision of Agha Steel Industries Limited ("Company") envisaged through the ventures that were embarked upon about 70 years ago with investments across the industrial manufacturing landscape. The group carries a vision to become one of the largest conglomerates of the country, with its presence across the globe.

The Company has brought disruptive technology to the country in the name of MiDa, which is the game changer in the process of steel rolling, the first of its kind state of the art technology will enable the company to have competitive advantage and support the vision of the company to export steel from Pakistan

The Company is making efforts to reduce the energy dependency, a pilot project of 2.25 Megawatt solar plant is near to completion, whereas the Company has started to explore the avenues of green energy as its energy source which will help the Company to become global supplier.

I am pleased to report that Agha Steel Industries Limited ("Company") have performed well and have once again attained growth in terms of revenue. The outgoing year was full of challenges and under the current circumstances, we ensured to fulfill the promise and commitment to all our stakeholders.

I would like to recognize the efforts of our teams for their hard work and dedication during the year. I would also like to thank you for the support and confidence in the Company and would like to thank the government, customers, vendors and financial institutions for their continued support along with our employees and the management team for their deep level of commitment to the Company.

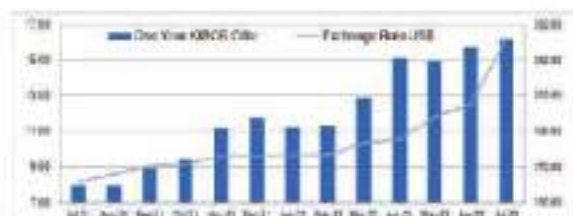


DIRECTORS REVIEW REPORT

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, 2022.

Economic Outlook

Though economy recovered from the pandemic (a 0.94 percent drop in FY2020) and maintained V-Shaped recovery by posting real GDP growth of 5.97 percent in the fiscal year 2022. This high growth, however, is unsustainable and has resulted in financial and macroeconomic imbalances. Political instability in the Country also led to a huge increase in economic uncertainty. Uncertainty at individual, firm, and government levels is negatively affecting the economy. The CPI inflation for the period July-Jun FY2022 was recorded at 12.20 percent as against 8.90 percent during the same period last year. Interest rate and exchange rate remained very vibrant (as shown below) that depicts the volatility and uncertainty in the economic system. Despite the good growth of agriculture sector (4.40%), LSM sector (10.40%), international prices (particularly of crude oil) are dragging towards cost-push inflation and worsen current account position. Capital markets performed well in the first four months but then have shown sluggish trading volumes and declining indices.



Global Steel Scenario

The global steel prices collapsed by almost 40% after hitting a record high to USD 1,100 this year. A significant downward adjustment commenced in prices of major raw materials mainly iron ore and coal. Iron ore and coal prices after peaking to USD 176 and USD 450 corrected to USD 110 and USD 220 respectively. The global market has weakened since March 2022 as spiraling inflation, COVID lockdowns in China particularly in Shanghai as part of its zero-tolerance policy to COVID and Russian Ukraine conflict have all heightened demand outlook uncertainty.

World crude steel production remained at 1.9 billion metric tons during the year, with a decrease of 3% as compared to the last year's production of 1.96 billion metric tons. China continued to lead the global steel market however, its total production decreased by 11% as compared to last year decreasing its overall share in the global output to 52.5% from 57% of last year mainly due to COVID lockdowns and state mandated measures to reduce carbon emissions.

Despite COVID and supply chain constraints, the steel demand recovered strongly in western and US markets. However, the recovery has been short lived due to ongoing conflict in Ukraine and potential supply chain disruptions.

National Economy

Economy struggled due to its macroeconomic vulnerabilities and impact of higher commodity prices. Although the growth numbers for the year 2021-22 are impressive

GDP GROWTH 5.97
LSM GROWTH 11.7%
RECORD EXPORTS OF \$31.8 BILLION
RECORD REMITTANCES OF \$31.2 BILLION

However, such high growth for an import led economy is at the cost of depleting exchange reserves and widening current account deficit. With the rising global commodity prices, the current account deficit widened to USD 17 billion against USD 1.9 billion of last year. Rupee depreciated significantly by 31% to Rs. 205 to USD from Rs. 157 last year. Average inflation recorded as high as 12.15% against 8.9% of last year.

Government along with the central bank took following tightening measures to slow down



Policy rate increased by a cumulative 8% to 16%.



100% cash margin on LCs of selected sectors, including HRC



Withdrawal of fuel subsidy



Increasing Energy Prices



Imposition of super tax on profits of selected industries including steel

These measures have tightened financial conditions and increased borrowing costs especially for the Large Scale Manufacturing sector and resulted into demand suppression.

GOVERNANCE

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

The Current Board of Directors of the Company consists of

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

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

- a. Male: 06
b. Female: 01

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

Names	Attendance
Mrs. Shazia Agha	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. Amer Haji	4

Business Review

Your Company, like every other business in Pakistan faced a year full of challenges. From inflation to highest ever interests rates, extra torrential monsoon to extended winter season and from highest PKR devaluation to highest ever international scrap price, the year under review presented every macro / micro economic challenge to your business.

Like your Company's product, the overall management showed extra-ordinary strength during these tough times and not only maintained healthy GP margin for majority of the year but also 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 tough times, the Company managed to keep its stocks to a leanest minimum level so as to keep the borrowing costs to its pragmatic lowest level.

During the year, the Mi.DA project continued but due to aforementioned reasons, found its pace to be slower than usual. The project is expected to complete within next financial year, inshAllah. During the year, your Company was able to bring itself one step closer to its strategic decision of turning its processes into greenest steel unit of Pakistan by signing contract with well renowned M/s Engro Energy Limited to meet its future energy requirements once Mi.DA mill comes online.

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

The Board of Directors has a formal policy and transparent procedures for remuneration of directors including Non-Executive Directors through a structured questionnaire based on effectiveness, accountability, planning, leadership and strategy formulation by the Board and by its committees, addressing the following:

- Board organization;
- Board meeting and materials;
- Board responsibility and performance;
- Interaction with management and key stakeholders;
- The audit committees and internal audit and corporate reporting;
- Performance of the Board Committees.

The evaluation and feedback are consolidated and presented to the Board, through the Human Resource Committee, for discussion on areas of strengths and weaknesses along with the Boards' self-evaluation, the Board Audit Committee and Human Resources Committee also carried out their independent evaluations.

The main focus remained on strategic growth, business opportunities, risk management, Board composition and providing oversight to the management.

The core areas of focus are:

- Alignment of corporate goals and objectives with the vision and mission of the Company;
- Strategy formulation for sustainable operation;
- Board's independence; and
- Evaluation of the Board's Committees' performance in relation to discharging their responsibilities set out in respective terms of reference

Board evaluation mechanisms facilitate in evaluating and assessing its performance and ability to provide strategic leadership and oversight to the senior management of the Company.

Chief Executive Officer 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, 2022.

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. 30.08 Billion with growth of 29.16% in the revenues as compared to corresponding year. The gross profit stood at Rs. 5,490 million as compared to Rs. 4,502 million as compared to the previous year. The gross profit percentage declined to 21.47% as compared to 22.67% in the corresponding year, this was mainly due to the exorbitant increase in international scrap prices coupled with the steep increase in electricity tariff during the year.

Administrative expenses stood at Rs. 334 million as against to the expenses of Rs. 297 million in the last year, the increase was mainly attributable to the effect of increase due to overall inflation, rising salaries and wages and welfare activities. Selling and distribution cost increased to Rs. 354 million as compared to Rs. 285 million in the corresponding year, the increase was due to increase in the salaries and wages, advertisement charges and most importantly freight charges. Advertising and marketing expenses were increased in line with 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 2,136 million as against 1,408 million in the corresponding year.

The company contributed Rs. 28 million on account of Workers Welfare Fund in financial year 2022 and Rs. 122 million in Financial year 2022 on account of Workers Profit Participation Fund respectively during the current year, as against the contribution of Rs. 38 million in year 2021 for the former and Rs. 101 million for the latter during financial year 2021.

Current assets stood at Rs. 21,802 million as on 30 June 2022 as against Rs. 17,782 million as on 30 June 2021. The increase was driven due to the increase in the prices of raw materials during the year.

Earnings per Share

Diluted and Basic Earnings per share for the year ended June 30, 2022 was Rs. 3.07 compared with Rs. 3.62 (restated) per share last year. Credit Rating

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 stable outlook, while the short term rating maintained its A-2 rating with stable 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 January 18, 2021.

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 basis. 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

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, GDP projections of above 5%, 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. Furthermore, political situation in Afghanistan is also moving towards a peaceful settlement, which shall lead to a start of reconstruction activities in the country, thereby boosting 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 2023.

Subsequent Event

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

For and on behalf of the Board



Chief Executive Officer



Director

Date: 29th September, 2022, Karachi

مختصر مباحث

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

آؤٹریڈنگ تقرری

موجودہ آؤٹریڈنگ ممبرز ریڈا ہمدان ڈگری ایڈز کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہونے اور اہل ہونے کے بعد جون 2023 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آؤٹریڈنگ کے طور پر خود کو دوبارہ تقرری کے لیے پیش کیا ہے اور کارپوریٹ گورننس کے ضابطہ کے مطابق آؤٹ کمپنی نے ممبرز ریڈا ہمدان ڈگری ایڈز کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے۔

مختص کے ساتھ

مالی سال کے اختتام اور اس ریمسٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے 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۔

حصول فروشی

ہم اپنے صارفین کے ہم پراعتماد کے لیے ان کا تہہ دل سے شکریہ ادا کرنا چاہیں گے۔ ہم اپنے دیگر شیئرز ہولڈرز اور سپائزرز کے مسلسل تعاون کے لیے ان کے شکریہ ادا ہیں۔ ہم اپنے ملازمین کو ان کی مختلف مہم اور کمپنی کے لیے بڑے تعاون کے لیے بھی سراہتے ہیں۔

برائے منجانب بورڈ آف انڈیکٹرز



ڈائریکٹر



صحت ایگزیکٹو ایف

مورچہ 29 جنوری 2022

- ہمارے ملازمین میں ماحول کے متعلق مہارتی کا احساس پیدا کرتا ہے۔
- دیگر قوانین HSE مہارت کی سوزنیت اور آواز دہشت کا جائزہ لیتا ہے۔
- عام طور پر قبول شدہ OHS اور ماحولیاتی تعمیر و ترقی کے کام کی ضروریات کے مطابق اس ادارہ نماجہ از میں سرگرمیاں انجام دینے کے لیے ملازمین کو تعلیم، تربیت، حوصلہ افزائی اور حوصلہ افزائی کرتا ہے۔ ایسی تکنیکیوں 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 صحت اور حفاظت، اہم کارکردگی کے اشارے اور دیگر اہم کاغذیں کرتا ہے۔
- کسی بھی حادثے کو روکنے اور HSE کے انتظامی نظام اور حفاظت 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۔

حفظ ماحول

سائنس کے دوران تمام حفاظت فریق سے ملنے والے مضبوط بندھنوں پر کیا گیا۔ آؤت کھیتی کے اجلاس میں مکمل لین دین کا خاکہ مرتب کیا گیا اور بعد میں پورے پتے پر پیش کیا اور اس کی منظوری دی۔ یہ لین دین بین الاقوامی ماحولیاتی رپورٹنگ کے معیارات (IFRS) اور کیپٹرا ایکٹ 2017 کے تقاضوں کے مطابق تھے۔ کھیتی اس طرح کے تمام لین دین کا مکمل اور مکمل ریکارڈ رکھتی ہے۔

بالی میٹریاں

کھیتی کے مالی حسابات کی جانچ پڑتال (آؤت) سمیت رہنما دین ذکر کیا جائے گی، چارٹرڈ اکاؤنٹنٹس لے بطور کسی اعتراض کے کیا ہے۔

بالی دہائی

کھیتی ایک غیر معمولی مہم کی حاصل کرنے میں ہم اہم کردار پر یقین رکھتی ہے۔ یہ لوگوں کی صحت اور تعاون ہے جس نے آفاقی اشیاء کی سطح پر لیڈنگ اس وقت میں اپنے اہداف حاصل کرنے کے قابل بنایا ہے۔ ہماری مہم نہ صرف ہوائی اسٹیک، ہالڈرز 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 لیڈنگ کو رابطہ کرنا، تیار کرنا اور برقرار رکھنا ہے۔ کھیتی کے پاس لیڈنگ سمیت ہر کردار، تحقیقی ترقی کی کل انعامات اور مشرقی خدمات کی دیگر مہم کے لیے اپنی تعلیم یافتہ اور قابل پیشہ ورانہ ایک مہم ہے۔

ادائیگی دہائی میں سرمایہ کاری سے مجموعی پیداواری صلاحیت کو بڑھانے میں مدد ملے گی جس سے باقاعدہ پیداوار کا دہائی متاثر نہیں کرنے میں مدد ملے گی۔ کھیتی وجہ ہے کہ آپ کی کھیتی لوگوں میں سرمایہ کاری کرنے میں بھی گنجائش مہم نہیں کرتی ہے۔ آفاقی اشیاء احترام، دیانتداری اور ایمان پر مبنی ایک مضبوط مگر بنیادی کاروبار کے پائیدار آؤت کے پائیدار آؤت کے علاوہ آپ کی کھیتی ملازمین کو سکھانے اور بڑھانے کے بہت سے مواقع فراہم کرنے اور اس بات کو یقینی بنانے کی کوشش کرتی ہے کہ ملازمین کو کاروبار میں مسابقتی معاوضہ فراہم کیا جائے۔ یہ آپ کی کھیتی کو لیڈنگ کو رابطہ کرنے اور برقرار رکھنے کے قابل بناتا ہے بلکہ اس بات کو یقینی بناتا ہے کہ ملازمین اپنی صلاحیتوں سے تیار کرنے کے قابل ہیں۔

آفاقی اشیاء کی سطح پر لیڈنگ میں، ہم آپ کے مشورہ کاروبار کے مشورہ کاروبار کے لیے کام کرتے ہیں۔ ہم ملازمین اور انتظامیہ کو سٹیک، مشغول اور حوصلہ افزائی کے ذریعے ایسا کرتے ہیں۔ ہم ہماری تعمیراتی مہم جاری رکھتے ہیں۔ مالی سال 2021-2022 کے دوران ہم نے ملازمین کی مصروفیت کی مختلف سرگرمیوں اور اقدامات شروع کیے۔

کاروبار کے گورننس کے معاملات

پالیسی، پورڈ اور گورننس سے متعلق تمام معاملات کارپوریٹ گورننس میں مل کیے جاتے ہیں۔ کھیتی اور انٹر نیٹرز کی رپورٹ کا حصہ سمجھا جاتا ہے۔

مشتعل کا کار

پچھلے سالوں میں معیشت میں مست رہنے کی کھیتی کو اپنی پوری صلاحیت کے ساتھ کام کرنے سے روک دیا۔ کھیتی نے اپنی میٹریٹھریک سہولیات، ادائیگی دہائی، ERP سسٹمز اور مصنوعات کے معیار کو بڑھانے میں سرمایہ کاری جاری رکھی ہے۔ یہ سرمایہ کاری انجینئرنگ کے شعبے میں کھیتی کے پہلے سے مضبوط قاعدوں کو بڑھانے کے قابل بنانے کی۔ یہ پھر پھر واکاؤ کا سہارا دے دینی ڈی ڈی کی کھیتی 5 فیصد سے زیادہ، مقررہ مالی نقطہ نظر اور حکومت کی طرف سے تعمیراتی تکنیک کے اعلان کے بعد ملک میں تعمیراتی سرگرمیوں میں اضافہ، صنعت الاٹمنٹری کے سسٹم کے لیے اچھا اشارہ ہے۔۔۔ عارضی شرحوں میں کمی، بڑے ڈاکو پر تعمیراتی کاموں کا آغاز اور درگزر کی جانچوں کے ذریعے حکومت کی جانب سے ہوا کی کھیتی سے سب سے سب سے توجہ کو بڑھانے سے اشیاء کی طلب پر مثبت اثر پڑنے کی امید ہے۔۔۔ مزید برآں، افغانستان کی سیاسی صورتحال بھی برائے مل کی طرف بڑھ رہی ہے، جس سے ملک میں تعمیراتی سرگرمیاں شروع ہوں گی، اس طرح اشیاء کی طلب میں اضافہ ہوگا۔

بائیو لوگریٹکس کا خلاصہ

کمپنی نے اس سال میں محصولات میں 29.16 فیصد اضافے کے باوجود 30.08 ملین روپے کی مجموعی فروخت آمدنی ریکارڈ کی ہے۔ مجموعی منافع یکمیلے سال کے 5,490 ملین روپے کے مقابلے میں 4,502 ملین کے رہے۔ مجموعی منافع کا تناسب اس سال 22.67 فیصد کے مقابلے میں گزشتہ سال کے 21.47 فیصد رہ گیا۔ اس کی بنیادی وجہ بین الاقوامی اسکرپ کی قیمتوں میں بے تحاش اضافہ اور سال کے دوران بجلی کے نرخوں میں زبردست اضافہ تھا۔

انٹرای امری جات گزشتہ سال کے میں 297 ملین روپے کے مقابلے میں 334 ملین روپے رہے۔ یہ اضافہ بنیادی طور پر مجموعی بیچائی، بڑھتی ہوئی کٹواہوں اور اجرتوں اور علاقائی سرگرمیوں کی وجہ سے ہونے والے اضافے کے اثر سے منسوب تھا۔

فروخت اور تقسیم کی اگست چارہ کروپے ہو گئی۔ اسی سال 285 ملین کے مقابلے میں 354 ملین روپے ہو گئی، یہ اضافہ گوداؤں اور اجرتوں، اشتہاری چارہ اور سب سے اہم فریم چارہ میں اضافے کی وجہ سے ہوا۔ ڈیوڈ ٹانگ اور مارکیٹنگ کے اخراجات صنعت کے تجارتی حصوں میں نئی مصنوعات کی رسائی اور تجارت کی حکمت عملی کے مطابق بڑھائے گئے۔

اس انتہائی بیچائی کے دور میں مالیاتی اگست چارہ کی جس کی وجہ سے ملک نے اپنی تاریخ میں سب سے زیادہ سود کی شرحوں میں سے ایک کا شکار ہوا۔ مالیاتی اگست چارہ کر 2.936 ملین ہو گئی جو کہ اسی سال میں 1,406 ملین روپے تھی۔

کمپنی نے مالی سال 2022 میں ورکرز ویلفیئر فنڈ کی مدد میں 28 ملین روپے کا تعاون کیا۔ مالی سال 2022 میں بازنس ڈیولپمنٹ اور گراؤنگ اپ ٹیم کے ممبروں کو فنڈ کے حساب سے دو سال کے دوران 122 ملین روپے کی شرکت کے مقابلے میں سابق سال 2021 میں 38 ملین روپے اور مالی سال 2021 کے دوران مؤخر الذکر کے لیے 101 ملین روپے۔

30 جن 2021 تک 17782 ملین روپے کے مقابلے میں موجود اثاثے 30 جن 2022 تک 21802 ملین روپے تھے۔ اضافہ سال کے دوران خام مال کی قیمتوں میں اضافے کی وجہ سے ہوا۔

نیز مالی

30 جن 2022 کو ختم ہونے والے سال کے لیے کمزور دار بنیادی آمدنی گزشتہ مالی فی صص 3.62 کے مقابلے میں فی صص 3.07 روپے رہی۔

ریٹنگ

گریڈ ریٹنگ پاکستان میں اداروں کے گریڈ ریٹنگ کا اندازہ ہے۔ کمپنی نے سال 2017 میں اپنی گریڈ ریٹنگ کو آے جڑ پایا اور شروعاتی ای ایس گریڈ ریٹنگ کو VIS گریڈ ریٹنگ کمپنی نے سال کے دوران کمپنی کی طویل مدتی درجہ بندی کو مستحکم جائزے کے ساتھ A پر برقرار رکھا، جب کہ قلیل مدتی درجہ بندی نے مستحکم آڈٹ لک کے ساتھ اجی 2-A درجہ بندی کو برقرار رکھا۔ A کی طویل مدتی دستی کی درجہ بندی ایس گریڈ ریٹنگ کو اپنی درجہ بندی کے معامل کی عکاسی کرتی ہے۔ معیشت میں تکتہ جہیوں کے ساتھ طے سے معامل مختلف ہو سکے ہیں۔ 2-A کی قلیل مدتی درجہ بندی بروقت ای ایس کی ایس اور دست لیو بی بی عمل اور کمپنی کے بنیادی اصولوں کی ناکامی کرتی ہے۔ گریڈ ریٹنگ تک رسائی اچھی ہے۔ گزشتہ درجہ بندی کی کارروائی کا اعلان 18 جنوری 2021 کو کیا گیا تھا۔

کارسپنڈنٹ مالی ذمہ داری

اسپنڈنٹ CSR مینٹل کے ایک حصے کے طور پر، کمپنی نے ایک جدید ترین ایف وائس پیسٹو ملٹی انٹرا پلیس سٹرکچر قائم کیا ہے جو مشن کے غیر مراعات یافتہ طبقے کے تحت باہر ترقی ذات پات اہل یا معافی گروہ کے مختلف خدمات انجام دیتا ہے۔ فی الحال انٹرا پلیس سٹرکچر 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 ڈائلاکس سہولت ہے۔

یاد رہے کہ مالیاتی عمل کے لیے کمپنی کی گن کا اندازہ اس کے ماحول دوست گرین میڈیٹیر چرک پلنٹ سے لگایا جاسکتا ہے۔ گرین پروڈیوسر کے ساتھ کمپنی فٹلر کو کم کر کے توانائی کے تحفظ اور ماحولیاتی طور پر محفوظ میڈیٹیر چرک کے عمل کو برقرار رکھ رہے ہیں۔ کمپنی نے ماحولیاتی اثرات کو کم کر سکتی ہے۔ کمپنی نے ماحولیاتی اثرات کو کم کر سکتی ہے۔ کمپنی نے ماحولیاتی اثرات کو کم کر سکتی ہے۔ کمپنی نے ماحولیاتی اثرات کو کم کر سکتی ہے۔

صحت، حفاظت اور ماحولیات۔ کمپنی کے کارکنوں کا ماحول پر اثر

- کمپنی صحت، حفاظت اور ماحولیات (HSE) آپریشنز کے تین ترین معیار کو ترقی دینے پر توجہ دے گا جو حاصل کرنے کے لیے ہر مزمع ہے اور یہ:
- حفاظت کا ماحولیات کی صورت اور دیگر کے ساتھ اس طرح کے مسائل کا جائزہ لے کر ماحولیات کی حفاظت کا مقصد 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 موزع طریقے سے کام کرتا ہے۔
- آپریشنز کا جائزہ لے کر اس بات کو یقینی بنا کر کہ وہ زیادہ سے زیادہ موزع ہیں اور فٹلر کو کم کرتا ہے۔ جہاں ممکن ہو، پانی اور زمین کے لیے خطرات اور پریکٹس کو کم کرتا ہے۔

بنیادی توجہ سروسز ٹھیک ترقی کاروباری مواقع، مرکب بینجمنٹ، بورڈ کی تشکیل اور انتظامیہ کی نگرانی فراہم کرنے پر رہی۔

توجہ کی مرکزیت کے لئے بنیادی شعبہ جات:

- کمپنی کے ڈائن اور مشن کے ساتھ کارپوریٹ اہداف اور مقاصد کی ہم آہنگی؛
- پائیدار آپریشن کے لیے سکت مہملی کی تشکیل؛
- بورڈ کی خود نگرانی؛ اور
- حلقہ شراکاء میں مقرر کردہ اپنی ذمہ داریوں کو نبھانے کے سلسلے میں بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ

بورڈ کی کمیٹیوں کے طریق کار اس کی کارکردگی اور کمپنی کی سینئر مینجمنٹ کو اس سروسز ٹھیک تبادلت اور نگرانی فراہم کرنے کی صلاحیت کا جائزہ لینے اور جاننے میں سہولت فراہم کرتے ہیں۔

چیف ایگزیکٹو (تعمیم مہملی) اور ڈائریکٹرز کا سامراج

بورڈ ممبران کے معاوضے کی منظوری بورڈ خود کرتا ہے۔ تاہم، معاوضے کے مطابق، اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں بورڈ کے اہلکاروں کی کارروائی میں حصہ لے۔ چیز میں نتائج ایگزیکٹو ڈائریکٹرز اور ڈائریکٹرز کے ڈائریکٹرز کے لئے صرف لمبے کے لئے مقدار ہیں۔ معاوضے کی سطحیں 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 ڈائریکٹرز کے معاوضے کا انکشاف 30 جون 2022 کو ختم ہونے والے سال کے مالیاتی گوشواروں میں متعلقہ نوٹس میں کیا جاتا ہے۔

اندرونی مالیاتی کنٹرول کی قابلیت

بورڈ آف ڈائریکٹرز نے اندرونی مالیاتی کنٹرول کا ایک سوشل نظام قائم کیا ہے، تاکہ آپریشن کے موثر اور موثر انعقاد کو یقینی بنایا جاسکے، کمپنی کے اخراجات کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل اور قابل اعتماد مالیاتی رپورٹنگ۔ تاہم، اسٹیل کا مجموعی اندر، آڈٹ فنکشن مالیاتی کنٹرول کے لحاظ کی پانچواں سہولت اور نگرانی کرتا ہے، بجیک آڈٹ کمیٹی، سہی بنیادوں پر اندرونی کنٹرول کے فریم ورک اور مالیاتی بیانات کی تائید کا جائزہ لیتی ہے۔

ڈائریکٹرز کا رپورٹ گورننس کے اعلیٰ ترین معیار کی تعمیل کی تصدیق کرتے ہیں اور یہ کہ اندرونی کنٹرول ڈائریکٹرز کی حفاظت درست ہیں اور ان پر مؤثر طریقے سے عمل درآمد اور نگرانی کی گئی ہے۔

کارپوریٹ مالیاتی رپورٹنگ (مکمل کا پیمانہ)

کمپنی نے گورننس سہی کے ضوابط کے مطابق کوڈ کے تمام بنیادی اصول کی تعمیل کی ہے۔ اس کے مطابق، ڈائریکٹرز مستند ذیلی کی تصدیق کرتے ہوئے خوش ہیں:

- ۱۔ مالیاتی گوشواروں کے ساتھ ان باتوں کو کنٹریلائیٹ، 2017 کے مطابق بنایا گیا ہے۔ یہ بیانات کمپنی کی حالت، اس کے کاموں کے نتیجے، نقد لین دین اور ان کی بنیاد پر پیش کرتے ہیں۔
- ۲۔ کمپنی کی بنیادی کاروباری سرگرمی مخصوص درجے کے کم کاربن بنیادوں اور پائیدار کاروبار کی تیاری اور فروخت ہے۔
- ۳۔ کمپنی کی طرف سے اکاؤنٹس کا مناسب حساب کتاب دکھایا گیا ہے۔
- ۴۔ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو حتمی طور پر لاگو کیا گیا ہے جو پاکستان میں لاگو ہونے والے بین الاقوامی اکاؤنٹنگ معیارات کے مطابق ہیں۔
- ۵۔ اکاؤنٹنگ حتمی، جہاں بھی ضرورت ہو، مستحق اور اخراجات فیصلے پر مبنی ہوتے ہیں۔
- ۶۔ بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRSs) جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی بیانات کی تیاری میں جڑی کی گئی ہے۔

سال کے دوران MI, DA پر رجسٹرڈ 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 امید ہے، انشاء اللہ۔ سال کے دوران آپ کی کمپنی MI, DA کے آؤٹ لائن ہونے کے بعد اپنی مستقل کی توانائی کی ضروریات کو پورا کرنے کے لیے معروضی کمپنی کے ساتھ معاہدہ کر کے اپنے عمل کو پاکستان کے بہترین مینٹیل پلانٹ میں تبدیل کرنے کے اپنے اسٹریٹجک فیصلے کے ایک قدم قریب لانے میں کامیاب رہی۔

ریسک مینجمنٹ

آپ کی کمپنی کے ریسک مینجمنٹ فریم ورک کو خطرات کا اندازہ لگانے اور ان میں تخفیف کرنے کے لیے اپنی اپنی کیا گیا ہے تاکہ ان کے ممکنہ اثرات کو کم کیا جاسکے اور کمپنی کے طویل مدتی مقاصد اور کاروباری نکتہ عملی کے حصول میں معاہدات کی جائے۔ کمپنی کے اہم خطرات کے بارے میں اچھی سمجھ پیدا کرتے، ان کے اور دیگر مخصوص کارروائیوں کو چلانے کے لیے ملکیت چھٹن کرنے اور ان سے چھٹنے کے لیے کسی بھی متعلقہ اقدامات کرنے کے لیے خطرات کی تشخیص کا قاعدہ کی سے کی جاتی ہے۔ غیر ملکی 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 انتہائی اہمیت کی وجہ سے، ہمارے مادی وسائل اور بلحاظی خطرات ہمارے کاروباری منصوبہ بندی کے عمل میں غم ہوتے ہیں اور ہمارے بورڈ آف ڈائریکٹرز کی طرف سے مستقل بنیادوں پر نگرانی کی جاتی ہے۔ ترویجی، تجارتی، آپریشنل، مالیاتی اور تحقیقی 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 اور نگرانی کی جاتی ہے۔

کمپنی کی بنیادی سرگرمی

کمپنی کی اصولی سرگرمی خصوصی گریڈ ٹینس اور ایلا رٹہ ہارڈ کی تیاری اور فروخت ہے۔

بیرونی طرف سے ڈائنیشن اور مجموعی طور پر کارپوریٹ حکمت عملی کی حدود

بورڈ آف ڈائریکٹرز نے کمپنی کے ڈائنیشن اور مجموعی کارپوریٹ حکمت عملی کا بنیاد رکھا ہے اور اس کی منظوری دی ہے اور اس کا خیال ہے کہ یہ اس خطریے سے مکمل ہم آہنگ ہے جس کے لئے آفاقی مسئلے انڈسٹریل سیکٹر کا قیام مکمل میں لایا گیا تھا۔ ہم اس بات کو یقینی بناتے ہیں کہ ہمارا ڈائنیشن اور مشن ہماری مجموعی کارپوریٹ حکمت عملی اور ہمارے مستقبل کے مشن کی سمت متعین کرتا ہے جو ہم برسرِ عمل کرتے ہیں۔ ادارہ اس مقصد سے منسلک اور کارفرما ہے اور یہ ہمارے درجہ سروس کے کاروبار میں ایسے ساری کے بنیادی معیار کے طور پر کام کرتی ہے۔

مستقل عملیاتی امور اور مالیات کے سربراہ کی الیٹ

چیف فنانس افسر اور سربراہ آؤٹ انٹرنس آؤٹ مطلوبہ قابلیت اور تجربہ رکھتے ہیں جیسا کہ لٹل کمپنیز (گرو آف کارپوریٹ گورننس) ریکولیشن 2019 (گولڈ) میں بیان کیا گیا ہے۔

بیرونی کمپنیاں

بیرونی کمپنیاں اور ان کے ممبران کا انکشاف سالانہ رپورٹ میں کیا گیا ہے۔

بیرونی اور کمپنیوں کی حاجت

بورڈ آف ڈائریکٹرز کے پاس ڈائریکٹرز کے مقام سے کے لیے ایک باضابطہ پالیسی اور خلاف طریقہ کار ہے جس میں غیر انگریزیکٹو انگریزیکٹو شامل ہیں ایک منظم سولائیٹ کے ذریعے جس کی بنیاد بورڈ اور اس کی کمیٹیوں کی افادیت، وجودی، منصوبہ بندی، قیادت اور حکمت عملی کی تشکیل پر مبنی ہے، جس میں درج ذیل امور کو حل کیا گیا ہے۔

بیرونی تنظیم

بورڈ مینٹیک اور سدا

بیرونی ذمہ داری اور کارکردگی:

انتظامیہ اور اہم اسٹیک ہولڈرز کے ساتھ تعامل:

آؤٹ کمپنیاں اور اندرونی آؤٹ اور کارپوریٹ پوزنگ:

بیرونی کمپنیوں کی کارکردگی۔

حاجت کے مکمل ادارہ کو دیکھا گیا جاتا ہے اور بورڈ کو جو ممبران کمپنی کے ذریعے پیش کیا جاتا ہے، بورڈ کی خود تشخیص کے ساتھ ساتھ حقائق اور کمزوریوں کے شعبوں پر بحث کے لیے، بورڈ آؤٹ کمپنی اور بیرون ریسورس کمپنی نے بھی اپنی آؤٹ اور حاجت چٹا کی ہیں۔

حکومت نے مرکزی بینک کے ساتھ مل کر مصیقت کو سٹ کرنے کے لیے ورثہ آئل سٹ اقدامات کیے:

- پالیسی ریٹ تقریباً 8% سے 15% بڑھایا گیا۔
- منتخب کروہ بینکوں بشمول HRC کے لیٹر آف کریڈٹ 100% نقد منافع
- بینکوں سے مدد عاریت کی دہائی
- منتخب کروہ بینکوں بشمول اسٹیبل کی صنعت کے منافع پر سپر ٹیکس کا نفاذ
- توانائی کی قیمتوں میں اضافہ

ان اقدامات نے مالی حالات کو سخت کر دیا ہے اور خاص طور پر بڑے پیمانے پر بین بینکرک ٹیکس کے لیے قرض لینے کی لاگت میں اضافہ ہوا ہے اور اس کے نتیجے میں مائیک میں کمی آئی ہے۔

تجزیہ

پورے ممالک کی اسٹرکچرل سمت سالانہ کارچر ریٹ منصوبوں اور اہداف کا جائزہ لیا۔ پورا گورننس کے اعلیٰ ترین معیار کو یقینی بنانے کے لیے پرمزم ہے۔

کھیتی باڑی کا موجودہ پورڈ آف ڈائریکٹرز پر مشتمل ہے

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

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات ہے:

a : مرد : 06

b : عاتون : 01

سال کے دوران پورڈ آف ڈائریکٹرز کے 44 اجلاس ہوئے۔ ڈائریکٹرز کی حاضری حسب ذیل ہے۔

نام	حاضری
مسز شازیہ طاہر	4
جناب حسین اقبال آغا	4
جناب رضا اقبال آغا	4
جناب اکبر پرنانی	4
جناب مسکری مسعود آغا	4
جناب محمد آصف	4
جناب عامر حاجی	4

کاروباری جائزہ

آپ کی کمپنی کو پاکستان میں ہر دوسرے کاروبار کی طرح چیلنجوں سے بھرے سال کا سامنا کرنا پڑا۔ مہنگائی سے لے کر سب تک کی بلند ترین شرح سود تک، اضافی طوفانی مومن سون سے سردیوں کے موسم تک اور PKR کی بلند ترین قدر میں کمی سے لے کر سب تک کی بلند ترین بین الاقوامی اسکرپ قیمت تک، زیر جائزہ سال نے آپ کے کاروبار کے لیے ہر ٹیکرہ، ناانگیزہ کٹاؤں کا سامنا کرنا پڑا۔

آپ کی کمپنی کے پروڈکٹ کی طرح، مجموعی اہلکاروں نے ان مشکل وقتوں میں غیر معمولی قوت کا مظاہرہ کیا اور نہ صرف سال کی اکثریت کے لیے اچھے GP مارجن کو برقرار رکھا بلکہ کچھ فطرت کو اپنے ٹرانڈ میں تبدیل کرنے میں بھی کامیاب رہی۔ اس نے آپ کی کمپنی کو پائیدار منافع کے ذریعے اپنے اسٹیک ہولڈرز کو ان کے واجب الادا منافع کے ساتھ واپس کرنے کے قابل بنایا۔ مشکل وقتوں کے دوران، کمپنی اپنے اسٹاک کو کم سے کم سطح پر رکھنے میں کامیاب رہی تاکہ قرض لینے کی لاگت کو اس کی عملی خود پر کم ترین سطح پر رکھا جاسکے۔

ڈائریکٹر کی رپورٹ

کمپنی کے ڈائریکٹر 30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرنے میں اظہار مسرت کرتے ہیں۔

اقتصادی ماحول

اگرچہ معیشت نے (مالی سال 2020 میں 0.94 فیصد کی کمی) اور مالی سال 2022 میں چھٹی سی ای پی کی شرح نمو 5.97 فیصد پرست کر کے 7- فیصد کی بحالی کو برقرار رکھا۔ تاہم یہ بہتر نمو غیر پائیدار ہے اور اس کے نیچے میں مالیاتی اور معاشی عدم توازن پیدا ہوا ہے۔ ملک میں سیاسی عدم استحکام نے ملکی معاشی بے یقینی میں بے پناہ اضافہ کیا۔ انفرادی اور صنعتی سطح پر غیر یقینی صورتحال معیشت پر منفی اثر ڈال رہی ہے۔ جولائی تا جون 2022 کی مدت کے لیے CPI فرماؤز 20.12 فیصد ریکارڈ کیا گیا جو کہ گزشتہ سال کی اسی مدت کے دوران 8.90 فیصد تھا۔ شرح سود اور شرح مبادلہ بہت متحرک رہے (جیسا کہ نیچے دکھایا گیا ہے) جو معاشی نظام میں اتار چڑھاؤ اور غیر یقینی صورتحال کو ظاہر کرتا ہے۔ زرعی شعبے (4.40٪) LSM (10.40٪) کی اچھی ترقی کے باوجود بین الاقوامی قیمتیں (خاص طور پر خام تیل کی) لاگت کو بڑھانے والی افراط زر کی طرف تھمیں رہی ہیں اور کرنٹ اکاؤنٹ کی چوڑھن خراب ہو رہی ہے۔ کمپنیل مارکیٹ نے پہلے چار مہینوں میں اچھی کارکردگی کا مظاہرہ کیا لیکن پھر سست تہداری حجم اور گرتے ہوئے اشاریے دکھاتے ہیں۔



اسٹیل کی عالمی ضرورت

اس سال مالی سطح پر اسٹیل کی قیمتیں تقریباً 40 فیصد کم ہو کر ریکارڈ پابندی سے 1100 امریکی ڈالر تک پہنچی گئیں۔ اہم خام مال خاص طور پر لوہے اور کوئلے کی قیمتوں میں ایک اہم عالمی طرف کی ایڈجسٹمنٹ کا آغاز ہوا۔ خام لوہے اور کوئلے کی قیمتیں USD 176 اور USD 450 تک پہنچنے کے بعد بائیں ترتیب USD 110 اور USD 220 آگئیں۔ عالمی منڈی مارچ 2022 سے کمزور پڑ گئی ہے کیونکہ بڑھتی ہوئی مہنگائی، جینن میں COVID لاک ڈاؤن خصوصاً شنگھائی میں COVID اور وکی ایجرین کے تنازعہ کو عدم برداشت کی پالیسی کے حصے کے طور پر تمام ممالکات کے انتظامی نظری غیر یقینی صورتحال کو بڑھا دیا ہے۔

عالمی خام تیل کی پیداوار اور سال کے دوران 9.1 ملین بیرل تک رین کے ساتھ گزشتہ سال کی 96.9 ملین بیرل تک رین کی پیداوار کے مقابلے میں 3 فیصد کی کمی رہی۔ جینن اسٹیل کی عالمی منڈی میں آگے بڑھا تاہم اس کی کل پیداوار میں گزشتہ سال کے مقابلے میں 11 فیصد کی کمی واقع ہوئی جس کی وجہ سے عالمی پیداوار میں اس کا مجموعی حصہ گزشتہ سال کے 57 فیصد سے کم ہو کر 5.52 فیصد ہو گیا جس کی بنیادی وجہ لاک ڈاؤن اور کارخانوں کے اخراج کی کمی کے لئے کئے جانے والے ریاستی اقدامات ہیں۔

COVID اپنی پالیسی جینن کی رکاوٹوں کے باوجود مغربی اور امریکی منڈیوں میں اسٹیل کی مانگ بہت زیادہ متنبہ ہو رہی۔ تاہم ایجرین میں چارٹی تنازعہ اور ممکنہ پالیسی جینن میں قفل کی وجہ سے عالمی بہت کم مدت کے لئے رہی۔

قوی معیشت

معیشت نے اپنی ٹیکو کا کم کمزور یوں اور اجناس کی بلند قیمتوں کے اثرات کی وجہ سے جدوجہد جاری رکھی۔ اگرچہ سال 2021-22 کے لیے ترقی کے اعداد و شمار متاثر کن ہیں۔

جی ڈی پی گروتھ 5.97

ایس این ایم گروتھ 11.7%

31.2 ملین ڈالر کی ریکارڈ ترسیلات

31.8 ملین ڈالر کی ریکارڈ برآمدات

تاہم اور آمدنی قیادت والی معیشت کے لیے اپنی ریپید ترقی زرمبادلہ کے تنازعہ کو کم کرنے اور کرنٹ اکاؤنٹ خسارے کو بڑھانے کی قیمت پر ہے۔ اجناس کی بڑھتی ہوئی عالمی قیمتوں کے ساتھ کرنٹ اکاؤنٹ خسارہ پچھلے سال کے USD 9 ملین کے مقابلے میں 17 ملین امریکی ڈالر تک بڑھ گیا۔ روپے کی قدر میں نمایاں طور پر 31 فیصد کی کمی واقع ہوئی ہے۔ 205 سے USD روپے سے پچھلے سال 157۔ ہوسامیگائی گزشتہ سال کے 8.9 فیصد کے مقابلے میں 12.15 فیصد تک بھڑکا رہا کی گئی۔

CORPORATE SOCIAL RESPONSIBILITY

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

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

Company's corporate social vision is based on the 3P's ... People, Planet and Profits.

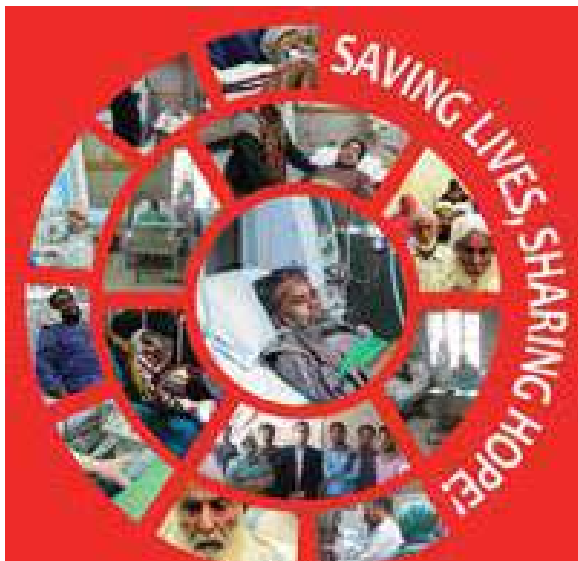
For some the Profits might come first, but Company's first and foremost vision is to value people. Company's social responsibility's charter entails valuing natural resources, keeping a green process as well as earning higher profits.

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



People

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



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



Planet

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



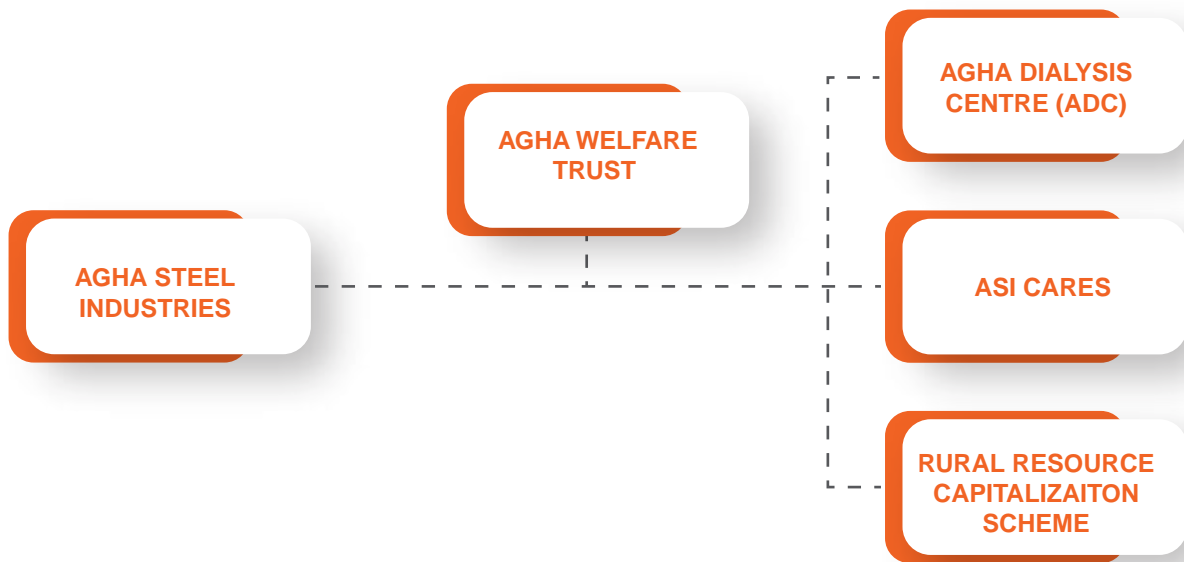
Profit

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

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

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

AGHA WELFARE TRUST—OPERATIVE DIVISIONS



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

Agha Dialysis Center (“ADC”)

Agha Dialysis Center (ADC) is established to provide world class hemodialysis health care facility. At ADC not only we provide patients with extended dialysis hours on world class Toray® Machines, but also 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. 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)

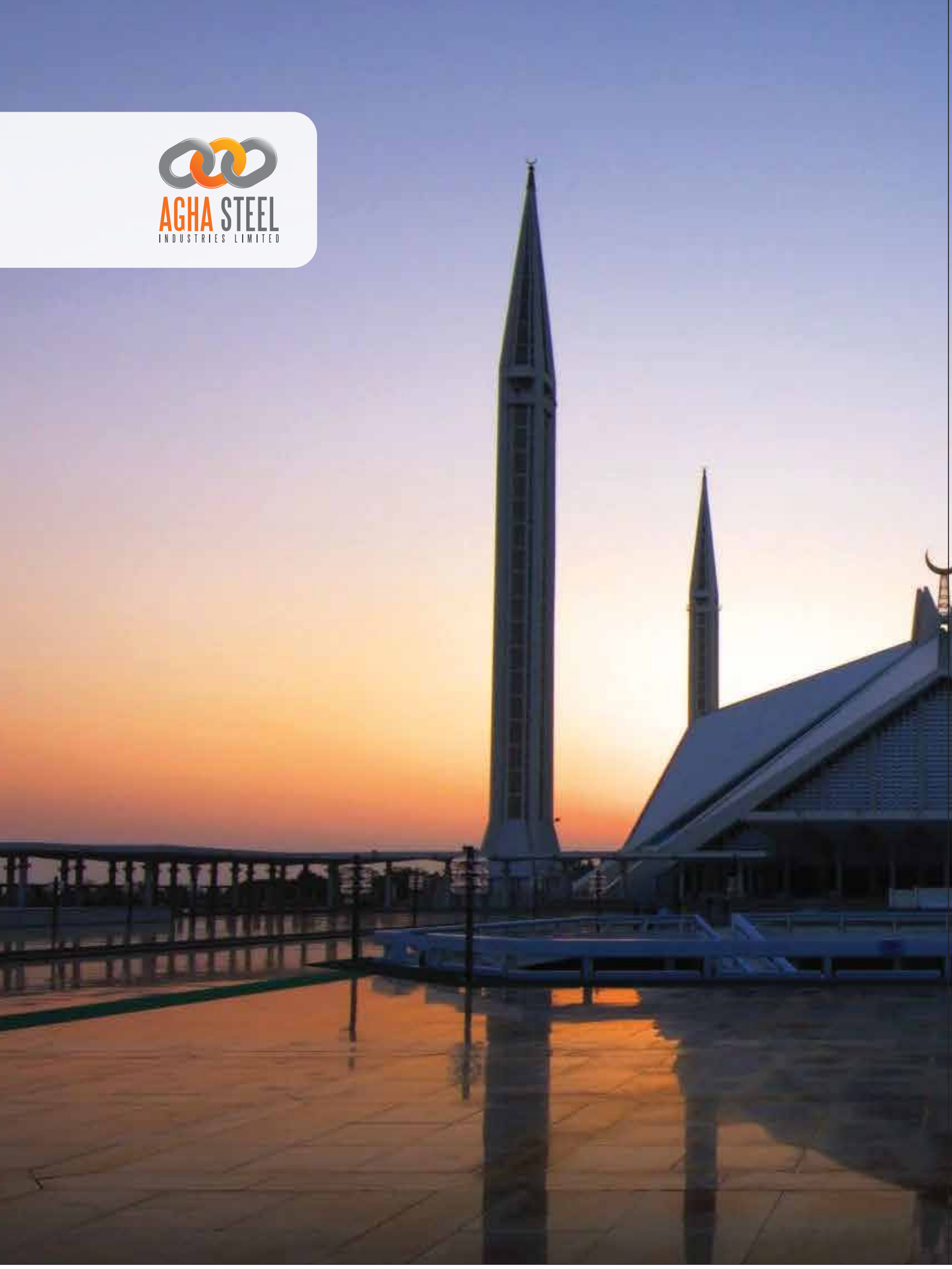
HR&RC has been delegated the role of assisting the Board of Directors in following matters:

- 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.





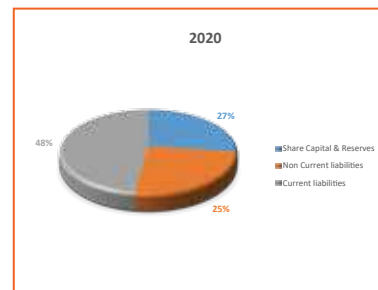
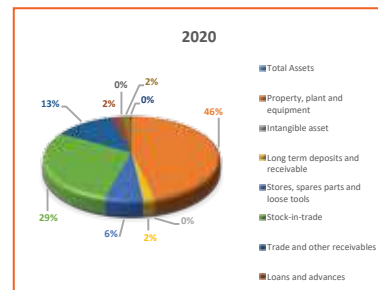
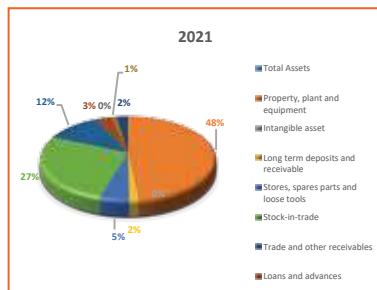
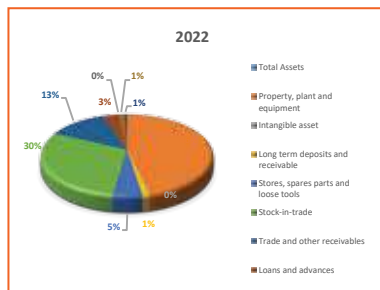
FINANCIAL PERFORMANCE

FINANCIAL RATIOS

FINANCIAL RATIO		FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Profitability ratios						
Gross Margin		21%	23%	25%	19%	25%
Operating Margin		10%	13%	9%	5%	18%
Pre tax Margin		9%	13%	10%	6%	16%
Net Margin		7%	10%	9%	4%	14%
Return on equity before tax		17%	31%	22%	11%	48%
Return on equity after tax		13%	25%	20%	14%	39%
Return on Assets before tax		6%	9%	6%	3%	15%
Return on Assets after tax		11%	7%	5%	4%	13%
Return on Capital employed before tax		11%	18%	11%	7%	32%
Return on Capital employed after tax		21%	15%	10%	8%	26%
Ebtida to sales		19%	21%	23%	19%	20%
Liquidity Ratio						
Current Ration	Times	1.13	1.28	1.08	1.20	1.11
Quick ratio	Times	0.56	0.47	0.35	0.40	0.47
Cash flow from Operation to sales	Times	-0.07	0.04	-0.0027	(0.19)	(0.17)
Investment/ Market Ratio						
EPS	Rs.	3.07	3.62	2.96	2.13	4.03
Activity Turnover ratio						
Inventory turnover ratio	Times	2.35	1.80	1.22	1.31	2.05
Inventory held	Days	155	203	298.12	278.63	178.05
Debtor turnover days	Times	6.36	7	2.24	3.34	3.87
Receivable days	Days	57	53	163.02	109.27	94.32
Total asset Turnover ratio	%	78%	61%	49%	12%	17%
Fixed asset Turnover ratio	%	73%	73%	88%	89%	80%
Capital Structure Ratio						
Long term Debt to Equity	%	56%	48%	69%	93%	68%
Long term Debt to Assets	%	13%	19%	19%	24%	19%
Gearing Ratio	%	60%	58%	71%	69%	65%
Cost of Debt	%	10%	8%	10%	7%	4%
Debt to equity	Times	1.46	1.27	2.16	2.58	2.16
Interest Cover ratio	Times	2.27	2.9933	1.8162	1.80	5.21

GRAPHICAL PRESENTATION

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



FINANCIAL HIGHLIGHTS

Financial Position	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Property, plant and equipment	19,149,088	17,066,357	13,825,569	10,374,109	8,551,866
Intangible asset	48,670	54,950	61,230	59,330	26,667
Long term deposits and receivable	477,311	507,759	539,972	605,202	662,677
Current Assets	21,802,217	17,781,649	15,531,277	13,468,623	10,184,018
Total Assets	41,477,286	35,410,715	29,958,048	24,507,264	19,425,228
Finance By					
Shareholders' Equity	15,665,554	13,810,784	8,160,062	6,182,132	5,413,399
Deferred liabilities	1,057,122	968,745	2,486,392	723,567	965,322
Long Term Financing	5,402,833	6,631,523	4,944,318	6,323,429	3,761,442
Lease liabilities	110,584	109,434	47,104	54,381	70,510
Deferred Grant Income	-	1,367	-	-	-
Current Liabilities	19,241,193	13,888,862	14,320,172	11,223,755	9,214,555
Total Funds Invested	41,477,286	35,410,715	29,958,048	24,507,264	19,425,228
	TRUE	TRUE	TRUE	TRUE	TRUE
Turnover & Profit					
Sales Revenue	30,008,098	23,234,144	15,710,054	10,482,191	10,688,374
Sales Tax	(4,360,151)	(3,375,901)	(2,283,470)	-	-
Sales Revenue	25,647,947	19,858,243	13,426,584	10,482,191	10,688,374
Gross Profit	5,490,289	4,502,519	3,396,752	2,031,125	2,693,229
Operating Profit	2,666,177	2,511,373	1,211,139	564,948	1,875,890
Profit Before Tax	2,288,369	2,553,391	1,389,594	606,844	1,762,446
Profit after tax	1,854,770	2,035,997	1,235,592	768,733	1,455,710
Total Comprehensive income	1,854,770	2,035,997	1,235,592	768,733	1,727,245
Earning Per Share	3.07	3.62	2.96	2.13	4.03
Cash Flow Summary					
Cash flow from Operating activities	(1,803,774)	761,440	(36,787)	(1,962,455)	(1,835,968)
Cash flow from Investing activities	(2,468,507)	(3,557,306)	(1,778,428)	(2,096,760)	(4,118,599)
Cash flow from Financing activities	3,654,139	3,560,705	1,640,910	4,268,149	5,988,279
Increase / (decrease in cash & cash Equivalents)	(618,142)	764,839	(174,305)	208,934	33,712
Cash & Bank at beginning of the year	833,205	68,366	242,671	33,737	25
Cash & Bank at end of the year	215,063	833,205	68,366	242,671	33,737
ANALYSIS OF STATEMENT OF FINANCIAL POSITION					
Vertical analysis %					
Share Capital & Reserves	38%	39%	27%	25%	28%
Non Current liabilities	16%	22%	25%	29%	25%
Current liabilities	46%	39%	48%	46%	47%
Total Equity and Laibilities	100%	100%	100%	100%	100%
Non Current Assets	47%	50%	48%	45%	48%
Current Assets	53%	50%	52%	55%	52%
Total Assets	100%	100%	100%	100%	100%

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Horizontal Analysis (i) Cumulative					
Share Capital & Reserves	189%	155%	51%	14%	100%
Non Current liabilities	10%	0%	158%	-25%	100%
Current liabilities	44%	76%	31%	68%	100%
Total Equity and Laibilities					
Non Current Assets	213%	191%	156%	119%	100%
Current Assets	114%	75%	53%	32%	100%
Total Assets	214%	182%	154%	126%	100%
Horizontal Analysis (ii) Year On Year Basis					
Share Capital & Reserves	13%	69%	32%	14%	100%
Non Current liabilities	9%	-61%	244%	-25%	100%
Current liabilities	-19%	34%	-22%	68%	100%
Total Equity and Laibilities	1%	132%	-13%	-23%	100%
Non Current Assets	12%	22%	31%	19%	100%
Current Assets	22%	14%	14%	30%	100%
Total Assets	19%	17%	19%	27%	100%

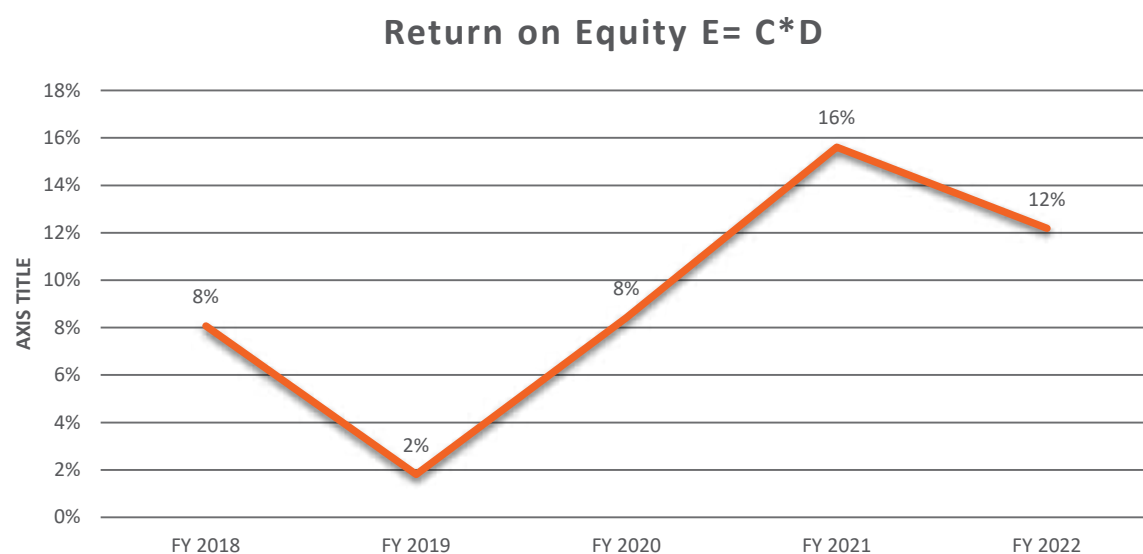
FINANCIAL HIGHLIGHTS

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Analysis of Profit & loss Account					
Turnover - net	25,647,947	19,858,243	13,426,584	10,482,191	10,688,374
Cost of sales	(20,157,658)	(15,355,724)	(10,029,832)	(8,451,066)	(7,995,145)
Gross profit	5,490,289	4,502,519	3,396,752	2,031,125	2,693,229
Administrative expenses	(334,601)	(296,737)	(269,648)	(208,041)	(179,837)
Selling and distribution costs	(353,682)	(285,429)	(213,445)	(123,561)	(218,637)
Finance costs	(2,135,829)	(1,408,980)	(1,702,520)	(1,134,575)	(418,865)
Operating profit	2,666,177	2,511,373	1,211,139	564,948	1,875,890
Other expenses	(681,044)	(197,369)	(114,553)	(34,702)	(146,372)
Other income	303,236	239,387	293,008	76,598	32,928
Profit before taxation	2,288,369	2,553,391	1,389,594	606,844	1,762,446
Taxation - net	(433,599)	(517,394)	(154,002)	161,889	(306,736)
Profit after taxation	1,854,770	2,035,997	1,235,592	768,733	1,455,710
Other comprehensive income	-	-	-	-	271,535
Total comprehensive income	4,424,531	2,035,997	1,235,592	768,733	1,727,245
Vertical Analysis					
Turnover - net	100	100	100	100	100
Cost of sales	(79)	(77)	(75)	(81)	(75)
Gross profit	21	23	25	19	25
Administrative expenses	(1)	(1)	(2)	(2)	(2)
Selling and distribution costs	(1)	(1)	(2)	(1)	(2)
Finance costs	(8)	(7)	(13)	(11)	(4)
Operating profit	10	13	9	5	18
Other expenses	(3)	(1)	(1)	(0)	(1)
Other income	1	1	2	1	0
Profit before taxation	9	13	10	6	16
Taxation - net	(2)	(3)	(1)	2	(3)
Profit after taxation	7	10	9	7	14
Other comprehensive income	-	-	-	-	3
Total comprehensive income	7	10	9	7	16
Horizontal Analysis (i) Cumulative					
Turnover - net	140%	86%	26%	-2%	100%
Cost of sales	152%	92%	25%	6%	100%
Gross profit	104%	67%	26%	-25%	100%
Administrative expenses	86%	65%	50%	16%	100%
Selling and distribution costs	62%	31%	-2%	-43%	100%
Finance costs	410%	236%	306%	171%	100%
Operating profit	42%	34%	-35%	-70%	100%
Other expenses	365%	35%	-22%	-76%	100%
Other income	821%	627%	790%	133%	100%
Profit before taxation	30%	45%	-21%	-66%	100%
Taxation - net	41%	69%	-50%	-153%	100%
Profit after taxation	27%	40%	-15%	-47%	100%
Other comprehensive income	-100%	-100%	-100%	-100%	100%
Total comprehensive income	156%	18%	-28%	-55%	100%
Horizontal Analysis (ii) Year On Year Basis					
Turnover - net	29%	48%	28%	-2%	100%
Cost of sales	31%	53%	19%	6%	100%
Gross profit	22%	33%	67%	-25%	100%
Administrative expenses	13%	10%	30%	16%	100%
Selling and distribution costs	24%	34%	73%	-43%	100%
Finance costs	52%	-17%	50%	171%	100%
Operating profit	6%	107%	114%	-70%	100%
Other expenses	245%	72%	230%	-76%	100%
Other income	27%	-18%	283%	133%	100%
Profit before taxation	-10%	84%	129%	-66%	100%
Taxation - net	-16%	236%	-195%	-153%	100%
Profit after taxation	-9%	65%	61%	-47%	100%
Other comprehensive income	0%	0%	0%	-100%	100%
Total comprehensive income	117%	65%	61%	-55%	100%

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 2018	14%	17%	2.380%	3.39	8%
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%

RETURN ON EQUITY



PATTERN OF SHAREHOLDING

As At June 30, 2022

Categories Of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
ASKARI ASGHAR AGHA	1	105	0.00
AKBAR PESNANI	1	105	0.00
AMER NAZIM HAJI	1	36,750	0.01
HUSSAIN IQBAL AGHA	1	168,491,057	27.86
SHAZIA IQBAL AGHA	1	112,251,894	18.56
RAZA IQBAL AGHA	1	168,491,057	27.86
MUHAMMAD ASIF	1	56,194	0.01
Associated Companies, undertakings and related parties	-	-	-
NIT and ICP	-	-	-
Banks Development Financial Institutions, Non-Banking Financial Institutions	7	16,773,473	2.77
Insurance Companies	11	32,016,325	5.29
Modarabas and Mutual Funds	14	4,036,828	0.67
General Public			
a. Local	5,721	89,462,488	14.79
b. Foreign	241	1,964,660	0.32
Foreign Companies	-	-	-
Others	62	11,298,122	1.87
Totals	6,063	604,879,08	100.00

Share Holders Holding 10% Or More	Shares Held	Percentage
HUSSAIN IQBAL AGHA	168,491,057	27.86
SHAZIA IQBAL AGHA	112,251,894	18.56
RAZA IQBAL AGHA	168,491,057	27.86

PATTERN OF SHAREHOLDING

As At June 30, 2022

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, 2022

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, 2022

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

**REANDA**

Reanda Haroon Zakaria & Company
Chartered Accountants



**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, 2022 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, 2022.

RHzco Reanda Haroon Zakaria & Co
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 29 SEP 2022
UDIN: CR202210136tagEO5cy

**Engagement Partner
Muhammad Haroon**

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

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

1. The total number of Directors are seven as per the following:
 - a. Male: 06
 - b. Female: 01
2. 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) Mr. Amer Nazim Haji**
Executive Directors	Mr. Hussain Iqbal Agha Mr. Raza Iqbal Agha

**Changes in Board of Directors

Names of Outgoing Director	Names of Incoming Director
Mr. Iqbal Hussain Agha Passed away on 28th July, 2021	Mr. Amer Nazim Haji w.e.f. 04th September, 2021
Mr. Saleem Parekh Resigned w.e.f. 07th August, 2021	Mr. Muhammad Asif w.e.f. 04th September, 2021

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. The Board has arranged Directors' Training program for the following;
 1. Mr. Akbar Pesnani
 2. Mr. Askari Asghar Agha
 3. Mr. Muhammad Asif
 4. Mr. Hussain Iqbal Agha
 5. Mr. Raza Iqbal Agha
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
	Mr. Amer Nazim Haji	Member
	Mr. Muhammad Asif	Member
HR and Remuneration Committee	Mr. Akbar Pesnani	Chairman
	Mrs. Shazia Iqbal Agha	Member
	Mr. Raza Iqbal Agha	Member
Risk Management Committee	Mr. Akbar Pesnani	Chairman
	Mrs. 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;

1. 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	Quarterly

14. 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;
15. 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;
16. 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;
17. 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



Chief Executive Officer

Dated: 29th September 2022

**REANDA****Reanda Haroon Zakaria & Company**
Chartered Accountants

**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, 2022, 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, 2022 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.



REANDA

Following are the key audit matters

<i>S. No.</i>	<i>Key audit matters</i>	<i>How the matter was addressed in our audit</i>
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. 2,515.298 million 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 and accumulation of cost; • we physically verified the newly acquired plant and machinery and reviewed the underlying contracts and documents supporting components of the capitalized cost 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 accompanying financial statements)</p> <p>The stock-in-trade balance constitutes 29.65% 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;

<i>S. No.</i>	<i>Key audit matters</i>	<i>How the matter was addressed in our audit</i>
	<p>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.</p> <p>Accordingly, we have considered this as a key audit matter.</p>	<ul style="list-style-type: none"> • We have reviewed ME's report and for using it as audit evidence, we have; <ul style="list-style-type: none"> 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.

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**.

RHZA Reanda Haroon Zakaria & Co
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 24 SEP 2022
UDIN:AR2022101364kieXC1G3

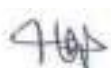


STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	Note	2022 ----- Rupees in '000'-----	2021
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	19,149,088	17,066,357
Intangible asset	6	48,670	54,950
Long term deposits and receivable	7	477,311	507,759
		19,675,069	17,629,066
Current Assets			
Stores, spares parts and loose tools		2,054,803	1,726,320
Stock-in-trade	8	12,299,705	9,505,307
Trade and other receivables	9	5,271,889	4,047,003
Loans and advances	10	1,439,288	1,156,155
Deposits	11	21,227	41,928
Tax refunds due from Government	12	500,242	471,731
Cash and bank balances	13	215,063	833,205
		21,802,217	17,781,649
Total Assets		41,477,286	35,410,715
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital	14	6,250,000	6,250,000
Share Capital			
Issued, subscribed and paid up capital	14	6,048,791	5,760,753
Capital reserve	15	2,126,687	2,414,725
Revenue Reserve			
Unappropriated profit		7,490,076	5,635,306
Total Shareholders' Equity		15,665,554	13,810,784
Non-Current Liabilities			
Long term borrowings	16	5,402,833	6,631,523
Deferred government grant	17	-	1,367
Lease liabilities	18	110,584	109,434
Deferred liability	19	1,057,122	968,745
		6,570,539	7,711,069
Current Liabilities			
Trade and other payables	20	1,128,740	1,011,114
Accrued markup		672,265	320,605
Short term borrowings	21	14,045,946	9,828,760
Current portion of non-current liabilities	22	3,394,242	2,728,383
		19,241,193	13,888,862
Contingencies and Commitments	23		
Total Capital and Liabilities		41,477,286	35,410,715

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



Chief Executive



Chief Financial Officer



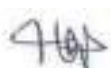
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees in '000'-----	2021
Turnover - gross	24	30,008,098	23,234,144
Sales tax		(4,360,151)	(3,375,901)
Turnover - net		25,647,947	19,858,243
Cost of sales	25	(20,157,658)	(15,355,724)
Gross profit		5,490,289	4,502,519
Administrative expenses	26	(334,601)	(296,737)
Selling and distribution costs	27	(353,682)	(285,429)
Finance costs	28	(2,135,829)	(1,408,980)
		(2,824,112)	(1,991,146)
Operating profit		2,666,177	2,511,373
Other expenses	29	(681,044)	(197,369)
Other income	30	303,236	239,387
Profit before taxation		2,288,369	2,553,391
Taxation - net	31	(433,599)	(517,394)
Profit after taxation		1,854,770	2,035,997
Other comprehensive income for the year		-	-
Total comprehensive income for the year		1,854,770	2,035,997
Earnings per share			(Restated)
Basic and diluted - Rupees		3.07	3.62

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

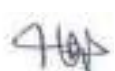
FOR THE YEAR ENDED JUNE 30, 202

Particulars	Issued, subscribed and paid up capital	Capital *Share Premium	Reserves Revenue **Unappropriated Profit	Total reserves	Total shareholders' equity
	----- Rupees in '000' -----				
Balance as at July 01, 2020	4,560,753	-	3,599,309	3,599,309	8,160,062
Total comprehensive income for the period					
Profit after taxation	-	-	2,035,997	2,035,997	2,035,997
Other comprehensive income	-	-	-	-	-
	-	-	2,035,997	2,035,997	2,035,997
Transaction with the owners					
120,000,000 ordinary shares issued @ Rs.10 per share.	1,200,000	-	-	-	1,200,000
Share premium @ Rs. 22 per share	-	2,640,000	-	2,640,000	2,640,000
Transaction cost on issuance of shares	-	(225,275)	-	(225,275)	(225,275)
Balance as at June 30, 2021	5,760,753	2,414,725	5,635,306	8,050,031	13,810,784
Total comprehensive income for the period					
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

* 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, 2022

	Note	2022 ----- Rupees in '000'-----	2021
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,288,369	2,553,391
Adjustments for:			
Depreciation	5	425,023	348,421
Amortization	6.1.1	6,280	6,280
Allowance for expected credit losses	9.1	209,682	57,708
Finance costs		2,125,203	1,402,256
Finance lease markup		10,626	6,724
Workers welfare fund	20.2	28,262	38,372
Workers profit participation fund	20.3	121,928	100,979
Loss on disposal of fixed assets - net		-	310
Gain on disposal of fixed assets - net		(8,799)	-
Markup on supplier credit - unwinding		-	-
Exchange loss / (gain) - net		293,197	(137,574)
Cash generated from operations before working capital changes		5,499,771	4,376,867
Changes in working capital			
(Increase) / decrease in current assets			
Stores, spares parts and loose tools		(328,483)	120,201
Stock-in-trade		(2,794,398)	(877,907)
Trade and other receivables		(1,434,568)	(264,748)
Loans and advances		(283,133)	(562,511)
Deposits		20,701	(3,591)
		(4,819,881)	(1,588,556)
(Decrease) / increase in current liabilities			
Trade and other payables		(325,761)	(445,418)
Net cash generated from operations		354,129	2,342,893
Taxes paid during the period		(373,733)	(348,058)
Tax refunds received during the year	12.1	-	166,431
Financial charges paid		(1,784,170)	(1,399,826)
Net cash (used in) / generated from operating activities		(1,803,774)	761,440
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Long term deposits and receivable recovered - net		30,448	32,213
Additions in capital work in progress - net	5.2.1	(2,211,433)	(2,964,696)
Proceeds from disposal of property, plant and equipment		16,343	589
Additions in property, plant and equipment	5.1	(303,865)	(625,412)
Net cash used in investing activities		(2,468,507)	(3,557,306)

Chief Executive

Chief Financial Officer

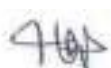
Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees in '000'-----	2021
C. CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayments) / receipts of long term borrowings - net		1,180,948	2,005,033
Leases obtained during the period - net		42,345	87,431
Supplier credit paid		(1,749,477)	
Lease rentals paid		(36,863)	(25,180)
Receipts / (repayments) of short term borrowings - net		4,217,186	(2,121,304)
Proceeds from issuance of shares - net of transaction cost		-	3,614,725
Net cash generated from financing activities		3,654,139	3,560,705
Net (decrease) / increase in cash and cash equivalents (A+B+C)		(618,142)	764,839
Cash and cash equivalents at the beginning of the period	13	833,205	68,366
Cash and cash equivalents at the end of the period	13	215,063	833,205

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, 2022

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) 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) D-2, Port Qasim Authority, Karachi.
Corporate Office	Plot no. G-19, Office # 801, 803 & 804, 8th Floor, Emerald Tower, II Talwar, Block # 5, Clifton, Karachi.

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.

2.3 Functional and presentation currency

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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, 2022. 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 IFRS 4 'Insurance Contracts', IFRS 7 'Financial Instruments: Disclosures', IFRS 9 'Financial Instruments', IFRS 16 'Leases', IAS 39 'Financial Instruments: Recognition and Measurement': Amendments regarding replacement issues in the context of the IBOR reform	January 1, 2021
Amendments to IFRS 16 'Leases': Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification	April 1, 2021

Certain annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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 classification of liabilities and disclosure of accounting policies	January 1, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Amendments regarding the definition of accounting estimates	January 1, 2023
Amendments to IAS 12 'Income Taxes': Amendments regarding deferred tax on leases and decommissioning obligations	January 1, 2023
Amendments to IAS 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 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:

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 applying the reducing balance method at the rates specified in the note 5.1 to these financial statements. Depreciation on all additions is charged from the month in which the asset is available for use and no depreciation is charged from the month of disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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 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.

3.2 Intangible asset

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

These are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation on additions is charged for the month in which the asset is available for use, while no amortisation is charged for the month in which the asset is disposed off. Amortisation is charged based on straight line method at the rates disclosed in note 6 to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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
- 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

Net realizable value signifies the estimated selling price 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 comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost in relation to billets 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, 2022

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, 2022

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 recognised 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 authorised 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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

3.21 Deferred grant

Government grant is recognised 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 recognised 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 recognised as income in equal amounts over the expected useful life of the related asset.

3.22 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
Agha Steel Industries	-	Key management personnel are also Partners of the firm
A and Z Associates	-	Director is a sole proprietor of the firm.
Cosmos properties	-	Director is a sole proprietor of the firm.
Agha Steel Industries Staff Provident Fund	-	Employees' Provident Fund
Mr. Hussain Iqbal Agha - Chief Executive	-	Key management personnel
Mrs. Shazia Iqbal Agha - Chairperson	-	Key management personnel
Mr. Raza Iqbal Agha - Director	-	Key management personnel
Mr. Askari Asghar Agha - Director	-	Key management personnel
Mr. Amer Nazim Haji - Director	-	Key management personnel
Mr. Muhammad Asif - Director	-	Key management personnel
Mr. Akbar Pesnani - Director	-	Key management personnel
Mr. Kamran Ahmed - CFO	-	Key management personnel
Mr. Muneeb Khan - Company Secretary	-	Key management personnel

5 PROPERTY, PLANT AND EQUIPMENT

	Note	2022 ----- Rupees in '000'-----	2021
Operating fixed assets	5.1	10,300,831	9,396,970
Capital work in progress (CWIP)	5.2	8,848,257	7,669,387
		<u>19,149,088</u>	<u>17,066,357</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

5 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, 2022									
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)
Dismantling									-
Depreciation	-	(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
Year ended June 30, 2021									
Opening net book value	748,561	1,646,204	5,815,606	10,564	179,951	3,695	19,594	67,730	8,491,905
Additions	-	-	115,237	3,831	394,448	5,532	-	106,364	625,412
Transfer from CWIP	-	-	628,973	-	-	-	-	-	628,973
Transfers - net									
Cost	-	-	-	-	-	-	42,214	(42,214)	-
Accumulated depreciation	-	-	-	-	-	-	(18,659)	18,659	-
	-	-	-	-	-	-	23,555	(23,555)	-
Disposals									
Cost	-	-	-	-	-	-	(1,224)	-	(1,224)
Accumulated depreciation	-	-	-	-	-	-	325	-	325
	-	-	-	-	-	-	(899)	-	(899)
Dismantling	-	-	-	-	-	-	-	-	-
Depreciation	-	(43,785)	(180,023)	(1,870)	(94,999)	(2,160)	(5,901)	(19,683)	(348,421)
Closing net book value	748,561	1,602,419	6,379,793	12,525	479,400	7,067	36,349	130,856	9,396,970
As at June 30, 2021									
Cost	748,561	1,763,240	6,994,140	19,837	830,075	14,780	77,380	176,779	10,624,792
Accumulated depreciation	-	(160,821)	(614,347)	(7,312)	(350,675)	(7,713)	(41,031)	(45,923)	(1,227,822)
	748,561	1,602,419	6,379,793	12,525	479,400	7,067	36,349	130,856	9,396,970
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, 2022

	Note	2022 ----- Rupees in '000'-----	2021
5.2 Capital work in progress			
Machinery in transit	5.2.1	8,848,257	7,669,387
5.2.1 Machinery in transit			
Opening		7,669,387	5,333,664
Additions during the year		2,023,656	2,765,616
Borrowing costs		187,777	199,080
Transfer during the year		(1,032,563)	(628,973)
		8,848,257	7,669,387
5.3 Depreciation has been allocated as follows:			
Cost of sales	25	361,447	326,882
Administrative expenses	26	15,701	13,402
Selling and distribution costs	27	9,533	8,137
Other income - Air Separation Unit	30.1	38,341	-
		425,023	348,421

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

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

* Represents multi storey buildings.

	Note	2022 ----- Rupees in '000'-----	2021
6 INTANGIBLE ASSET			
Computer software - net book value	6.1	48,670	54,950
6.1 Computer software - net book value			
Cost		62,800	62,800
Less: Accumulated amortization	6.1.1	(14,130)	(7,850)
		48,670	54,950

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees in '000'-----	2021
6.1.1 Accumulated amortization			
Opening balance		7,850	1,570
Amortization during the year	26	6,280	6,280
		<u>14,130</u>	<u>7,850</u>
Amortization rates		<u>10%</u>	<u>10%</u>
7 LONG TERM DEPOSITS AND RECEIVABLE			
Security Deposits			
Against lease liabilities		50,438	53,297
Less: Current portion shown under current assets	11	(1,253)	(15,169)
		<u>49,185</u>	<u>38,128</u>
Against utilities		8,981	8,981
		<u>58,166</u>	<u>47,109</u>
Receivable - considered good			
- Unsecured			
Due from associated undertaking (related party)	7.1	460,650	508,966
Less: Current portion shown under current assets	9	(41,506)	(48,316)
		<u>419,144</u>	<u>460,650</u>
		<u>477,311</u>	<u>507,759</u>
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. 508.966 (2021: Rs. 565.239) million. It carries markup 3 months KIBOR + 1% per annum (2021: 3 months KIBOR + 1%).			
8 STOCK-IN-TRADE			
Raw materials		7,685,229	4,862,130
Raw materials in transit		442,878	604,161
Work in process		1,658,273	1,564,321
Finished goods		2,513,325	2,474,695
		<u>12,299,705</u>	<u>9,505,307</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees in '000'-----	2021
9 TRADE AND OTHER RECEIVABLES			
- Considered good			
Trade debts		5,084,620	3,445,125
Allowance for expected credit losses	9.1	(366,004)	(156,322)
		4,718,616	3,288,803
Other receivables			
- sales tax refund	23.2	-	204,995
- from associated undertakings			
- markup	9.2	61,930	55,052
- current maturity of long term receivable	7	41,506	48,316
- sales tax	9.3	449,837	449,837
		553,273	553,205
		5,271,889	4,047,003
9.1 Allowance for expected credit losses			
Opening		156,322	98,614
Impairment losses recognized during the year - net		209,682	57,708
Closing		366,004	156,322
9.2	Represents markup on loan to Denim International (Private) Limited (related party) and receivable from Agha Steel Industries (related party) amounting to Rs. 13.148 (2021: 15.804) and Rs. 48.782 (2021: 39.248) million, respectively, at the interest rate disclosed in note 10.2 and 7 to these financial statements. Maximum aggregate amount outstanding at any month end was Rs. 13.148 (2021: Rs. 15.804) million and Rs. 48.782 (2021: 39.248) million respectively. The outstanding amount at 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 (2021: Rs. 449.837) million. The amount is outstanding for more than one year and is past due but not impaired as the management, based on the advice of its tax counsel and legal adviser and the facts of the appeal filed by M/s. Agha Steel Industries (related party) with the Honourable High Court of Sindh, is confident for the recovery of full amount.		

	Notes	2022 ----- Rupees in '000'-----	2021
10 LOANS AND ADVANCES			
- Considered good			
Loans			
- to employees	10.1	15,130	1,792
- to associated undertaking	10.2	-	165,536
		15,130	167,328
Advances			
- against supplies		1,163,919	724,464
- against sales tax		260,239	264,363
		1,424,158	988,827
		1,439,288	1,156,155

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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.

10.2 Represents unsecured loan to Denim International (Private) Limited (related party) carrying mark-up at the rate of 3 Month KIBOR + 1% per annum. These are repayable on demand. Maximum aggregate amount of loans outstanding at any month end was Rs. 225.857 (2021: Rs. 307.315) million. The outstanding amount at reporting date is not past due.

	Notes	2022 ----- Rupees in '000'-----	2021
11 DEPOSITS			
- Deposits against			
Current portion of lease liabilities	7	1,253	15,169
Containers		2,165	17,205
Rent		5,124	4,791
Earnest money		7,284	10
Others		5,401	4,753
		<u>21,227</u>	<u>41,928</u>
12 TAX REFUNDS DUE FROM GOVERNMENT			
Income tax refundable	12.1	500,242	471,731
12.1 Income tax refundable			
Opening		471,731	517,046
Refund during the year		-	(166,431)
Paid during the year		373,733	348,058
Prior year tax	31	30,768	107,772
Current tax	31	(375,990)	(334,714)
Closing		<u>500,242</u>	<u>471,731</u>
13 CASH AND BANK BALANCES			
Cash in hand		3,276	3,084
Cash at banks			
Current accounts		206,668	829,915
Deposit account	13.1	5,119	206
		<u>211,787</u>	<u>830,121</u>
		<u>215,063</u>	<u>833,205</u>

13.1 Deposit account carries profit ranging from 3.5% to 4.4% (2021: 3.5% to 4.4%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

14 SHARE CAPITAL

14.1 Authorized Capital

2022	2021		2022	2021
--- Number of shares ---			---- Rupees in '000'----	
625,000,000	625,000,000	Ordinary shares of Rs. 10 each	6,250,000	6,250,000

14.2 Issued, subscribed and paid up capital

2022	2021		Note	2022	2021
--- Number of shares ---				---- Rupees in '000'----	
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		3,604,013	3,604,013
94,674,000	94,674,000	for other than cash	14.3	946,740	946,740
120,000,000	120,000,000	for other than cash	14.4	1,200,000	1,200,000
28,803,765		fully paid in cash	1.2	288,038	
604,879,058	576,075,293	bonus shares issued during the year	14.5 & 14.6	6,048,791	5,760,753

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.

	2022	2021
	---- Number of shares ----	
14.6 Reconciliation of number of shares outstanding is as under:		
Shares at the beginning of the year	576,075,293	456,075,293
Shares issued through IPO fully paid in cash - note 1.2	-	120,000,000
Bonus shares issued during the year	28,803,765	-
Shares at the end of the year	604,879,058	576,075,293

14.7 Shares held by the related parties of the Company

Name of the shareholders	2022	2021
Mr. Hussain Iqbal Agha - Chief Executive	168,491,057	91,215,059
Mrs. Shazia Iqbal Agha - Chairperson	112,251,894	72,280,259
Mr. Raza Iqbal Agha - Director	168,491,057	91,215,059
Mr. Amer Nazim Haji - Director	36,750	35,000
Mr. Muhammad Asif - Director	56,194	53,519
Mr. Askari Asghar Agha - Director	105	100
Mr. Akbar Pesnani - Director	105	100
Mr. Iqbal Hussain Agha (late)	4,200,000	201,864,617

14.7.1 Represents shares owned by the late Mr. Iqbal Hussain Agha that are pledged against banking facility and therefore could not be transferred to his legal heirs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees in '000'-----	2021
15 CAPITAL RESERVE			
Share premium	15.1	2,126,687	2,414,725
15.1 Movement in share premium account during the year			
Opening	1.2	2,414,725	2,640,000
Less: utilized as transaction cost on issuance of shares as allowed under section 81 of the Act.			
Transaction cost of IPO		-	(225,275)
Bonus Issued during the year		(288,038)	-
Closing		2,126,687	2,414,725
16 LONG TERM BORROWINGS			
Secured			
- From banking companies			
- Conventional			
Samba Bank Limited - TF	16.1	300,000	400,000
United Bank Limited - NIDF	16.2	145,813	204,125
JS Bank Limited - PF	16.3	79,445	217,181
JS Bank Limited - TERF	16.4	349,618	-
Bank Al Habib Limited - BF	16.5	1,700,000	-
Askari Bank Limited - STFF	16.6	1,734,486	1,728,530
		4,309,362	2,549,836
- Shariah compliant			
Meezan Bank Limited - IFRE	16.7	124,744	94,742
Sukuk certificates	16.8	4,332,791	4,931,759
		4,457,535	5,026,501
		8,766,897	7,576,337
Less: Current portion shown under current liabilities	22	(3,364,064)	(944,814)
		5,402,833	6,631,523

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, 2022 is repayable in 12 quarterly installments starting from July 01, 2022 and latest by April 01, 2025.

16.2 Represents term finance facility (NIDF) upto 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, 2022 is repayable in 10 equal quarterly installments starting from September 04, 2022 and latest by December 04, 2024.

16.3 Represents term finance facility (PF) upto Rs. 331.120 million from commercial bank for payment of wages and salaries expenses for the three months from April, 2020 to June, 2020. The loan is secured by first pari passu charge over fixed assets of the Company amounting to Rs. 261.50 million. The loan carries mark-up at SBP rate + 3%.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

The outstanding amount as at June 30, 2022 is repayable in 2 equal quarterly installments starting from July, 2022 and latest by October, 2022.

- 16.4** During the year, the Company has obtained SBP temporary economic refinance facility (TERF) upto Rs. 500 million from 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, once approved by the SBP, will carry mark-up at SBP LTFF rate (1%) + 4% per annum. However, since the approval from SBP is pending till year end and therefore markup is charged at 1 month KIBOR + 2% per annum.

The facility is disbursed in separate tranches and each disbursement to be treated as a separate loan. The outstanding amount is repayable in 24 equal quarterly installments starting from November, 2023 and latest by April, 2030.

- 16.5** During the year, the company has obtained financing to bridge the timeline between maturities of acceptances under supplier credit LCs for mida plant and drawdown of long term loan (syndicated / sukuk). The loan is secured by first equitable mortgage charge over plot bearing no. SP-6/E-1 amounting to Rs. 2,500 million, registered ranking hypo charge over plant and machinery amounting to Rs. 2,500 million and personal guarantees of Rs. 9,000 million each from executive directors and corporate guarantee of Rs. 7,000 million. The loan carries markup at 3 month avg. KIBOR plus 1.5% p.a and is payable at the earlier of adjustment of loan or end of the quarter.

The outstanding amount is repayable within three months or on demand and will be repaid from proceeds of long term loan, therefore, considering the substance of the transaction the loan is classified under long term financing.

- 16.6** Represents syndicated term finance facility (STFF) upto 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 16 quarterly installments (four installments of 43.75 million each and twelve installments of 131.25 million each) starting from September 30, 2022 and latest by June 30, 2026.

- 16.7** Represents Islamic financing facility upto Rs. 160 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 April 28, 2023 and latest by January 28, 2034.

- 16.8** 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 are redeemable in 16 equal installments starting from January 9, 2022 and latest by October 09, 2025. The facility 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 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, 2022

	Note	2022 ----- Rupees in '000'-----	2021
17 DEFERRED GOVERNMENT GRANT			
Opening		10,979	-
Recognised during the year		-	25,072
Released to profit or loss		9,612	14,093
As at December 31, 2021	17.1	1,367	10,979
Current portion	22	1,367	9,612
Non current portion		-	1,367
		1,367	10,979

17.1 This represent deferred government grant in respect of term finance facility obtained under SBP Salary Refinance Scheme as disclosed in note 16.3 to these financial statements. There are no unfulfilled conditions or other contingencies attaching to this grant.

	Note	2022 ----- Rupees in '000'-----	2021
18 LEASE LIABILITIES			
- Secured			
Opening		133,914	64,939
Paid during the year		(17,447)	(18,456)
Terminated during the year		(19,417)	(18,035)
Obtained during the year		42,345	105,466
		139,395	133,914
Less: Current portion shown under current liabilities	22	(28,811)	(24,480)
	18.1	110,584	109,434

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.

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

	2022 ----- Rupees in '000'-----	2021
Minimum lease payment		
Up to one year	35,581	31,219
More than one year but not later than 5 years	118,880	118,144
	154,461	149,363
Financial charges		
Up to one year	6,770	6,739
More than one year but not later than 5 years	8,296	8,710
	15,066	15,449
Present value of minimum lease payments		
Up to one year	28,811	24,480
More than one year but not later than 5 years	110,584	109,434
	139,395	133,914
Current portion shown under current liabilities	(28,811)	(24,480)
	110,584	109,434

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ---- Rupees in '000'----	2021
19 DEFERRED LIABILITY			
Deferred taxation - net	19.1	1,057,122	968,745
19.1 Deferred taxation - net			
This comprises of the following: -			
Taxable temporary difference			
Accelerated tax depreciation		1,639,697	1,635,453
Long term financing		396	7,271
Supplier credit		-	443
		1,640,093	1,643,167
Deductible temporary differences			
Alternate corporate tax		(206,302)	(206,302)
Minimum tax		(229,707)	(380,768)
Deferred grant		(396)	(3,184)
Liabilities against assets subject to finance lease		(40,425)	(38,835)
Expected credit loss		(106,141)	(45,333)
		(582,971)	(674,422)
		1,057,122	968,745
20 TRADE AND OTHER PAYABLES			
Trade creditors		20,080	30,977
Bills payable	20.1	714,794	644,080
Advance from customers - unsecured		33,096	68,924
Retention payables		4,509	4,509
Accrued liabilities		112,687	105,117
Payables to provident fund	32	6,276	1,707
Workers welfare fund payable	20.2	77,242	51,564
Workers profit participation fund payable	20.3	157,181	100,979
Withholding tax payable		2,875	3,257
		1,128,740	1,011,114
20.1	Includes Rs. 27.975 million (2021: Nil) payable on account of bills discounting charges of Company's Supplier that are borne by the Company in accordance with the underlying agreement.		
20.2 Workers welfare fund payable	Note	2022 ---- Rupees in '000'----	2021
Opening		51,564	21,953
Provision during the year	29	28,262	38,372
Reversal of provision during the year	20.2.1	(6,922)	(8,761)
Markup on unpaid WWF		4,338	-
		77,242	51,564
20.2.1	Represents reversal of provision due to taxable losses in the Income Tax Return filed for the relevant tax year.		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ---- Rupees in '000'----	2021
20.3 Workers profit participation fund payable			
Opening		100,979	57,772
Paid during the year		(66,985)	(34,715)
Provision during the year	29	121,928	100,979
Markup on WPPF		1,259	-
Reversal of provision during the year		-	(23,057)
		<u>157,181</u>	<u>100,979</u>
21 SHORT TERM BORROWINGS			
- From banking companies			
- Secured			
Running Finance			
- Conventional banks			
- Bank Al Habib Limited		1,423,852	1,688,770
- Bank Alfalah Limited		197,697	23,301
- Askari Bank Limited		515,000	-
- United Bank Limited		250,000	201,046
- Samba Bank Limited		286,926	301,297
- Habib Metro Bank Limited		299,731	65,081
- Habib Bank Limited		42,764	41,627
- MCB Bank Limited		299,183	296,124
- Bank of Punjab		100,000	-
- JS Bank Limited		37,500	71,551
- National Bank Limited		250,000	50,000
	21.1	<u>3,702,653</u>	<u>2,738,797</u>
- Islamic bank			
- Dubai Islamic Bank Limited		50,000	50,000
- MCB Islamic Bank Limited		200,000	199,614
	21.1	<u>250,000</u>	<u>249,614</u>
	21.1	<u>3,952,653</u>	<u>2,988,411</u>
Finance against Trust Receipt (FATR)			
- Conventional banks			
- Habib Bank Limited		959,477	481,954
- Bank Alfalah Limited		502,130	116,658
- United Bank Limited		775,582	463,081
- Habib Metro Bank Limited		257,070	676,971
- Samba Bank Limited		592,993	82,456
- JS Bank Limited		505,519	444,206
- MCB Bank Limited		78,961	65,589
- Bank Al Habib Limited		793,877	601,811
- Bank of Punjab		930,771	-
- Bank of Khyber		108,204	105,383
- National Bank Limited		471,489	184,507
- Askari Bank Limited		1,240,294	1,299,033
	21.2	<u>7,216,367</u>	<u>4,521,649</u>
- Islamic bank			
- Meezan Bank Limited - Istasna		983,018	999,940
- MCB Islamic Bank Limited		244,928	-
- Dubai Islamic Bank Limited		6,522	15,999
- Faysal Bank Limited		782,468	612,461
- Allied Bank Islamic Banking		98,385	-
- Bank Islami Limited		656,524	690,300
	21.2	<u>2,771,845</u>	<u>2,318,700</u>
LDBP - Bank Al Habib Limited	21.3	105,081	-
		<u>14,045,946</u>	<u>9,828,760</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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. 6,000 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 (2021: 1,900) million	476.15 (2021: 211.23) million
Bank Alfalah Limited	For working capital requirement	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 (2021: 200) million	2,303 (2021: 176,699) 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	640 (2021: 640) million	125 (2021: 640) million
United Bank Limited	For working capital requirement	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 (2021: 230) million	Nil (2021: 28.954) million
Samba Bank Limited	For working capital requirements	First pari passu/Joint pari passu charge over present and future current assets amounting to 1,334 million with 25% margin, personal guarantees of all the sponsor directors and trust	1 month KIBOR plus 1.20% p.a	290 (2021: 302) million	3.074 (2021: 0.703) 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 (2021: 100) million	0.269 (2021: 34.919) million
Habib Bank Limited	For working capital requirement	Joint pari passu charge over stocks and receivables with 25% margin amounting to Rs. 800 million and personal guarantees of directors.	1 month KIBOR plus 1.25% p.a	100 (2021: 100)	57,236 (2021: 58,373) million
MCB Bank Limited	For working capital requirement	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 (2021: 300) million	0.817 (2021: 3.876) 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% p.a	100 (2021: Nil)	Nil (2021: Nil)
JS Bank Limited	For working capital requirement	Joint pari passu charge over stocks and receivables amounting to Rs. 934 million inclusive of 25% margin and personal guarantees of all	3 month KIBOR plus 1.25% p.a	100 (2021: 100) million	62.5 (2021: 28.449) 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 (2021: 50) million	Nil (2021: Nil) million

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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 million (2021: 50)	Nil (2021: 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.	Matching KIBOR plus 1% p.a	200 (2021: 200) million	Nil (2021: 0.386) 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. 800 million with 25% margin and personal guarantees of directors. Enhanced 1000 Million FATR is secured against charged over Stocks and receivables of pkr 1333m.	Matching tenor KIBOR plus 1% p.a	1000 (2021: 483) million	40.523 (2021: 1.046) million
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	600 (2021: 300) million	97.87 (2021: 183.342) 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% p.a	950 (2021: 484) million	174.42 (2021: 20.919) 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	300 (2021: 680) million	42.93 (2021: 3.029) 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	618 (2021: 500) million	25.01 (2021: 417.544) million
JS Bank Limited	Retirement of LCs established by JS Bank, except for spare parts	Joint pari passu hypothecation charge over stocks and receivables amounting to Rs. 934 million and personal guarantees of all executive directors.	3 month KIBOR plus 1.25% p.a	600 (2021: 500) million	94.481 (2020: 55.794) 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	500 (2021: 400) million	421.039 (2021: 334.411) million

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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. 6,000 million over moveables and receivables, joint pari passu equitable mortgage charge of Rs. 2,4666.67 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 (2021: 750) million	206.123 (2021: 148.189) 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	110 (2021: 106) million	1.796 (2021: 0.617) 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	650 (2021: 185) million	178.511 (2021: 0.493) million
Askari Bank Limited	Retirement of import documents	Joint pari passu hypothecation charge of Rs. 2,734 million over present and future of stocks and receivables with 25% margin and personal guarantee of directors.	3 month KIBOR plus 0.85 % p.a	1250 (2021: 1,360) million	9.706 (2020: 60.967) 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 % p.a	930.7713 million (2021: Nil)	Nil (2021: 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 (2021: 1,000) million	16.982 (2021: 0.06) 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% p.a	245 million (2021: Nil)	0.07 million (2021: Nil)
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%	150 (2021: 198) million	143.478 (2021: 182.001) 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	1200 (2021: 1,000) million	417.532 (2021: 387.539) million

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

Allied Bank Islamic Banking	To facilitate in manufacturing of billets/bars	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%	100 (2021: Nil) million	1.615 (2021: Nil) 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	750 (2021: 700) million	93.476 (2021: 9.70) million

21.3

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. 6,000 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.	Corresponding tenure KIBOR plus 1% p.a	1200 (2021: Nil) million	1094.919 million (2021: Nil)

22 CURRENT PORTION OF NON-CURRENT LIABILITIES

	Note	2022 ----- Rupees in '000'-----	2021
- long term borrowings	16	3,364,064	944,814
- deferred grant	17	1,367	9,612
- supplier credit		-	1,749,477
- lease liabilities	18	28,811	24,480
		<u>3,394,242</u>	<u>2,728,383</u>

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

The Company has filed a Constitutional Petition (CP no. D-2253/2020) before Honorable 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, Honorable High Court of Sindh has 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 Civil petition for Leave of Appeal (CPLA's) with the honorable Supreme Court of Pakistan impugning the aforesaid judgement. In November 2020, the SCP granted leave in the CPLA's and passed an interim order suspending the effect of impugned judgement. During the year, the Apex Court dismissed the appeal of K Electric, whereby, Chief Justice of Pakistan verbally announced the dismissal in open court and a signed written order is presently awaited. 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, 2022

- 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 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, 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 Honorable High Court of Sindh for recovery of rejected claim. The matter is pending adjudication and the management based on the advice of its legal adviser expects a favourable outcome in the case.

	Note	2022 ----- Rupees in '000'-----	2021
23.3 Commitments			
Outstanding against letter of credits - sight/usance		1,989,914	2,631,838
Outstanding against letter of guarantees		211,771	157,274
Capital commitments		436,052	123,111
		<u>2,637,737</u>	<u>2,912,223</u>
24 TURNOVER - NET	Note	2022 ----- Rupees in '000'-----	2021
Local sales		30,008,098	23,234,144
Less: sales tax		(4,360,151)	(3,375,901)
		<u>25,647,947</u>	<u>19,858,243</u>
25 COST OF SALES			
Raw materials consumed	25.1	12,148,390	8,741,821
Stores, spare parts and loose tools consumed	25.2	1,535,642	1,046,364
Salaries, wages and other benefits	25.3	560,850	502,532
Fuel and power		4,007,618	2,748,036
Repairs and maintenance		14,711	12,814
Communication		4,499	3,357
Staff transportation		35,420	29,497
Insurance		5,932	6,645
Oil and fuel		26,024	25,334
Depreciation	5.3	361,447	326,882
Others		7,450	3,327
Cost of goods manufactured		<u>18,707,983</u>	<u>13,446,609</u>
Work in process			
Opening stock		1,564,321	1,686,611
Purchases		1,582,257	1,439,857
Closing stock	8	(1,658,273)	(1,564,321)
		<u>1,488,305</u>	<u>1,562,147</u>
Finished goods			
Opening stock		2,474,695	2,904,408
In house consumption		-	(82,745)
Closing stock	8	(2,513,325)	(2,474,695)
		<u>(38,630)</u>	<u>346,968</u>
Cost of Sales		<u>20,157,658</u>	<u>15,355,724</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees in '000'-----	2021
25.1 Raw materials consumed			
Opening stock		4,862,130	3,532,772
Purchases		14,971,489	10,071,179
		<u>19,833,619</u>	<u>13,603,951</u>
Closing stock	8	(7,685,229)	(4,862,130)
		<u>12,148,390</u>	<u>8,741,821</u>
25.2 Stores, spare parts and loose tools consumed			
Opening stock		1,726,320	1,846,521
Purchases		1,864,125	926,163
		<u>3,590,445</u>	<u>2,772,684</u>
Closing Stock		(2,054,803)	(1,726,320)
		<u>1,535,642</u>	<u>1,046,364</u>

25.3 Includes Rs. 17.6 (2021: Rs. 15.02) million in respect of staff retirement benefits related to provident fund.

	Note	2022 ----- Rupees in '000'-----	2021
26 ADMINISTRATIVE EXPENSES			
Salaries and other benefits	26.1	133,426	112,945
Director's remuneration		29,900	29,700
Travelling and conveyance		12,657	8,505
Repairs and maintenance		1,521	1,373
Office expenses		11,286	11,242
Fees and subscription		10,075	17,389
Staff transportation		1,319	1,098
Legal and professional fee		21,818	27,352
Health and safety		1,161	1,382
Oil and fuel		1,414	1,377
Insurance		1,090	738
Communication		168	125
Security charges		5,447	4,009
Auditors' remuneration	26.2	1,525	1,366
Software development and consultancy		17,110	10,671
Charity and donation	26.3	56,793	43,265
Depreciation	5.3	15,701	13,402
Amortization	6.1	6,280	6,280
SECP Penalty	26.4	110	-
Others		5,800	4,518
		<u>334,601</u>	<u>296,737</u>

26.1 Includes Rs. 3.90 (2021: Rs. 3.38) million in respect of staff retirement benefits related to provident fund.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

26.2 Auditors' remuneration

	2022 ---- Rupees in '000'----	2021
Annual audit	1,050	975
Code of corporate governance and other services	150	75
Review of interim financial statements	250	241
Out of pocket expenses	75	75
	<u>1,525</u>	<u>1,366</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	2022 ---- Rupees in '000'----	2021
Agha Welfare Trust	26.3.1	41,345	41,920
Qasr e Fatima Widow Home		4,075	-
Other donations - anonymous		8,850	-

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.

26.4 Represent Penalty imposed by the SECP on account of non disclosure of utilization IPO Proceedings in condensed interim financial statements (un-audited) for the period ended March 31, 2021 and September 30, 2021.

27 SELLING AND DISTRIBUTION COSTS

	Note	2022 ---- Rupees in '000'----	2021
Salaries, wages and other benefits	27.1	102,100	86,428
Advertisement and marketing		63,083	57,563
Postage and courier		655	484
Rent		2,940	2,480
Staff transportation		942	784
Carriage and freight		121,383	77,745
Brokerage		46,222	38,510
Travelling and conveyance		3,502	5,550
LC charges		145	4,641
Communication		120	89
Oil and fuel		849	826
Entertainment		1,963	2,080
Depreciation	5.3	9,533	8,137
Others		245	112
		<u>353,682</u>	<u>285,429</u>

27.1 Includes Rs. 2.92 (2021: Rs. 2.58) million in respect of staff retirement benefits related to provident fund.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
		----- Rupees in '000'-----	
28	FINANCE COSTS		
	Mark up on term finance	348,813	7,576
	Mark up on Sukuk	414,814	333,090
	Mark up on running finance	400,337	236,904
	Mark up on FATR	915,803	749,045
	Bank charges	37,931	18,594
	Discounting charges	-	179
	Bank commission on guarantees	143	-
	Markup on WPPF and WWF	5,597	-
		2,123,438	1,345,388
	Mark up on supplier credit	1,765	56,868
	Finance lease obligation	10,626	6,724
		2,135,829	1,408,980
29	OTHER EXPENSES		
	Workers welfare fund	20 28,262	38,372
	Workers profit participation fund	20 121,928	100,979
	Impairment loss on trade receivables - net	9.1 209,682	57,708
	Discounting charges of supplier	20.1 27,975	-
	Exchange loss - net	293,197	-
	Dismantling of monuments	5 -	-
	Loss on disposal of vehicle	-	310
		681,044	197,369
30	OTHER INCOME		
	Income from financial instruments		
	Mark up on loan to associates	9 61,930	55,052
	Exchange gain - net	-	137,574
	Mark up on deposit account	1,165	703
		63,095	193,329
	Income from other than financial instruments		
	Reversal of provision for workers welfare fund	20.2 6,922	8,761
	Profit from air separation unit	30.1 214,808	-
	Reversal of provision for workers profit participation fund	20.3 -	23,057
	Gain on disposal of fixed assets - net	8,799	-
	Amortisation of government grant	17 9,612	14,093
	Miscellaneous	-	147
		240,141	46,058
		303,236	239,387

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees in '000'-----	2021
30.1 Profit from air separation unit (ASU)			
Sales		497,715	-
Less: sales tax		(72,318)	-
Net sales		425,397	-
Cost apportioned for supply of natural gas	30.1.1	(210,589)	-
		<u>214,808</u>	<u>-</u>
30.1.1 Breakup of cost apportioned for supply of natural gas			
Salaries wages and other benefits		32,809	-
Fuel and power		139,439	-
Depreciation on ASU Plant	5.3	38,341	-
		<u>210,589</u>	<u>-</u>
31 TAXATION - NET			
Current tax		375,990	334,714
Prior year tax	31.1	(30,768)	(107,772)
Deferred tax charge - net	19	88,377	290,452
		<u>433,599</u>	<u>517,394</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 2021.

	2022 ----- Rupees in '000'-----	2021
31.2 Relationship between tax expense and accounting profit		
Accounting profit	2,288,369	2,553,391
Tax at applicable tax rate of 29%	(663,627)	(740,483)
Effect of adjustments related to prior years	30,768	107,772
Effect of alternate corporate tax regime	389,023	434,076
Effect of tax rebate / credits	13,033	99,362
Effect of super tax	138,483	-
Others	525,919	616,667
	<u>433,599</u>	<u>517,394</u>
32 PROVIDENT FUND TRUST		
- Size of fund	47,309	48,293
- Cost of investment	44,500	44,500
- Fair value of investment	44,500	44,500
- Percentage of investment	94%	92%
- Breakup of investment - Amounts		
- in money market	44,500	44,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

- 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.

	2022	2021
33 EARNINGS PER SHARE		
Basic		
Profit attributable to ordinary shareholders (Rupees in '000')	1,854,770	2,035,997
Weighted average number of ordinary shares (2021: restated)	604,879,100	562,073,578
Earnings per share - (In Rupees)	3.07	3.62

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, the directors and executives of the Company, are as follows.

	Chief Executive		Directors		Executives	
	2022	2021	2022	2021	2022	2021
	----- Rupees in '000' -----					
Managerial remuneration	10,909	10,909	14,040	14,040	285,943	106,899
Medical allowance	1,091	1,091	1,560	1,560	28,594	10,690
Company's contributions	-	-	-	-	7,534	2,968
Board and other meeting fee	-	-	2,300	2,100	-	-
Total	12,000	12,000	17,900	17,700	322,071	120,557
No. of persons	1	1	6	6	107	32

- 34.1** Directors are also provided with the Company maintained cars.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

35 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT	Note	2022 ----- Rupees in '000'-----	2021
35.1 Financial Instrument by Category			
Financial Assets			
- At amortized cost			
Long term deposits and receivables	7	469,631	517,947
Trade and other receivables - gross	9	5,637,893	4,203,325
Loans	10	15,130	167,328
Deposits	11	19,974	26,759
Cash and bank balances	13	215,063	833,205
		6,357,691	5,748,564
Financial Liabilities			
- At amortized cost			
Long term borrowings including current portion	16	8,766,897	7,576,337
Supplier credit		-	1,749,477
Trade and other payables	20	858,346	786,390
Short term borrowings	21	14,045,946	9,828,760
Accrued markup		672,265	320,605
		24,343,454	20,261,569

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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees in '000'-----	2021
Long term deposits and receivables	35.3.1	469,631	517,947
Trade and other receivables - gross	35.3.2	5,637,893	4,203,325
Loans	35.3.3	15,130	167,328
Deposits	35.3.4	19,974	26,759
Bank balances	35.3.5	211,787	830,121
		<u>6,354,415</u>	<u>5,745,480</u>

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. 366.004 million includes recognized during the year amounting to Rs. 209.682 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.

	2022 ----- Rupees in '000'-----	2021
Ageing of trade debts (gross) are as follows:		
Not past due		
Not past due 1-90 days	4,370,245	2,201,828
Past due 91-180 days	109,820	1,064,524
Past due 181-365 days	241,638	84,887
More than one year	362,917	93,886
	<u>5,084,620</u>	<u>3,445,125</u>

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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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	A+
Bank of Khyber	PACRA	A1	A
Bank of Punjab	PACRA	A1+	AA+
Dubai Islamic Bank Limited	VIS	A1+	AA
Faysal Bank Limited	VIS	A1+	AA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Habib Bank Limited	VIS	A1+	AAA
JS Bank Limited	PACRA	A1+	AA-
Meezan Bank Limited	VIS	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
MCB Islamic Bank Limited	PACRA	A1	A
National Bank of Pakistan	PACRA	A1+	AAA
Samba Bank Limited	VIS	A1	AA
United Bank Limited	VIS	A1+	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 fulfill its obligation, monitoring financial position liquidity ratios against internal and external requirements and maintaining debt financing plans.

	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	-	-	-	-	-	-
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	-	-
	24,343,454	24,343,454	11,085,616	7,855,005	4,816,131	586,702

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

	2021					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve	One to three years	Three to five years
	----- Rupees in '000' -----					
Financial Liabilities						
Long term borrowings	7,576,337	7,576,337	472,407	472,407	4,709,442	1,922,081
Supplier credit	1,749,477	1,751,005	413,507	1,337,498		
Trade and other payables	786,390	786,390	786,390	-	-	-
Accrued markup	320,605	320,605	320,605	-	-	-
Short term borrowings	9,828,760	9,828,760	4,914,380	4,914,380	-	-
	<u>20,261,569</u>	<u>20,263,097</u>	<u>6,907,289</u>	<u>6,724,285</u>	<u>4,709,442</u>	<u>1,922,081</u>

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 import of scrap, stores and spares, mainly denominated in US dollars and Chinese Yuan. The Company's exposure to foreign currency risk for Dollars is as follows:

	2022	2021
	----- Rupees in '000' -----	
Bills payables - foreign	308,950	644,080
Supplier credit	-	1,751,005
Outstanding against letter of credits - sight/usance	1,989,914	2,631,838
	<u>2,298,864</u>	<u>5,026,923</u>

The following significant exchange rate has been applied:

	Spot rate at reporting date	
	2022	2021
CNY to PKR	30.93	24.76
USD to PKR	<u>206.00</u>	<u>158.30</u>

Sensitivity analysis

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

	2022	2021
	----- Rupees in '000' -----	
Effect on profit or loss	<u>229,886</u>	<u>502,692</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

The weakening of the PKR against CNY 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:

	2022 Effective interest rate (in percent)	2022 Carrying amount -----Rupees in '000'-----	2021
Variable rate instruments			
Financial assets			
- Long term receivable due from associated undertaking (related party)	8.45% to 12.89%	460,650	508,966
- Deposit account	3.5% to 4.4%	5,119	206
- Loan to associated undertaking	8.38% to 16.16%	-	165,536
		465,769	674,708
Financial liabilities			
- Long term borrowings	5% to 16.31%	8,766,897	7,576,337
- Short term borrowings	7.95% to 16.68%	14,045,946	9,828,760
		22,812,843	17,405,097
Net variable rate instruments		(22,347,074)	(16,730,389)

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. Therefore, a change in interest rates at reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

	Increase / (Decrease) in basis points	(Decrease) / Increase in profit before tax ----- Rupees in '000'-----
June 30, 2022	+100 -100	(223,471) 223,471
June 30, 2021	+100 -100	(167,304) 167,304

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 behavior. Operational risk arises from the Company's activities.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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.

	2022	2021
	----- Rupees in '000' -----	
Long term borrowings		
Supplier credit		
Lease liabilities	8,766,897	7,576,337
Accrued markup	-	1,749,477
Short term borrowings	139,395	133,914
	672,265	320,605
	14,045,946	9,828,760
Less: Cash and bank balances	23,624,503	19,609,093
Net debt	A	(833,205)
Total capital and reserves	(215,063)	18,775,888
Total capital including net debt	B	13,810,784
		32,586,672
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 categorisation in Level 1, Level 2 and Level 3.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

36	PLANT CAPACITY AND ACTUAL PRODUCTION	Note	2022 ----- Rupees in '000'-----	2021
	Billets			
	Plant capacity		450,000	450,000
	Actual production		168,823	179,981
	Shortfall	36.1	281,177	270,019
	Bars			
	Plant capacity		250,000	250,000
	Actual production		144,606	151,449
	Shortfall	36.1	105,394	98,551
	Liquid gases			
	Plant capacity - cubic meters		16,800,000	1,300,000
	Actual production - cubic meters	36.2	9,807,035	-
	Shortfall - cubic meters		6,992,965	1,300,000

Plants are located at Port Qasim Karachi

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

36.2 Commercial production of liquid gases commenced during the year.

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, 2022 are located in Pakistan.
- (iii) The company's principal classes of products accounted for the following percentage of sales:

	2022 ----- Rupees in '000'-----	2021
Deformed bars	92%	90%
Billets	8%	10%
	100%	100%

Sales made to one major customer which constitutes 7.41%.

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, 2022

Associated Undertaking Denim International (Private) Limited

Markup income received during the year
Markup income accrued during the year
Loan disbursed during the year
Loan recovered / adjusted during the year

Note	2022 ---- Rupees in '000'----	2021
	15,804	12,862
	13,148	15,804
30	786,206	935,175
	951,742	991,200

Agha Steel Industries

Markup income received during the year
Markup income accrued during the year
Loan recovered during the year

39,248	82,072
48,782	39,248
48,316	56,273

A & Z Associates

Sales during the year
Receipts during the year

141,493	16,294
141,493	16,294

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, 2022, the utilization of proceeds from IPO is as follows:

	2022 ---- Rupees in '000'----	2021
Proceeds from IPO	3,840,000	3,840,000
IPO related expenses	(225,275)	(225,275)
Civil works	(1,073,825)	(414,030)
Electrical	(452,023)	(271,465)
Mechanical	(665,277)	(388,128)
Duties and other taxes	(535,410)	(535,410)
LC Discounting charges	(193,861)	(193,861)
Air Separation Unit	(694,329)	(408,231)
Unutilized balance	-	1,403,601

39.1 IPO proceeds have been fully utilized during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

40 NUMBER OF EMPLOYEES

	2022	2021
Total number of employees at reporting date	395	310
Average number of employees during the year	353	310

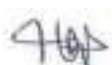
41 GENERAL

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 September 29, 2022.



Chief Executive



Chief Financial Officer



Director



OTHERS

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Ninth Annual General Meeting of the Shareholders of Agha Steel Industries Limited ("the Company") will be held on Monday, 24th October, 2022 at 11:30 a.m., at five Star Lawn, Jaffar-e-Tayyar Society near Ghazi Chowk, Karachi to transact the following business:

Ordinary Business

- 1) To confirm minutes of Eighth Annual General Meeting held on 22nd October, 2021.
- 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, 2022.
- 3) To appoint the Auditors for the year ending June 30, 2023 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 transact any other ordinary business with the permission of the chair which may be transacted at an Annual General Meeting.

Special Business

- 5) To consider and approve as recommended by the Directors, the change of registered office to Faisalabad, the industrial hub of Punjab. The matter is considered of great importance since the Company's new expansion will be completed within the next financial year and to reach out better with its additional capacity (2.5 times of its current capacity) the business is needed to be closer to the market for better reach. The move will substantially increase the shareholders' wealth and Company will be able to establish distribution channel for ever growing Steel Market of Punjab and KPK.

RESOLVED THAT change of registered office to Faisalabad, be and is hereby approved and adopted.

RESOLVED FURTHER THAT the Chief executive and Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions and to complete all legal formalities as may be necessary or incidental expedient for the purpose of implementing this resolution.

By the order of the Board

Date: 29th September 2022

Muhammad Muneeb Khan
Company Secretary

Notes:

1. Book Closure:

The Share Transfer Books of the Company will remain closed from 11th October, 2022 to 18th October, 2022 (both days inclusive). Transfers received in order by our Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi by the close of business on 10th October, 2022 will be considered in time for the determination of any entitlement, as recommended by the Board of Directors and attending the meeting.

2. Appointment of Proxies and Attending AGM:

- i) A member entitled to attend and vote at the meeting may appoint another member as his/her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
- ii) A duly completed instrument of proxy to be valid must be deposited at the registered office not less than 48 hours before the time of the meeting. Attested copies of valid CNIC or the passport of the member and the Proxy shall be furnished with the Proxy Form.
- iii) The instrument of proxy should be duly signed, stamped and witnessed by two persons with their names, address, CNIC numbers and signatures.
- iv) CDC account holders are also required to follow the guidelines as laid down in Circular No.1 dated 26, January 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

A. For Attending the Meeting:

- i) In case of individual, the account holder or sub-account holder and/or the person, whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) Members registered on Central Depository Company (CDC) are also requested to bring their particulars, I.D. numbers and account numbers in CDS.
- iii) In case of a corporate entity, the Board of Directors' resolution/Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

B. For Appointing Proxies:

- i) In case of individual, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per requirement notified by the Company.
- ii) The Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his original CNIC or original passport at the time of the meeting. Corporate entities shall submit the Board of Directors resolution/Power of Attorney with specimen signature along with proxy form.

3. Change in Members Addresses:

Members are requested to notify any changes in their addresses immediately to the Share Registrar M/s. CDC Share Registrar Services Limited.

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 E-Mail and by CD/DVD/USB:

The Company be and is hereby allowed to transmit its annual audited financial statements, auditor's report and directors report etc. (annual audited accounts) to the Company's shareholders at their registered addresses in the form of soft copies in CD/DVD/USB instead of transmitting the annual audited accounts in printed copy as allowed by the Securities and Exchange Commission of Pakistan via SRO No.470 (I)/2016 dated May 31, 2016.

7. Unclaimed dividends & bonus shares:

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact our Share Registrar M/s CDC Share Registrar Services Limited Ltd. to collect/enquire about their unclaimed dividend or pending shares, if any.

Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan.

8. Filer and Non-Filer Status:

- i) 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:
 - a) For filers of income tax returns – 15%
 - b) For non-filers of income tax returns – 30%

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.

- ii) For any query/problem/information, the investors may contact the Share Registrar at the following phone numbers, or email addresses:

CDC House, 99-B, Block B,
S.M.C.H.S., Main Shahra-e-Faisal,
Karachi – 74400.

- iii) Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Share Registrar i.e. M/s CDC Share Registrar Services Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio number.

9. Participation in the AGM Via the Video Conferencing Facility:

The Securities & Exchange Commission of Pakistan (SECP) through its Circular No. 8 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 Corporate@aghasteel.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 21st October, 2022 before the time of AGM.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address: Corporate@aghasteel.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

ویڈیو کانفرنسنگ کی سہولت کے ذریعے AGM میں شرکت:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے سرکڑ نمبر 6 مورخہ 03 مارچ 2021 کے ذریعے لسٹڈ کمپنیوں کو اجازت دی ہے کہ وہ ویڈیو لنک کی سہولت کے ذریعے سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی شرکت کے علاوہ ممبران کی جسمانی حاضری کا بندوبست کریں۔ ویڈیو کانفرنسنگ کے ذریعے میٹنگ میں شرکت میں دلچسپی رکھنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ درج ذیل معلومات کو "آغا اسٹیل انڈسٹریز لمیٹڈ AGM کے لیے رجسٹریشن موضوع" کے ساتھ اپنے کمپیوٹر یا موبائل فون پر شناختی کارڈ (CNIC) کے دونوں اطراف کی درست کاپی کے ساتھ cdcsr@cdcrsl.com پر ای میل یا 0321-8200864 پر وائس اپ کریں۔ ویڈیو لنک اور لاگ ان کی معلومات صرف ان ممبران کے ساتھ شیئر کی جائیں گی جن کی ای میل، تمام مطلوبہ تفصیلات، 21 اکتوبر 2022 کو AGM کے وقت سے پہلے موصول ہو جانی چاہئے۔

شیئر ہولڈرز AGM کے ایجنڈا آئٹمز کے لیے اپنے تبصرے اور سوالات بھی ای میل cdcsr@cdcrsl.com پر فراہم کر سکتے ہیں۔

شیئر ہولڈر/پراسس ہولڈر کا پرانا نام	کمپنی	شناختی کارڈ نمبر	فولیو نمبر	موبائل نمبر	ای میل ایڈریس
	آغا اسٹیل انڈسٹریز لمیٹڈ				

نوٹ:

- میٹنگ کانٹریکٹ کمپنی کی ویب سائٹ www.aghasteel.com پر شیئر ہولڈرز کو بھیجنے کے علاوہ آویزاں کر دیا گیا ہے۔
- شیئر ہولڈرز کی سہولت کے لئے کمپنی پاکستان اسٹاک ایکسچینج سے میٹنگ کے مقام تک پہنچنے کے لئے صبح 10:00 بجے اور واپسی پاکستان اسٹاک ایکسچینج تک ٹرانسپورٹ کی سہولت مہیا کرے گی۔

غیر دعوی شدہ منافع اور بونس حصص:

شیر ہولڈرز، جو کسی بھی وجہ سے اپنی منافع منقسمہ یا بونس شیرز کا دعوی نہیں کر سکے یا اپنے طبعی حصص کو وصول نہ کر سکے، انہیں مشورہ دیا جاتا ہے کہ وہ اپنے غیر دعوی دار منافع منقسمہ یا زیر التواء حصص، اگر کوئی ہے کے بارے میں معلومات حاصل کرنے کے لیے ہمارے شیر رجسٹرار میسرزی ڈی سی ایس شیر رجسٹرار سروسز لمیٹڈ سے رابطہ کریں۔

ازراہ کرم نوٹ فرمائیں کہ کمینٹریکٹ، 2017 کے سیکشن 244 کی تعمیل میں، مقررہ طریقہ کار کو مکمل کرنے کے بعد، غیر دعوی شدہ منافع منقسمہ اپنے واجب الادا ہونے تاریخ سے تین سال تک ناقابل ادا رہے ہوں تو، انہیں وفاقی حکومت کے پاس جمع کروایا جائے گا اور حصص کی صورت میں حصص کی رقم سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو دے دی جائے گی۔

فائلر اور نان فائلر کی حیثیت:

(ا) حکومت پاکستان نے انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 میں ٹانس ایکٹ، 2022 کے ذریعے کمپنیوں کی طرف سے ڈیویڈنڈ کی ادائیگیوں پر ہولڈنگ ٹیکس کے لیے درج ذیل شرحیں تجویز کی ہیں۔

(ا) انکم ٹیکس گوشوارے جمع کرانے والوں کے لیے - 15%

(ب) انکم ٹیکس گوشوارے نہ جمع کرانے والوں کے لیے - 30%

جن ممبران کے نام ایف بی آر کی ویب سائٹ پر فراہم کردہ فعال ٹیکس دہندگان کی فہرست (اے ٹی ایل) میں درج نہیں ہیں، اس حقیقت کے باوجود کہ وہ فائلرز ہیں، ان کو تجویز دی جاتی ہے کہ وہ اپنے نام کے اندراج کو ATL میں یقینی بنائیں تاکہ مستقبل میں کسی بھی منافع منقسمہ کی ادائیگی پر زیادہ ٹیکس کٹوتیوں سے بچا جاسکے۔

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

سی ڈی سی شیر رجسٹرار سروسز لمیٹڈ

سی ڈی سی ہاؤس، 99-بی، بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی - 74400۔ ٹیلیفون

نمبر 0800-23275، ای میل: info@cdcsrsl.com، ویب: www.cdcsrsl.com

(سی ڈی سی اکاؤنٹس رکھنے والے کارپوریٹ شیر ہولڈرز کو اپنے متعلقہ شرکاء کے ساتھ اپنا نیشنل ٹیکس نمبر (NTN) اپ ڈیٹ کرنا ہوگا، جب کہ کارپوریٹ فزیکل شیر ہولڈرز کو اپنے NTN سرٹیفکیٹ کی ایک کاپی شیر رجسٹرار کو بھیجی چاہیے۔ یعنی CDC شیر رجسٹرار سروسز لمیٹڈ۔ شیر ہولڈرز کو NTN یا NTN سرٹیفکیٹ بھیجتے وقت، جیسی بھی صورت ہو، کمپنی کا نام اور اپنے متعلقہ فوئیو نمبر کا حوالہ دینا چاہیے۔

- (۲) پراکسی فارم کی تصدیق دو افراد کریں جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں گے۔
- (۳) ممبران کی تصدیق شدہ CNIC کی کاپیاں یا پاسپورٹ کو پراکسی فارم کے ساتھ جمع کروایا جائے گا۔
- (۴) نمائندہ اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرے گا۔ کارپوریٹ ادارے پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ نمونہ دستخط جمع کرائیں گے۔

اراکین کے بتوں میں تبدیلی:

ممبران سے درخواست ہے کہ وہ اپنے بتوں میں کسی بھی تبدیلی کی اطلاع شیئر رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سرورز لمیٹڈ کو فوری طور پر دیں۔

درست CNICs کی نقل کی فراہمی (لازمی):

ممبران، جنہوں نے ابھی تک اپنے درست CNIC کی تصدیق شدہ فوٹو کاپی اپنے فلیو نمبر کے ساتھ جمع نہیں کرائی ہے، ان سے درخواست کی جاتی ہے کہ وہ اسے جلد از جلد کمپنی کے شیئر رجسٹرار کو بھیج دیں۔

منافع منقسمہ کی بذریعہ برقی طریقے کار ادائیگی (لازمی):

کمپنیز ایکٹ، 2017 کے سیکشن 242 کی دفعات کے تحت، لسٹڈ کمپنی کے لیے لازمی ہے کہ وہ اپنے شیئر ہولڈرز کو نقد منافع منقسمہ صرف الیکٹرانک موڈ کے ذریعے براہ راست حقدار شیئر ہولڈرز کے تجویز کردہ بینک اکاؤنٹ میں ادا کرے۔ براہ راست اپنے بینک اکاؤنٹ میں منافع منقسمہ حاصل کرنے کے لیے، حصص یافتگان سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ پر دستیاب الیکٹرانک کریڈٹ مینڈیٹ فارم کو پُر کریں اور طبعی حصص رکھنے والے کمپنی کے رجسٹرار کو CNIC کی ایک کاپی کے ساتھ دستخط شدہ فارم کے ساتھ بھیجیں۔ اگر سی ڈی سی میں حصص رکھے گئے ہیں تو الیکٹرانک کریڈٹ مینڈیٹ فارم براہ راست شیئر ہولڈر کے بروکر/پارٹنر/سی ڈی سی اکاؤنٹ سرورز کو جمع کرانا ہوگا۔

مالیاتی گوشواروں کی ترسیل بذریعہ ای میل اور CD/DVD/USB:

کمپنی کو اپنے سالانہ آڈٹ شدہ مالیاتی گوشواروں، آڈیٹر کی رپورٹ اور ڈائریکٹرز کی رپورٹ وغیرہ (سالانہ آڈٹ شدہ اکاؤنٹس) پرنٹ شدہ کاپی میں کمپنی کے شیئر ہولڈرز کو ان کے رجسٹرڈ پتے پر بھیجنے کے بجائے CD/DVD/USB میں سافٹ کاپیوں کی صورت میں ارسال کرنے کی اجازت سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے ایس آر او نمبر 470 (I) 2016/ مورخہ 31 مئی 2016 کے ذریعے دے دی ہے۔

گزارشات

کمپنی کے حصص کی منتقلی کے کھاتے 11 اکتوبر 2022 سے 18 اکتوبر 2022 تک (بشمول دونوں دن) بند رہیں گے۔ ہمارے شیئر رجسٹرار، میسرز CDC شیئر رجسٹرار سرورس لمیٹڈ، CDC ہاؤس، S.M.C.H.S، Block-B، B-99، مین شاہراہ فیصل، کراچی 10 اکتوبر 2022 کو دفتری اوقات کے اختتام سے قبل موصول ہونے والی منتقلیوں کو بورڈ آف ڈائریکٹرز کی طرف سے تجویز کردہ کسی بھی حق کے تعین کیلئے برقت تصور کیا جائے گا اور اجلاس میں شرکت کیلئے اہل سمجھا جائے گا۔

نمائندوں کی تقرری اور سالانہ اجلاس میں شرکت

- ۱) اجلاس میں شرکت کرنے اور ووٹ دینے کا حقدار رکن کسی دوسرے ممبر کو اپنا پراکسی (نمائندہ) مقرر کر سکتا ہے جسے اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے جیسے حقوق حاصل ہونگے جو کہ ممبر کو دستیاب ہیں۔
- ۲) ایک باضابطہ مکمل پر شدہ درست پراکسی فارم لازمی طور پر اجلاس کے آغاز کے وقت سے کم از کم 48 گھنٹے قبل رجسٹرڈ آفس میں جمع کروایا جائے، ممبر اور پراکسی کے درست CNIC یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ساتھ فراہم کی جائیں گی۔
- ۳) پراکسی فارم باضابطہ دستخط شدہ اور ممبر شدہ ہونا چاہئے اور اس دو گواہان کے نام، پتے، CNIC نمبر ہونے چاہئیں۔
- ۴) سی ڈی سی اکاؤنٹ ہولڈرز کو بھی 26 جنوری 2000 کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے جاری کردہ سرکلر نمبر 1 میں بیان کردہ ہدایات پر عمل درآمد کرنا ضروری ہے۔

اجلاس میں شرکت کے لیے

- ۱) انفرادی فرد کی صورت میں اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر/یا وہ شخص، جس کے حصص گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، میٹنگ میں شرکت کے وقت ان کی شناخت کی تصدیق اصلی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دیکھ کر کی جائے گی۔
- ۲) سینٹرل ڈپازٹری کمپنی (CDC) میں رجسٹرڈ ممبران سے بھی درخواست کی جاتی ہے کہ وہ اپنی تفصیلات، اپنے CDS کا ID نمبر اور اکاؤنٹ نمبر ساتھ لائیں۔
- ۳) کارپوریٹ ادارے کی صورت میں، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی جس میں نامزد شخص کے دستخط ہوں کہ نمونے کے ساتھ پیش کی جائے گی (اگر یہ پہلے فراہم نہ کیا گیا ہو)۔

نمائندوں کی تقرری کے لئے

- ۱) فرد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر/یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، کمپنی کی طرف سے مطلع کردہ ضرورت کے مطابق پراکسی فارم جمع کرائے گا۔

سالانہ اجلاس عام کانٹنس

اطلاع دی جاتی ہے کہ آغا اسمیل انڈسٹریز لمیٹڈ ("کمپنی") کے حصص یافتگان کانٹنس سالانہ اجلاس بروز پیر 24 اکتوبر 2022 کو صبح 11:30 بجے فائیو اسٹار لان جعفر علیا رسوسائٹی نزد غازی چوک کراچی میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عمومی امور

- (1) 22 اکتوبر 2021 کو منعقدہ آٹھویں سالانہ اجلاس عام کی کاروائی کی توثیق کرنا۔
- (2) 30 جون 2022 کو ختم ہونے والے سال کے لیے ڈائریکٹرز اور ان پر آڈیٹرز کی رپورٹس کے ساتھ کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی وصولی، غور و خوض اور منظوری دینا۔
- (3) 30 جون 2023 کو ختم ہونے والے سال کے لیے آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین، بورڈ آف ڈائریکٹرز نے میسرز ریندا ہارون زکر یا اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی بطور بیرونی آڈیٹرز دوبارہ تقرری کی سفارش کی ہے۔
- (4) چیئر کی اجازت سے کسی دوسرے عام کاروباری معاملے پر غور جو سالانہ اجلاس عام میں کیا جاسکتا ہے۔

خصوصی امور

- (5) ڈائریکٹرز کی سفارشات کے مطابق رجسٹرڈ آفس کو پنجاب کے صنعتی مرکز فیصل آباد میں تبدیل کرنے پر غور اور اس کی منظوری دینا۔ یہ معاملہ بہت اہمیت کا حامل سمجھا جاتا ہے کیونکہ کمپنی کی نئی توسیع اگلے مالی سال کے اندر مکمل ہو جائے گی اور اپنی انسانی صلاحیت (اس کی موجودہ صلاحیت کا 2.5 گنا) کے ساتھ بہتر طریقے سے پہنچنے کے لیے کاروبار کو بہتر رسائی کے لیے مارکیٹ کے قریب ہونے کی ضرورت ہے۔ اس اقدام سے حصص یافتگان کی دولت میں خاطر خواہ اضافہ ہوگا اور کمپنی پنجاب اور کے پی کے کی مسلسل بڑھتی ہوئی کھیل مارکیٹ کے لیے ڈسٹری بیوشن چینل قائم کر سکے گی۔
- طے پایا کہ رجسٹرڈ آفس کی فیصل آباد میں تبدیلی اور اس کی منظوری دی گئی ہے۔
- مزید یہ طے پایا کہ کمپنی کے چیف ایگزیکٹو اور کمپنی سیکریٹری کو انفرادی طور پر تمام کاموں، معاملات، معاہدات اور چیزوں کو کرنے، کوئی ایک یا تمام ضروری اقدامات کرنے اور تمام قانونی رسمی کارروائیوں کو مکمل کرنے کے لیے جو ضروری یا مفید ہو، اس قرار داد پر عمل درآمد کے مقصد کے لیے مکمل اختیار دیا گیا ہے۔

حسب الحکم بورڈ

محمد فیض خان

کمپنی سیکریٹری

مورخہ 29 ستمبر 2022

FORM OF PROXY

09th Annual General Meeting

The Company Secretary
Agha Steel Industries Limited
Emerald Tower,
Suite No. 801 & 804,
Karachi

I/we _____ of _____ being a member(s) of Agha Steel Industries Limited, holding _____ Ordinary/Preference Share as per CDC A/c. No. _____ hereby appoint Mr/Mrs/Miss _____ of (full address) _____ or failing him/her Mr/Mrs/Miss _____ of (full address) _____

(being member of the Company) as my/our Proxy to attend, act vote for me/us and on my/our behalf at the 09th Annual General Meeting of the Company to be held on Monday, 24th October, 2022 at 11:30 a.m. at five Star Lawn, Jaffar-e-Tayyar Society near Ghazi Chowk, Karachi and/or any adjournment thereof.

Signed this day of 2022.

Witnesses

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

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

Signature on
Rs. 5/-
Revenue Stamp

NOTES:

1. A member entitled to attend and vote at the meeting may appoint another person as his/her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
2. In order to be effective, the proxy Form must be received at the office of our Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi, not later than 48 hours before the meeting duly signed and stamped and witnessed by the two persons with their signatures, name, address and CNIC number given on the form.
3. CDC shareholders or their Proxies are each requested to attach an attested photocopy of their Computerized National identity Card or Passport with this Proxy Form before submission to the Company.
4. In case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy Form.

پراکسی فارم

نواں سالانہ اجلاس عام

میں نام _____ ساکن _____ آغا شیل انڈسٹریز لمیٹڈ کے ممبران

تہا _____ عوامی اترتختی حصص کے حامل برطانیہ CDC کا ڈنٹ نمبر _____ مسٹر/مسز/امس

ساکن (مکمل پتہ) _____ یا ان کے حاضر ہونے پر مسٹر/مسز/امس

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

ہو گئے جو کہ میری/ہماری طرف سے بروز 24 اکتوبر 2022 کو 11:30 بجے کاغذی سالانہ اجلاس کے حاضر ہونے کے لئے اور ووٹ دے سکیں گے اور ووٹ دینے کی صورت میں بھی یہی میرے پراکسی ہو گئے۔

دھچکا
پانچ روپے
ریجنیو اسٹیپ

دھچکا 2022

گواہان

1- نام _____	2- نام _____
پتہ _____	پتہ _____
CNIC نمبر _____	CNIC نمبر _____
دھچکا _____	دھچکا _____

نوٹس:-








1. میٹنگ میں شرکت کرنے اور ووٹ دینے کا اقتدار کسی دوسرے شخص کو اپنا پراکسی مقرر کر سکتا ہے جس کے پاس میٹنگ میں شرکت کرنے، بولنے اور ووٹ دینے کے وہی حقوق حاصل ہو گئے جو ممبر کو حاصل ہیں۔
2. ووٹر ہونے کے لیے باضابطہ مکمل پُر شدہ درست پراکسی فارم دو گواہان کے دھچکا، نام، پتوں اور CNIC نمبر کے ساتھ لازمی طور پر اجلاس کے جنت سے کم از کم 48 گھنٹے قبل ہمارے رجسٹر اریسرز CDC شیئر رجسٹر اریسرز لمیٹڈ، کے آفس مقامی ڈی سی آؤس 99- بی، بلاک- بی، ایس ایم سی ایچ ایس، مین شاہ رو فیصل، کراچی، کو موصول ہونے چاہئیں۔
3. CDC کے شیئر ہولڈرز پان کے پراکسیز (تمہاروں) سے درخواست کی جاتی ہے کہ وہ کٹائی کو اپنے کمپیوٹر یا ڈیجیٹل شناختی کارڈ یا پاسپورٹ کی ایک تصدیق شدہ فوٹو کا پی ایس پراکسی فارم کے ساتھ منسلک کریں۔
4. کسی کارپوریٹ ادارے کی طرف سے پراکسی کی صورت میں، ایورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی اور CNIC یا پراکسی کے پاسپورٹ کی تصدیق شدہ فوٹو کا پی ایس پراکسی فارم کے ساتھ منسلک کرانی چاہئے گی۔








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