

10<sup>th</sup> September 2025

FORM-3

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Subject: **Announcement - Financial Results for the Year Ended 30<sup>th</sup> June 2025**

Dear Sir

We have to inform you that Board of Directors of our company, Aisha Steel Mills Limited (ASML), in their meeting held yesterday, i.e. on Tuesday, 9<sup>th</sup> September 2025 at 3:30 p.m. at Arif Habib Centre, M. T. Khan Road, Karachi, recommended the following:

i) CASH DIVIDEND	NIL
(ii) BONUS SHARES	NIL
(iii) RIGHT SHARES	NIL
(iv) ANY OTHER ENTITLEMENT/CORPORATE ACTION	NIL
(v) ANY OTHER PRICE-SENSITIVE INFORMATION	NIL

The financial results for the year ended 30<sup>th</sup> June 2025, along with the required additional statements, are attached herewith as follows :

- Statement of Profit or Loss and Other Comprehensive Income (**Annexure-A**)
- Statement of Financial Position (**Annexure-B**)
- Statement of Changes in Equity (**Annexure-C**)
- Statement of Cash Flows (**Annexure-D**)
- Directors' Report (**Annexure-E**)

The Annual General Meeting of the Company will be held on **Friday, 17<sup>th</sup> October 2025** at **11:30 a.m.** at **Karachi**.

Share Transfer Books of the Company for its following securities will be closed from **10<sup>th</sup> October 2025** to **17<sup>th</sup> October 2025** (both days inclusive).

- Aisha Steel Mills Limited (Ordinary) – ASL
- Aisha Steel Mills Limited (Preference Shares) – ASLPS
- Aisha Steel Mills Limited (Cumulative Preference Shares) – ASLCPS

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Registered & Corporate Head Office  
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Karachi – Pakistan  
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www.aishasteel.com

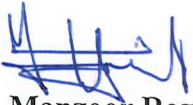
Factory  
DSU-45, Pakistan Steel, Down stream Industrial Estate,  
Bin Qasim, Karachi – Pakistan  
Tel: 0092 213 474 0160-7 | Fax: 0092 213 213 474 0151  
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Transfers received for aforementioned securities in order at the office of our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi at the close of the business on **Thursday, 9<sup>th</sup> October 2025** will be considered in time for all shareholders to attend and vote at the meeting.

The Annual Report of the Company will be transmitted through PUCARS at least 21 days before holding of Annual General Meeting.

Yours' faithfully



**Manzoor Raza**  
Company Secretary



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 Rupees '000	2024
Revenue from contracts with customers	24	33,751,703	42,749,652
Cost of sales	25	(32,084,444)	(38,919,010)
<b>Gross profit</b>		<b>1,667,259</b>	<b>3,830,642</b>
Selling and distribution cost	26	(480,862)	(568,902)
Administrative expenses	27	(582,535)	(446,436)
<b>Operating profit</b>		<b>603,862</b>	<b>2,815,304</b>
Other expenses	28	(75,714)	(5,989)
Other income	29	538,014	254,902
Finance costs	30	(2,732,465)	(3,860,825)
<b>Loss before levies and income tax</b>		<b>(1,666,303)</b>	<b>(796,608)</b>
Levies - final tax	31	(53,859)	(16,684)
<b>Loss before income tax</b>		<b>(1,720,162)</b>	<b>(813,292)</b>
Income tax credit	32	368,308	680,822
<b>Loss for the year</b>		<b>(1,351,854)</b>	<b>(132,470)</b>
Other comprehensive income:			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of employee benefit obligations net of deferred tax		(20,109)	(19,455)
Surplus on revaluation of property, plant and equipment		-	244,607
Impact of deferred tax		-	(77,419)
		-	167,188
<b>Other comprehensive (loss) / income for the year</b>		<b>(20,109)</b>	<b>147,733</b>
<b>Total comprehensive (loss) / income for the year</b>		<b>(1,371,963)</b>	<b>15,263</b>
			Rupees
Loss per share			
- Basic and diluted	33.1	(1.55)	(0.26)

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



## AISHA STEEL MILLS LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	Note	2025 Rupees '000	2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	19,594,487	19,624,339
Intangible assets	5	37,368	43,300
Long-term advances	6	279	294
Long-term deposits	7	65,613	68,601
Deferred tax asset	8	3,407,688	2,650,936
		<u>23,105,435</u>	<u>22,387,470</u>
<b>Current assets</b>			
Inventories	9	8,101,475	9,870,972
Trade and other receivables	10	1,477,417	2,930,930
Loans, advances and prepayments	11	543,452	554,932
Tax refunds due from government - sales tax		280,611	-
Taxation - payments less provision		4,795,775	4,635,782
Cash and bank balances	12	452,292	217,072
		<u>15,651,022</u>	<u>18,209,688</u>
<b>Total assets</b>		<u><b>38,756,457</b></u>	<u><b>40,597,158</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	13		
Ordinary shares		9,300,159	9,300,159
Cumulative preference shares		444,950	444,950
Difference on conversion of cumulative preference shares into ordinary shares		(1,762,459)	(1,762,459)
		<u>7,982,650</u>	<u>7,982,650</u>
Capital reserve			
Surplus on revaluation of property, plant and equipment	14	2,214,080	2,229,316
Capital reduction reserve		667,686	667,686
Revenue reserve			
(Accumulated loss) / unappropriated profit		(529,401)	827,326
Contributions from sponsor	15	10,281,098	4,000,000
		<u>20,616,113</u>	<u>15,706,978</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term finance - secured	16	-	572,133
Lease liabilities	17	152,174	171,579
Employee benefit obligations	18	260,206	197,759
		<u>412,380</u>	<u>941,471</u>
<b>Current liabilities</b>			
Trade and other payables	19	1,070,049	2,943,108
Provisions	20	497,195	497,195
Short-term borrowings	21	15,069,089	16,490,129
Sales tax payable		-	178,116
Unclaimed dividend		2,378	3,223
Current maturity of long-term finance	16	593,580	2,623,137
Current maturity of lease liabilities	17	21,091	22,272
Accrued mark-up	22	474,582	1,191,529
		<u>17,727,964</u>	<u>23,948,709</u>
<b>Total liabilities</b>		<u><b>18,140,344</b></u>	<u><b>24,890,180</b></u>
<b>Contingencies and commitments</b>	23		
<b>Total equity and liabilities</b>		<u><b>38,756,457</b></u>	<u><b>40,597,158</b></u>

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



**AISHA STEEL MILLS LIMITED**

Annexure-C

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2025**

	Share capital			Reserves		Contribution from sponsor	Total	
	Ordinary shares	Cumulative preference shares	Difference on conversion of cumulative preference shares into ordinary shares	Capital	Revenue			
				Surplus on revaluation of property, plant and equipment	Capital reduction reserve (note 13.2)			unappropriated profit / (accumulated loss)
				Rupees '000				
Balance as at July 1, 2023	9,300,159	444,950	(1,762,459)	2,116,203	667,686	925,176	4,000,000	15,691,715
Incremental depreciation net of deferred tax transferred	-	-	-	(54,075)	-	54,075	-	-
Total comprehensive loss for the year ended June 30, 2024								
- Loss for the year ended June 30, 2024	-	-	-	-	-	(132,470)	-	(132,470)
- Other comprehensive income / (loss) for the year ended June 30, 2024	-	-	-	167,188	-	(19,455)	-	147,733
	-	-	-	167,188	-	(151,925)	-	15,263
Balance as at June 30, 2024	9,300,159	444,950	(1,762,459)	2,229,316	667,686	827,326	4,000,000	15,706,978
Incremental depreciation net of deferred tax transferred	-	-	-	(15,236)	-	15,236	-	-
Net Contributions received - note 15	-	-	-	-	-	-	6,281,098	6,281,098
Total comprehensive loss for the year ended June 30, 2025								
- Loss for the year ended June 30, 2025	-	-	-	-	-	(1,351,854)	-	(1,351,854)
- Other comprehensive loss for the year ended June 30, 2025	-	-	-	-	-	(20,109)	-	(20,109)
	-	-	-	-	-	(1,371,963)	-	(1,371,963)
Balance as at June 30, 2025	9,300,159	444,950	(1,762,459)	2,214,080	667,686	(529,401)	10,281,098	20,616,113

The annexed notes 1 to 47 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 Rupees '000	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	34	2,307,675	2,026,040
Income tax and levies paid		(589,439)	(922,861)
Mark-up paid		(3,369,186)	(3,789,487)
Return on bank deposits received		9,673	20,915
Employee benefits paid		(30,237)	(27,159)
Receipts from long-term advances		15	21
Receipt / (payment) against long-term deposits		2,988	(174)
Net cash used in operating activities		(1,668,511)	(2,692,705)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(307,947)	(625,369)
Sale proceeds from disposal of property, plant and equipment		5,433	21,162
Net cash used in investing activities		(302,514)	(604,207)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term finance		(2,623,100)	(1,362,937)
Contributions received from sponsor		8,281,098	-
Repayments made to sponsor		(2,000,000)	-
Short-term loan obtained		43,712,191	42,725,986
Short-term loan repaid		(43,814,619)	(38,392,918)
Dividend paid		(845)	(65,046)
Lease rentals paid		(29,868)	(44,593)
Net cash generated from financing activities		3,524,857	2,860,492
Net increase / (decrease) in cash and cash equivalents		1,553,832	(436,420)
Cash and cash equivalents at beginning of the year		(1,553,853)	(1,117,433)
Cash and cash equivalents at end of the year	35	(21)	(1,553,853)

Statement of cash flows based on direct method has also been included in the financial statements in note 36.

The annexed notes 1 to 47 form an integral part of these financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer



## **Directors' Report**

Dear Fellow Shareholders

The directors of **Aisha Steel Mills Limited (ASML)** present herewith the Annual Report of the Company and the Audited Financial Statements for the year ended June 30, 2025 together with Auditors' Report thereon and a brief overview of the steel market and financial and operational performance of the Company.

## **Principal Activities**

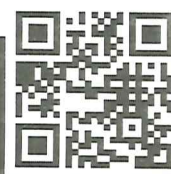
ASML produces Cold Rolled Coils (CRC) and Galvanized Iron Coils (GI) of international quality standards from imported Hot Rolled Coils (HRC). Company's products are used in automotive, industrial, engineering and manufacturing sectors as premier raw material for further processing into a wide variety of value-added products for domestic, as well as export markets. GI products are consumed in various applications, including building accessories, pipes, electrical appliances etc.

## **Steel Market Review:**

HRC prices gradually declined from around US\$ 530 FOB China in July 2024 to US\$ 450 by June 2025. The prices since have stabilized and showing sign of recovery following China policy changes restricting production to control environment pollution. The international steel market also witnessed radical tariff policy changes implemented by the current American administration, followed by reciprocal steps from the affected countries. The market is now readjusting as per the new norms and signs of stability are emerging. Demand is expected to gradually improve both in America, Europe and other countries.

Steel demand in Pakistan is recovering as well. In the flat steel cold rolled sector, comprising mainly of CRC and GI, the overall demand has increased from 570,000 tons recorded in the FY 22-23, to 1,049,000 tons used in FY 2024-25, an increase of about 84%. However, the local producers could not benefit from the demand increase and only saw 3% increase in sales for the period. The imports in the same period increased by around 148%.

The incentive of sales tax-free import allowed to FATA/PATA region continued in the FY 24-25. However, from FY 25-26, FATA/PATA imports will be subjected to 10% sales tax instead of zero. The same is to be increased gradually each year to bring it in line with normal 18% applicable elsewhere in the country. This will make imports from FATA/PATA less attractive, and quantities sold in the open market are expected to come down substantially.



The commercial importers were also very active and found ways to circumvent Antidumping Duties (ADD) by misdeclaration CRC as HRC and importing alternate materials like ZAM and Galvalume in place of GI to avoid ADD.

The local producers had filed case in National Tariff Commission (NTC) to check circumvention of antidumping duties on similar application alternate materials. NTC, after due diligence and review process implemented ADD on the alternate products like ZAM and Galvalume. All such products will now be subject to ADD as applicable in case CRC and GI.

Both the above developments will help local flat steel producers to increase their market share. The capacity utilization of ASML is expected to improve in the financial year 2025-2026.

### Company's Performance Highlights

The total quantity sold during the July-2024-June 2025 period was 148,942 tons, out of which 25,456 tons were exports. The quantity sold in the corresponding period last year was 164,732 tons, showing a decrease of about 10%. The exports during the corresponding period last year were 21,135 tons.

The total quantity produced during the period was 158,732 tons compared to 159,444 tons produced in the corresponding period last year, showing a decrease of about 700 tons. The average inventory in the July-to-June period was 14,275 tons compared to 11,505 tons recorded in the same period last year.

The total revenue for the period remained Rs. 33.75 billion compared to Rs. 42.75 billion achieved last year, showing a decrease of about 21%.

The overall summary of performance is given below:

	FY 2024-25 Jul-June	FY 2023-24 Jul-June
Avg. Monthly CRC & GI Production	13,228	13,287
Average Monthly CRC & GI Dispatch	12,412	13,728
Average Monthly FG Stock CRC & GI	14,275	11,505
Production was almost same as last year	Sales decreased by about 10%	





### **The Financial Indicators**

The quantity sold during FY 2024-25 was 10% less compared to the FY 2023-24 and revenue decreased by about 21%. The declining trend in the international HRC, CRC and GI prices and stiff competition from imports forced local producers to drop prices several times during the year. The gross profit margin was squeezed down to 4.94% compared to 8.9% achieved last year. The loss before tax was Rs. 1,666 million compared to Rs. 797 million losses recorded in the previous year. The table below depicts comparison with the last financial year.

Description	2025	2024
	Rs. In Million	
Revenue	33,752	42,750
Gross profit	1,667	3,831
Profit from operations	604	2,815
Finance Costs	2,732	3,861
Loss before tax	(1,666)	(797)
Loss after tax	(1,352)	(132)
Loss per share in (Rupees)		
Basic	(1.55)	(0.26)

Low sale volume and the gross margin reduction are the main reasons causing a loss of PKR 1,352 million.

### **Future outlook**

The FATA/PATA imports, from FY 2025-26, will be subjected to 10% sales tax, reducing its impact. The implementation of anticircumvention law by NTC will discourage imports of alternate products like GL and ZAM, providing opportunity to the local producers to increase their contribution. The HRC prices have stabilized and are expected to rise gradually going forward. The improvement in economic indicators and positive business sentiment is likely to generate further demand in the flat steel sector. The Company is confident and remains committed to increasing its market share and delivering sustainable returns for its shareholders in the long run.

### **Non-Financial Performance**

Your Company has established itself as one of the leading quality producers, both in CRC and GI coils. It has well defined systems and procedures, as well as an experienced management team to successfully operate this world class facility. Continuous improvement in quality and productivity



is the core operational philosophy. We recognize the need for enhancement in our marketing efforts to better compete in the market. We have set and achieved highest customer service and satisfaction standards in the industry. During the year, the Company conducted various training courses, both technical and behavioral for its human resource capital. Company adheres to all legal and regulatory stipulations and maintains strong relationship with all the stakeholders.

The skin pass mode of CRSM was restored soon after the fire accident of 2020. The rolling mode, however, remains suspended. The company has settled its claim with the insurance company. The rolling mode will be restored when the market demand recovers. This does not have adverse impact on our current production and sales as the demand is adequately met through the new rolling mill of 500,000 tons per year capacity.

### **Existing Operations and Market Share**

In the local market, ASML is considered as a significant player in the manufacturing of CRC and GI and aims to enhance its role in meeting both CRC and GI requirement of the industry. The Company plans to expand its market presence and specifically focus on original equipment manufacturers to extract additional share.

The market share of ASML, in the year 2024-25 dropped to about 12% compared to 18% achieved in the previous year. The imports increased to 63% compared to 52% last year. The competitor's share in the local market decreased 17% compared to 23% achieved last year. The new cold rolling facility, set up in Lahore accounted for the balance 8%. ASML exports increased to about 25,000 tons compared to about 20,000 tons last year.

### **Nature of Business**

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

### **Raw Material Procurement**

Procurement of quality HRC at the right price is of vital significance in CRC / GI business. Higher management of the Company is directly involved in the procurement of HRC and is making every effort to ensure timely availability at optimal price. All efforts are being made to diversify Company's procurement sources. Currently, ASML imports HRC from eight different countries across the globe.





## Risk Management

The Company follows prudent risk management practices. The Board has devised a risk management policy and regularly reviews all key risks that the Company is exposed to. The risk management system is designed to promote a balanced approach towards risks at all organizational levels. The system is geared to identify and analyze the opportunities and risks at an early stage, their measurement and the use of suitable instruments to manage and monitor risks.

The Company's key business being that of a manufacturing concern, has evolved its risk management system incorporating both production and sales strategy. Starting with raw material procurement, the Company has always followed a policy of diversification of sources with a focus on quality, basing its decisions on product mix requirements, customer demand and market analysis. The Company manages its risks by applying caution with respect to the stock selection and inventory levels, avoiding concentration risk, ensuring credit / receipt of clean funds from the buyer dealers and continuously assessing the capacity of the counter-party. In addition, the Company has played a continuing role through its representatives in the development of sector on both ends of manufacturers and customers' awareness and simplification of customs and tariff matters.

In order to minimize and manage operational risk, the starting point has always been an in-depth analysis before making investment in inventory procurement. Supplementing that with hiring qualified and experienced professionals, applying budgetary and other internal controls, continuing review of performance of the procurement, production, sales and corporate governance segments and taking corrective measures as and when needed.

The Board remains committed to managing sustainability-related risks by integrating environmental, social, and governance (ESG) considerations into operations and promoting DE&I through appropriate policies.

The detailed Qualitative Reports and Quantitative analysis on Risk Management is presented in Note no. 40 to the annexed audited financial statements.

## Principal Risk Factors & Mitigants

Risk	Criticality	Mitigants
<b>Inventory pile up risk</b> The main raw material and the primary cost component of CRC/GI business is Hot	High	Inventory pile up risk is mitigated by optimizing order quantities in line with market demand. Continuous monitoring of international market



<p>Rolled Coil (HRC). Presently HRC is not produced locally and has to be imported from quality manufacturers across the world. All these mills operate on advance order basis. Typically, order has to be placed two to three months in advance. Allowing for shipping and clearance time, HRC inventory exposure of up to four month is normal for the business cycle. In case of abnormal price decline and subsequent slow lifting of the end users, the possibility of inventory pile up and the resulting loss is a real possibility.</p>		<p>trends and timely adjustment at the local level can minimize inventory pile up risk.</p>
<p><b>Dumping Risk</b></p> <p>Traders / Investors import CRC / GI when the price differential increases.</p>	<p>Medium</p>	<p>CRC / GI import risk is mitigated by adopting market-based pricing policy. Representations are made with custom authorities to adopt policies to curb dumping. Enhancement in production capacities by local producers and competitive currency should also lessen the risk.</p>
<p><b>Work Equipment Operational Risk</b></p> <p>Risk of injuries during machinery operations.</p>	<p>Medium</p>	<p>Risk is mitigated by acquisition of state-of-the-art plant &amp; machinery, hiring quality operators and implementation of tried and tested systems. Safety designs, controls and defined protocols are in place. Regular maintenance of plant and trainings of staff are conducted.</p>
<p><b>Credit Risk</b></p> <p>There is a risk that Company may not recover trade debts.</p>	<p>Low</p>	<p>More than 95% of sales are made against advances received. Further, credit is extended only to reliable customers for a period of less than a week.</p>





### **Materiality Approach Adopted**

The Board of Directors closely monitors all material matters of the Company. In general, matters are considered material if, individually or in aggregate, they are expected to significantly affect the performance and profitability of the Company.

### **Sustainability and DE&I Governance**

The Board of Directors oversees the identification and management of sustainability-related risks and opportunities, including environmental, social, and governance (ESG) considerations. In response to evolving operational and climate-related challenges, ASML has strengthened its EHS practices and safety protocols.

The Company's DE&I Policy reflects its commitment to a fair, inclusive, and merit-based workplace. ASML takes pride in being the first in the steel sector to employ female engineers on the production floor and continues to promote gender diversity, support persons with disabilities, and ensure workplace accessibility and safety.

### **Environment, Health & Safety**

As a responsible corporate citizen, ASML pledges to adhere to highest standards of EHS policy and it is one of the top priorities of the Company. The policies were further reviewed in view of the unfortunate accident at CRSM and additional safety measures have been put in place to avoid such accidents in future. Measures included are training of employees, audit of fire hydrant and firefighting system by a foreign firm, addition in firefighting resources and equipment and update in SOPs with pictorial representation and their translation in Urdu language. Strict compliance is mandatory, and the employees are trained to follow regulations as a habit. Training sessions including mock evacuation drill are conducted to keep employees familiar with all the SOPs.

ASML aspires to be Pakistan's steel industry's benchmark for setting environmental standards, climate change mitigation and resource efficiency.

### **Corporate Social Responsibility (CSR)**

Steel sector is the growing engine of economy of Pakistan and we at ASML are tactically geared towards a robust steel sector portfolio in which we cater to the needs of our customers along with cognizant concern towards the environment and making sure that our people are committed to be and remain active socially responsible citizen. We have vigorously striven to contribute to the



society and make the world a better place to live. At ASML, we believe that by imparting quality education to the masses, we can contribute to our society which in turn strengthens the economic growth of our Country. ASML supports Research, Conferences, Trade Fairs, Workshops and other events. We will continue to focus in the area of human health, schooling for less privilege.

### **ASML: An Employer of Choice**

- **Diversity and Inclusion**

Your Company takes pride in being an equal opportunity employer and therefore provides employment opportunities on merit irrespective of gender, creed, religion or any other affiliation. ASML is committed to creating a diverse work culture. In addition to equality, your Company also provides employment opportunities to persons with special needs.

- **Gratuity Scheme**

The Company maintains a plan that provides retirement benefits to its employees. This includes a non-contributory and unfunded gratuity scheme for permanent employees.

- **Industrial Relations**

Your Company believes in providing an equitable, fair and merit-based environment. We believe that if employees are treated fairly and with respect then that would result in high motivation of workforce thus resulting in peaceful and continuous operations. We intend to maintain this approach in years to come.

- **Sporting and Other Activities**

ASML nurtures an energetic and proactive behavior among the employees and puts faith in inculcating national pride. Various activities are organized for employees during the year including Employee Appreciation Day, Independence Day celebrations, Interdepartmental Cricket Tournament etc. Basic first aid & medical emergency handling session for employees was also conducted during the year.

### **Contribution to the National Exchequer**

Your Company takes its contribution towards national economy seriously and has always discharged its obligations in a transparent, accurate and timely manner. The Company has contributed over PKR 7,445 million during the year towards National Exchequer comprising of income tax, sales tax, custom duty and excise duty.





## Corporate Governance

The Company is listed on Pakistan Stock Exchange. Its Board and management are committed to observe the Code of Corporate Governance prescribed for listed companies and are familiar with their responsibilities and monitor the operations and performance to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information.

The Board would like to state that proper books of accounts of the Company have been maintained and appropriate accounting policies have been adopted and consistently applied except for new accounting standards and amendments to existing standards as stated in Note no. 2.3 to the annexed Audited Financial Statements. Preparation of accounts and accounting estimates are based on reasonable and prudent judgment. International Financial Reporting Standards (IFRS) as notified by the Companies Act, 2017, Islamic Financial Accounting Standards (IFAS) as notified by the Companies Act, 2017, and provisions of and directives issued under the Companies Act, 2017, as applicable in Pakistan are followed in the preparation of the financial statements. The system of internal controls, including financial controls is sound in design and has been effectively implemented and monitored. The financial statements of the Company present its state of affairs transparently, the result of its operations, cash flows and changes in equity. No material payment has remained outstanding on account of any taxes, duties, levies or charges.

The Board hereby reaffirm that there is no doubt whatsoever about the Company's ability to continue as a going concern, that there has been no material departure from the best practices of corporate governance as detailed in the applicable rules and regulations, and that the Company has adequate internal financial controls in place.

Six directors (including the Chief Executive Officer and a director resigned during the year under review) had completed the Directors' Training / Education Program whereas three directors were already exempt from attending the Directors Training Program as per criteria mentioned under Code of Corporate Governance.

## Election of Directors

The Company in its Annual General Meeting held on October 28, 2023 had elected eight directors, to serve for a three year term commencing from October 31, 2023. The total strength of the post-election Board of Directors of the Company is eight (8) elected directors and the CEO of the Company who is a deemed director under section 188(3) of the Act. In accordance with the provisions of Section 161 of the Companies Act, 2017, the three years term of the elected directors will be completed in October 2026.



### Composition of Board / Committees

The Board of Directors comprises eight elected members, including seven male and one female director. During the year under review, changes occurred in the Board due to resignations submitted by Mr. Salman Ahmed Khan and Ms. Tayyaba Rasheed. In addition, Mr. Abbas Mirza and Mr. Muhammad Haroon Usman, who had been appointed during the year to fill casual vacancies, also resigned. The Board ensured that all casual vacancies were filled within the prescribed timeframe. Subsequent to the year-end, Mr. Abdul Majeed and Ms. Saadia Umar were appointed as directors on July 14, 2025, in place of Ms. Tayyaba Rasheed and Mr. Muhammad Haroon Usman. The composition of existing Board of Directors and its Committees is as follows:

Board of Directors	Category	Audit Committee	Human Resource & Remuneration Committee	Nomination Committee	Risk Management Committee
Mr. Arif Habib (Chairman)	Other Non-executive	-	Member	Chairman	Chairman
Mr. Samad Habib		Member	-	Member	-
Mr. Kashif Habib		Member	Member	-	Member
Mr. Nasim Beg		Member	-	-	-
Dr. Munir Ahmed (Chief Executive & deemed Director)	Executive	-	-	-	Member
Mr. Arslan Iqbal	Independent	Chairman	-	-	-
Mr. Rashid Ali Khan		-	Chairman	-	-
Mr. Abdul Majeed		-	-	-	-
Ms. Saadia Umar (Female Director)		-	Member	-	-

### Trading in Company's Share by Directors and Executives

All directors including the Chief Executive, Chief Financial Officer and Executives of the Company were informed by the Company Secretary to immediately inform in writing, any trading in the Company's shares by themselves or by their spouses and to deliver a written record of the price, number and form of shares and nature of transaction within 7 days of such transaction to the Company Secretary.

During the year under review, there has been no trading in Company's shares by the directors and any "Executive" of the Company which are Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary and other employees designated as General Managers in the Company, being the threshold set by the directors for disclosure in annual reports.





### **Attendance at Board Meetings**

A statement showing the names of the persons who were directors of the Company during the financial year along with their attendance at Board and Committee(s) meetings is annexed as Annexure-II.

### **Directors Remuneration Policy**

The Non-Executive and independent directors of Aisha Steel Mills Limited may claim meeting fee for attending Board of Directors meeting or any of Boards' sub-committee meeting at the rate approve by Board of Directors from time to time.

Payment of remuneration against assignment of extra services by any director shall be determined by the Board of Directors on the basis of standards in the market and scope of the work and shall be in line as allowed by the Articles of Association of the Company. Levels of remuneration shall also be appropriate and commensurate with the level of responsibility and expertise. However, for an Independent director, it shall not be at a level that could be perceived to compromise the independence.

Where any Executive director of Aisha Steel Mills Limited has been appointed as the director in other Companies, he shall inform the Board in writing regarding his appointment in the immediately succeeding Board meeting. Further, any fee earned by the Executive director due to his / her directorship in other entity may be retained by the director himself / herself, subject to approval of the Board.

The Chief Executive is the sole Executive Director on the Board. Non-Executive Directors are entitled to a fee of PKR 50,000 per Board meeting and PKR 25,000 per Committee meeting, along with reimbursement for travel-related expenses. These rates are subject to revision by the Board. During the year under review, PKR 1.43 million was paid to Non-Executive Directors for attending Board and Committee meetings, including related expenses. Details regarding the Chief Executive's and Executives' remuneration, as well as payments to Non-Executive Directors, are also disclosed in Note 38 to the Audited Financial Statements.

### **Pattern of Shareholding**

The ordinary and preference shares of the Company are listed on Pakistan Stock Exchange. There were 10,397 (2024: 10,998) ordinary shareholders and 2,118 (2024: 2,263) preference shareholders of the Company as of June 30, 2025. The detailed pattern of shareholding and



categories of shareholding of the Company including shares held by directors and executives, if any, are annexed as Annexure-III.

### **Financial and Business Highlights**

The key operating and financial data has been given in summarized form under the caption “Key Operational and Financial Data and its Analysis” (Page Number \_\_) and graphical representation of the important statistics is presented on (Page Number \_\_).

### **Audit Committee**

As required under the Code of Corporate Governance, the Audit Committee continued to perform as per its Terms of Reference duly approved by the Board.

### **Auditors**

The present external auditors M/s. A. F. Ferguson & Co., Chartered Accountants, shall retire at the conclusion of Annual General Meeting on October 17, 2025 and being eligible, have offered themselves for reappointment for the year ending on June 30, 2026. The external auditors hold satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) as required under their Quality Control Review Program. As suggested by the Audit Committee, the Board recommends reappointment of M/s. A. F. Ferguson & Co., Chartered Accountants, as auditors of the Company for the financial year ending on June 30, 2026 at a fee to be mutually agreed. Approval to this effect will be sought from the shareholders in the forthcoming Annual General Meeting scheduled on October 17, 2025.

### **Compliance with Secretarial Practices**

During the financial year under review, the secretarial and corporate requirements of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 have been duly complied with.

### **Related Party Transactions**

In order to comply with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019, the Company presented all related party transactions before the Audit





Committee and Board for their review and approval. These transactions have been approved by the Audit Committee and Board of Directors in their respective meetings. The details of related party transactions have been provided in Note no. 37 to the annexed Audited Financial Statements.

### Acknowledgement

The directors are grateful to the Company's stakeholders for their continuing confidence and patronage. We wish to place on record our appreciation for the faith and trust reposed by our business partners and financial institutions. We are grateful to the Ministry of Finance, Ministry of Industries and Production, Ministry of Commerce, the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan, National Tariff Commission, the Competition Commission of Pakistan, Central Depository Company of Pakistan and the management of Pakistan Stock Exchange for their continued support and guidance which has been immensely helpful in meeting and overcoming the challenges faced by the Company.

The directors acknowledge the hard work put in by employees of the Company and look forward to their continued commitment. We also appreciate the valuable contribution and active role of the members of the audit and other committees in supporting and guiding the management on matters of great importance.

For and on behalf of the Board



**Dr. Munir Ahmed**  
Chief Executive



**Mr. Kashif Habib**  
Director

Karachi: September 9, 2025

