



# AGHA STEEL INDUSTRIES Ltd.

Quarterly Report September, 2025

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### AUDIT COMMITTEE

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

### HUMAN RESOURCE & REMUNERATION COMMITTEE

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

### CHIEF FINANCIAL OFFICER

Mr. Kamran Ahmed

### COMPANY SECRETARY

Mr. Muhammad Muneeb Khan

### HEAD OF INTERNAL AUDIT

Mr. Muhammad Hammad Khan

### EXTERNAL AUDITORS

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

## SHARE REGISTRAR

CDC Share Registrar Services Limited

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

## LEGAL ADVISOR

M/s Arif Law Partners

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

## BANKERS

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

## REGSITERED OFFICE

Plot No. N.W.I.Z/1/P-133, (SP-6), D-2, Port Qasim Authority, Karachi, Pakistan

PTCL# 021-34156219-21

## CORPORATE OFFICE

Office 801 & 804, 8<sup>th</sup> Floor, Emerald Tower, G-19

II Talwar, Block 5, Clifton, Karachi, Pakistan

UAN # 021-111-111-2442

[Corporate@aghasteel.com](mailto:Corporate@aghasteel.com)

## SYMBOL AT PAKISTAN STOCK EXCHANGE

AGHA

## WEBSITE INFORMATION

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

## DIRECTORS' REVIEW REPORT

The Directors are pleased to present the financial statements for the quarter ending September 30, 2025.

### ECONOMIC ENVIRONMENT

Pakistan's economy continues to face a challenging recovery path. Key developments as of September 2025 include:

- Real GDP growth for FY25 (ended June 2025) is estimated at about **2.7% year-on-year**.
- The industrial sector remains under pressure, with large-scale manufacturing contracting by approximately **1.5%** during the year amid tight macroeconomic conditions.
- Inflation and energy costs remain elevated, weighing on both businesses and consumers. Policy uncertainty and external vulnerabilities, including limited foreign exchange reserves, continue to pose risks.
- The federal budget for FY26 (starting July 2025) targets growth of around **4.2%**, supported by ongoing structural reforms under the IMF programme.

### STEEL INDUSTRY LANDSCAPE

For the Pakistani steel sector in September 2025, the situation remains mixed:

- Domestic steel production in FY25 declined to approximately **7.2 million metric tons**, representing a **14.3% year-on-year decrease**, while imports of finished steel increased to around **3.2 million metric tons**.
- Scrap imports rose sharply, increasing by nearly **30% year-on-year** in September 2025 to about **360,000 metric tons**, as producers sought cheaper input alternatives.
- The **long-steel sector** is expected to gradually recover in FY26, supported by post-flood reconstruction efforts and government initiatives such as housing subsidies and reduced duties on steel scrap and semi-finished products.
- However, overall demand remains constrained due to a slowdown in the construction and real-estate sectors, along with persistently high input and energy costs. Domestic producers continue to lose market share to imported materials.

### CONCLUSION

As of September 2025, while there are early signs of stabilization in Pakistan's economy and potential recovery in the steel industry, significant headwinds persist. Sustained improvement will depend on effective policy implementation and macroeconomic stability.

Strategic priorities for the industry include:

- Optimizing cost structures and improving operational efficiency
- Managing exposure to energy and input cost inflation
- Aligning production with expected demand from reconstruction and infrastructure projects
- Maintaining financial discipline amid uncertain domestic and global conditions

### **MANAGEMENT'S RESPONSE:**

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

### **FINANCIAL PERFORMANCE**

Your Company during the three months of the financial year 2025 has registered the net sales of Rs. 2,162 million as compared to Rs. 2,845 million under review.

Your Company registered an operating loss of Rs. (1,241) million during the three months' period under review as against an operating loss of Rs. (1,636) million in the similar period last year. The Company registered a loss before and after tax of Rs. (1,280) million and Rs. (1,169) million respectively, as compared to loss of Rs. (1,919) million and Rs. (1,815) million during the corresponding period last year.

### **Key Financial Highlights**

(--- Rupees in '000' ---)

Particulars	First Quarter Ended September 30, 2025 (Un- Audited)	First Quarter Ended September 30, 2024 (Un- Audited)
Net Sales	2,162,185	2,845,189
Gross Profit / (Loss)	(331,256)	(223,654)
Operating Profit / (Loss)	(1,241,388)	(1,635,657)
Profit / (Loss) before tax	(1,280,259)	(1,918,536)
Profit / (Loss) after tax	(1,168,632)	(1,814,850)
(Loss) / Earnings per share – Basic (Rs.)	(1.93)	(3.00)

### **(LOSS)/EARNINGS PER SHARE**

The **basic and diluted loss per share** for the period ended **September 30, 2025** was **Rs. (1.93)** as compared with **Rs. (3.00)** per share in the corresponding period last year.

### **FUTURE PROSPECTS:**

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

### **ACKNOWLEDGEMENT**

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

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



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



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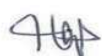
**Raza Iqbal Agha**  
**Director**

Karachi: **October 23, 2025**

**AGHA STEEL INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2025**

		2025 September 30	2025 June 30
	Note	---- Rupees in '000'----	
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	6	44,837,069	45,255,437
Intangible asset		28,260	29,830
Long term deposits and receivable		21,919	21,919
		<u>44,887,248</u>	<u>45,307,186</u>
<b>Current Assets</b>			
Stores, spare parts and loose tools		2,027,212	2,079,185
Stock-in-trade	7	2,752,800	2,936,853
Trade and other receivables	8	2,840,799	2,886,634
Loans and advances		1,995,982	1,970,377
Deposits		17,324	17,524
Tax refunds due from Government		565,208	461,431
Cash and bank balances		26,097	48,462
		<u>10,225,422</u>	<u>10,400,466</u>
<b>Total Assets</b>		<u><u>55,112,670</u></u>	<u><u>55,707,652</u></u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share Capital And Reserves</b>			
Authorized capital		<u>10,250,000</u>	<u>10,250,000</u>
<b>Share Capital</b>			
Issued, subscribed and paid up capital		6,048,791	6,048,791
<b>Capital Reserve</b>			
Share premium		2,126,687	2,126,687
Surplus on revaluation of fixed assets - net		15,819,993	15,980,622
		17,946,680	18,107,309
<b>Revenue Reserve</b>			
Accumulated (loss) / profit		(4,188,712)	(3,180,709)
<b>Total Shareholders' Equity</b>		<u>19,806,759</u>	<u>20,975,391</u>
<b>Non-Current Liabilities</b>			
Long term borrowings	9	-	-
Advance against preference shares		750,000	750,000
Loans from directors		415,020	415,020
Lease liabilities		21,993	31,202
Deferred tax liability		2,823,356	2,934,983
		4,010,369	4,131,205
<b>Current Liabilities</b>			
Trade and other payables		232,128	264,796
Accrued markup - on demand		7,743,075	7,022,008
Short term borrowings - on demand	10	15,361,403	15,361,403
Long term borrowings - on demand	11	7,940,283	7,940,282
Current portion of lease liabilities		18,653	12,567
		31,295,542	30,601,056
<b>Contingencies and Commitments</b>	12		
<b>Total Equity And Liabilities</b>		<u><u>55,112,670</u></u>	<u><u>55,707,652</u></u>

The annexed notes from 1 to 16 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



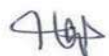
Director



**AGHA STEEL INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2025**

	<i>Un-Audited</i> <i>September 30</i> <i>2025</i>	<i>Un-Audited</i> <i>September 30</i> <i>2024</i>
<i>Note</i>	<i>---- Rupees in '000'----</i>	
Turnover - net	2,162,185	2,845,189
Cost of sales	(2,493,441)	(3,068,843)
<b>Gross loss</b>	<b>(331,256)</b>	<b>(223,654)</b>
Administrative expenses	(90,989)	(188,197)
Selling and distribution costs	(88,324)	(84,139)
Finance costs	(730,819)	(1,139,667)
	(910,132)	(1,412,003)
<b>Operating loss</b>	<b>(1,241,388)</b>	<b>(1,635,657)</b>
Other expenses	(29,088)	(289,671)
Other income	17,966	42,357
<b>Loss before levy and taxation</b>	<b>(1,252,510)</b>	<b>(1,882,971)</b>
Levy	(27,749)	(35,565)
<b>Loss before taxation</b>	<b>(1,280,259)</b>	<b>(1,918,536)</b>
Taxation - net	111,627	103,686
<b>Loss after taxation</b>	<b>(1,168,632)</b>	<b>(1,814,850)</b>
<b>Other comprehensive income for the year</b>		
	-	-
<b>Total comprehensive (loss) / income for the year</b>	<b>(1,168,632)</b>	<b>(1,814,850)</b>
	<i>2025</i>	<i>2024</i>
	<i>---- Rupees in '000'----</i>	
<b>Loss per share - basic and diluted</b>	<b>(1.93)</b>	<b>(3.00)</b>

The annexed notes from 1 to 16 form an integral part of these financial statements.



*Chief Executive*



*Chief Financial Officer*



*Director*

**AGHA STEEL INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2025**

Particulars	Issued, subscribed and paid up capital	Reserves			Total reserves	Total shareholders' equity
		Capital		Revenue		
		* Share Premium	***Surplus on revaluation of fixed assets	** Accumulated (loss) / profit		
		----- Rupees in '000' -----				
Balance as at June 30, 2024 -Audited	6,048,791	2,126,687	16,656,355	3,306,407	22,089,449	28,138,240
Total comprehensive income for the year						
Loss after taxation	-	-	-	(1,814,850)	(1,814,850)	(1,814,850)
Other comprehensive income - net	-	-				-
	-	-	-	(1,814,850)	(1,814,850)	(1,814,850)
Balance as at September 30, 2024- Un-Audited	6,048,791	2,126,687	16,656,355	1,491,557	20,274,599	26,323,390
Balance as at June 30, 2025- Audited	6,048,791	2,126,687	15,980,622	(3,180,709)	14,878,031	20,926,822
Total comprehensive loss for the year						
Loss after taxation	-	-	-	(1,168,632)	(1,168,632)	(1,168,632)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(1,168,632)	(1,168,632)	(1,168,632)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(160,629)	160,629	-	-
Balance as at September 30, 2025- Un-Audited	6,048,791	2,126,687	15,819,993	(4,188,712)	13,709,399	19,758,190

\* Share premium is held for utilization for purposes as stated in Section 81 of the Companies Act, 2017.

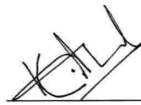
\*\* Accumulated profit can be utilized for meeting contingencies and distribution of profits by way of dividends.

\*\*\* Surplus on revaluation of fixed assets is a capital reserve, and is not available for distribution to the share holders in accordance with section 241 of the Companies Act, 2017.

The annexed notes from 1 to 16 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer





Director


**AGHA STEEL INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2025**

		2025	2024
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>	<b>--- Rupees in '000'---</b>	
<b>Loss before levy and taxation</b>		<b>(1,252,510)</b>	<b>(1,882,971)</b>
<b>Adjustments for:</b>			
Depreciation	6.6	466,937	327,410
Amortization	7.1.1	1,570	1,570
Impairment loss on trade receivables - net	10.1	29,088	289,671
Finance cost	33	728,698	1,135,425
Finance lease markup	33	2,121	4,242
<b>Cash used in operations before working capital changes</b>		<b>(24,096)</b>	<b>(124,653)</b>
<b>Changes in working capital</b>			
<b>Decrease / (Increase) in current assets</b>			
Stores, spare parts and loose tools		51,973	(87,314)
Stock-in-trade	9	184,054	(86,783)
Trade and other receivables	10	16,747	(128,081)
Loans and advances	11	(25,605)	536,457
Deposits	12	200	-
		227,369	234,279
<b>Increase in current liabilities</b>			
Trade and other payables		(32,668)	782,474
<b>Net cash generated from operations</b>		<b>170,605</b>	<b>892,100</b>
Taxes paid - net	13.1	(131,526)	(156,471)
Financial charges paid		(9,752)	(433,360)
<b>Net cash (used) in / generated from operations</b>		<b>29,327</b>	<b>302,269</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Long term deposits and receivable recovered - net	8	-	13,074
Additions in capital work in progress - net	6.8.2	-	(23,456)
Additions in property, plant and equipment	6.1	(48,569)	(505,759)
<b>Net cash used in investing activities</b>		<b>(48,569)</b>	<b>(516,141)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts/ (repayments) of long-term borrowings - net	18	-	(5,999)
Loans from Directors	20	-	300,000
Lease rentals paid	21	(3,123)	(25,981)
Receipts of short-term borrowings - net	25	-	(137,979)
<b>Net cash generated from financing activities</b>		<b>(3,123)</b>	<b>130,041</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>		<b>(22,365)</b>	<b>(83,831)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>48,462</b>	<b>239,134</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>26,097</b>	<b>155,303</b>

The annexed notes from 1 to 16 form an integral part of these financial statements.

  
**Chief Executive**

  
**Chief Financial Officer**

  
**Director**

**AGHA STEEL INDUSTRIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2025**

**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 period 2019, the Company has listed its privately placed Sukuk certificates with Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing and sale of steel bars, wire rods and billets, and its registered office and production plant are situated at plot no. N.W.I.Z. / 1 / P-133, (SP-6), D-2, Port Qasim Authority, Karachi.

During the current period, the Company has also commenced production of a new round structural steel product as part of its product diversification strategy to cater to emerging market segments within the steel industry.

**2 GOING CONCERN ASSUMPTION**

During the period, the company incurred gross loss of Rs. 331.26 (2024: 223.65) million, loss before levy and taxes amounting to Rs. 1,252.51 (2024: 1,882.97) million, loss after taxation amounting to Rs. 1,168.63 (2024: 1,814.85) resulting in operating cashflows amounting to Rs. 29.33 million. Further, the company's current liabilities exceed its current assets by Rs. . million. Additionally, all the banking liabilities are payable on demand at period end comprising of short term borrowing amounting Rs. 15,361.4 million, long term borrowing amounting to Rs. 7,940.28 million and accrued markup amounting to Rs. 7,743.08 million due to breach of covenants. Additionally, market prices of steel declined during the period, while cost significantly increased.

The company has also breached certain financial covenants related to its borrowing arrangements with various banks. As a result, loan installments due since November 29, 2023, under both short-term and long-term borrowings have not been paid. These breaches remain unresolved and have not been waived as of the reporting date. The company faced financial difficulties due to low business volumes, leading to a substantial revenue shortfall. Moreover, the company's production was severely disrupted by a fire at its manufacturing facilities on December 29, 2023. This incident temporarily halted production, further exacerbating the already declining revenue. Additionally, the insurance claim settlement was lower than the original amount requested.

The above facts and circumstances along with the risk and uncertainties, represents a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company may not be able to realize its assets and discharge its liabilities in the normal course of business. However, the management has reasonable expectations that the Company will have adequate resources to continue its business for the foreseeable future.

Accordingly, the management has taken the following steps to improve the financial conditions and sustainability of the future operations of the Company:

- The Company is actively negotiating with its lenders to restructure both its long-term and short-term loans, excluding the TERF and IFRE facilities. The proposed restructuring plan spans over ten years, including a three-year grace period and the management expects that the Master Restructuring Agreement (MRA) will be finalized by June 30, 2026.
- As of the reporting date, the Company has insurance claim receivable of Rs. 340.334 million on account of damaged assets due to fire incident duly accepted by the insurance company. Its recovery is dependant subject to finalization of MRA with the banking companies. These funds will be utilized for completion of Mi. Da. Rolling Mill.
- The management believes that the overall business volumes for the year ended June 30, 2026 will observe growth in the next year and expects to generate sufficient additional cashflows from operating activities to

finance the remaining expenditure required for completion of Mi. Da. Rolling Mill.

- Subsequent to the fire incident, the Company has fully restored its production activities with the injection of Rs. 415.020 million from the sponsoring directors.
- The Company is making every effort for recovery of outstanding trade receivables, however, the management is confident that, in case of non recovery of these long outstanding balances, the Company will continue its operating activities for the foreseeable future without any disruption.
- The successful installation of Mi. Da Rolling Mill will increase the market share and the production yield of the Company. The enhanced revenue will enable the Company to meet its financial debt obligation as per the MRA.
- The management has prepared ten-year financial projections of the Company based on the current information available to estimate the future business cashflows. These financial projections are based on various financial and business assumptions such as expected business volumes, restructured repayments of bank loan, foreign exchange and interest rates, and inflation factor. Such financial projections envisages that the Company would be able to generate sufficient cashflows through its operations and will meet its financial obligations particularly the amounts due to its lenders in terms of its contractual obligations.
- The Company recognizes that the above financial plan is subject to inherent risks and uncertainties including the ability of the Company to achieve the results set out in financial projections for the years 2026 - 2035. In this respect, particular challenges include (but not limited to), stability in the economic factors such as foreign exchange and interest rates and overall economic conditions of the country which may impact the Company's ability to maintain and improve the sales volumes, retention of its customer base and repayments of loan installments as per the potential revised schedule under the Master Restructuring Agreement and payments to its creditors.
- To address the financial challenges, the company is expanding its capacity by installing the Mi. Da. Mill Rolling Plant. The machinery, currently in transit, is part of the Capital Work in Progress (CWIP) and is expected to support and enhance future operations.

Accordingly, these financial statements have been prepared on going concern basis.

### **3 BASIS OF PREPARATION**

These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting" issued by International Accounting Standard Board (IASB), as notified under the Companies Act 2017 (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.

These condensed Interim Financial statements are being submitted to the shareholders as required by Section 137 of the Companies Act 2017.

These condensed interim financial statements does not include all of the information required for full annual financial statements and should be read in conjunction with the published annual financial statements for the period ended June 30, 2023.

### **4 ACCOUNTING POLICIES**

The accounting policies, related judgments, estimates and assumptions adopted for the preparation of this condensed interim financial statements are the same as those applied in preparation of the annual financial

statements of the Company for the period ended June 30, 2025.

## 5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of condensed interim financial statements in conformity with the accounting and reporting standards which requires the use of certain critical accounting estimates. It also requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

During preparation of these condensed interim financial statements, the significant judgment made by management in applying the company's accounting policies and the key source of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the period ended June 30 2025.

		<i>(Unaudited)</i> <b>September 30</b> 2025	<i>(Audited)</i> June 30 2025
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>	<b>Note</b>	<b>---- Rupees in '000'----</b>	
Operating fixed assets	6.1	<b>31,070,047</b>	31,488,415
Capital work in progress (CWIP)	6.2	<b>13,767,022</b>	13,767,022
		<b>44,837,069</b>	45,255,437
<b>6.1 Operating fixed assets</b>			
Opening book value		<b>31,488,415</b>	31,921,242
Additions during the period / period	6.1.1	<b>48,569</b>	998,449
Disposals during the period / period		-	(6,742)
Depreciation charge for the period / period		<b>(466,937)</b>	(1,424,534)
		<b>31,070,047</b>	31,488,415
<b>6.1.1 Additions during the period / period</b>			
Plant and machinery		<b>48,569</b>	284,033
Computers		-	59
Major Stores & Spares		-	714,357
		<b>48,569</b>	998,449
<b>6.2 Movement in capital work-in-progress during the period / period:</b>			
<b>- Machinery in transit</b>			
Opening balance		<b>13,767,022</b>	13,654,589
Additions during the period / period		-	112,433
Borrowing costs		-	-
		<b>13,767,022</b>	13,767,022
		<i>(Unaudited)</i> <b>September 30</b> 2025	<i>(Audited)</i> June 30 2025
<b>7 STOCK-IN-TRADE</b>	<b>Note</b>	<b>---- Rupees in '000'----</b>	

Raw material	406,745	406,745
Raw material in transit	1,498,250	1,494,696
Work in process	366,951	416,422
Finished goods	480,854	618,990
	<u>2,752,800</u>	<u>2,936,853</u>

## 8 TRADE AND OTHER RECEIVABLES

### - Considered good

Trade receivables from contracts with customers	3,341,561	3,335,534
Allowance for expected credit losses	8.1 (1,295,257)	(1,266,169)
	<u>2,046,304</u>	<u>2,069,365</u>

### - from associated undertakings

- markup	23,350	40,040
- current maturity of long term receivable	153,210	159,294
- sales tax	277,601	277,601
	<u>454,161</u>	<u>476,935</u>

### - from others

### Other receivables

Insurance claim receivable	340,334	340,334
	<u>2,840,799</u>	<u>2,886,634</u>

### 8.1 Allowance for expected credit losses

Opening	1,266,169	1,245,142
Impairment losses recognized during the period - net	29,088	1,055,594
Write off	-	(1,034,567)
Closing	<u>1,295,257</u>	<u>1,266,169</u>

## 9 LONG TERM BORROWINGS

### Secured

### - From banking companies

#### - Conventional

Samba Bank Limited - TF	150,000	150,000
United Bank Limited - NIDF	29,188	29,188
JS Bank Limited - TERF	480,082	480,082
JS Bank Limited - STFF	2,500,000	2,500,000
Askari Bank Limited - STFF	1,265,625	1,265,625
	<u>4,424,895</u>	<u>4,424,895</u>

#### - Shariah compliant

Meezan Bank Limited - IFRE	115,388	115,388
Sukuk- II	3,400,000	3,399,999
	<u>3,515,388</u>	<u>3,515,387</u>

9.1	7,940,283	7,940,282
	<u>(7,940,283)</u>	<u>(7,940,282)</u>

**Less:** Current portion shown under current liabilities

	-	-
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**9.1** The Company due to financial constraints as fully disclosed in note 2 to these financial statements could not make repayments of bank borrowings on due dates and also breached both financial and non financial covenants stipulated with the underlying loan agreements. The Company actively started negotiations with its lenders to restructure both its long-term and short-term loans, excluding the TERF and IFRE facilities. The proposed restructuring plan spans nine periods, including a three-period grace period starting in June 2025. Till the reporting date, the Master Restructuring Agreement (MRA) had not been

finalized or signed; therefore, its impact has not been reflected in these financial statements. Since, the Company at period end did not have an unconditional right to defer its settlement for at least twelve months, accordingly, non current portion of long term borrowings is classified as current liabilities under current portion of non current liabilities (refer note 24) in accordance with the requirement of para 69 of IAS 1 - Presentation of Financial Statements.

- 9.2 There are no major changes in terms and conditions as disclosed in note 18 to the annual audited financial statements of the Company for the period ended June 30, 2025.

	<u>(Unaudited)</u>	<u>(Audited)</u>
	<b>September 30</b>	June 30
	2025	2025
<b>Note</b>	<b>---- Rupees in '000'----</b>	

## 10 SHORT TERM BORROWINGS - ON DEMAND

### *Running Finance - secured*

Conventional banks	<b>5,946,519</b>	5,946,519
Islamic banks	<b>200,000</b>	200,000
	<b>6,146,519</b>	6,146,519

### *Finance against Trust Receipt (FATR)- secured*

Conventional banks	7,334,186	7,334,186
Islamic banks	1,880,698	1,880,698
	<b>9,214,884</b>	9,214,884
10.1	<b>15,361,403</b>	15,361,403

- 10.1 There are no major changes in terms and conditions of short term borrowings as disclosed in note 25 to the annual audited financial statements of the Company for the period ended June 30, 2025.

	<u>(Unaudited)</u>	<u>(Audited)</u>
	<b>September 30</b>	June 30
	2025	2025
<b>Note</b>	<b>---- Rupees in '000'----</b>	

## 11 LONG TERM BORROWINGS - ON DEMAND

### *Long term borrowings*

- on demand portion	9	<b>7,940,283</b>	7,940,282
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## 12 CONTINGENCIES AND COMMITMENTS

### *Contingencies*

- 12.1 In 2025, JS Bank Limited has filed two suits against the Company, being Suit No. B-24 of 2025 for recovery of Rs. 1,278,993,653 and Suit No. B-19 of 2025 for recovery of Rs. 632,940,223, along with accrued mark-up, cost of funds and other charges until realization of the full amounts. The Plaintiff has also prayed in both suits for the attachment and sale of mortgaged properties, hypothecated assets,



receivables, plant and machinery and other secured assets of the Defendants, as well as for permanent injunction restraining the Defendants, their employees, agents or any other persons acting on their behalf, from transferring, selling, alienating, disposing of, encumbering, mortgaging or creating third-party rights in respect of the charged assets. In addition, in Suit No. B-19, the Plaintiff has prayed that, if the sale proceeds of the mortgaged and hypothecated assets are insufficient to satisfy the decretal amount, the remaining balance may be recovered from the personal assets of the guarantors/Defendant Nos. 2 to 11 through attachment and sale, and that the Nazir of the Hon'ble High Court of Sindh be directed to prepare an inventory of the charged assets.

The aforementioned cost of funds could not be determined at this stage and is therefore not recognized in these financial statements.

The management based on the advice of its legal adviser and the fact that the company's restructuring scheme also includes restructuring of the suit amount is confident that this matter will be resolved amicably with the banking company.

- 12.2** In 2024, Faysal Bank Limited filed a suit for the recovery of Rs. 738,061,096 (Rs. 650 million principal and 88 million profit) along with cost of funds charges and profit until the realization of the entire amount. The suit also includes prayers for the attachment and sale of the personal assets / properties of the company and Sponsor director of the company and for the recovery of cost of funds, in terms of Section 3 of the Financial Institutions (Recovery of Finance) Ordinance, 2001, on the aforementioned suit amount from the date of default until the date of realization. The aforementioned cost of funds could not be determined at this stage and is therefore not recognized in these financial statements.

The management based on the advice of its legal adviser and the fact that the company's restructuring scheme also includes restructuring of the suit amount is confident that this matter will be resolved amicably with the banking company.

- 12.3** In 2025, BankIslami Pakistan Limited has filed a Suit No.B-37 of 2024 for the recovery of Rs. 240,106,569 together with profit, cost of funds, charges and costs until realization of the full amount. The Plaintiff has also sought a permanent injunction restraining the Company from selling, alienating, disposing of or creating third-party rights in respect of the hypothecated assets and other properties, for the sale of the hypothecated assets, appointment of a Commissioner/Receiver for inspection and attachment of the hypothecated assets, and for payment of cost of funds under Section 3 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 from the date of default until realization.

The aforementioned cost of funds could not be determined at this stage and is therefore not recognized in these financial statements.

The management based on the advice of its legal adviser and the fact that the company's restructuring scheme also includes restructuring of the suit amount is confident that this matter will be resolved amicably with the banking company.

- 12.4** During the year, National Bank of Pakistan has filed Suit No. B-15 of 2025 before the Hon'ble High Court of Sindh at Karachi in its Original Banking Jurisdiction on 26 February 2025 against the Company for recovery of Rs. 1,734.00 million, along with cost of funds under Section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001.

The Company has filed an application on 14 May 2025 under Section 10 of the Ordinance seeking unconditional leave to defend the suit. The Bank has not yet filed its replication. The Company has denied the amounts claimed by the Bank and has contended that recoveries already made by the Bank were unlawful and that the Bank has charged mark-up beyond its legal entitlement, including mark-up on mark-up after the expiry of contractual periods.

The aforementioned cost of funds could not be determined at this stage and is therefore not recognized in these financial statements.

The management based on the advice of its legal adviser and the fact that the company's restructuring scheme also includes restructuring of the suit amount is confident that this matter will be resolved amicably with the banking company.

- 12.5** In 2025, Bank Alfalah Limited has filed Suit No. B-27 of 2019 before the Hon'ble High Court of Sindh at Karachi in its Original Banking Jurisdiction on 29 May 2025 for recovery of Rs. 1,052.13 million, along with cost of funds, charges and costs, under Section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001.

The Company filed an application on 7 July 2025 under Section 10 of the Ordinance seeking unconditional leave to defend the suit. The Bank has not yet filed its replication. The Company has denied the amounts claimed by the Bank and has contended that recoveries already made by the Bank were unlawful and that the Bank has charged mark-up beyond its legal entitlement, including mark-up on mark-up after the expiry of contractual periods.

The aforementioned cost of funds could not be determined at this stage and is therefore not recognized in these financial statements.

The management based on the advice of its legal adviser and the fact that the company's restructuring scheme also includes restructuring of the suit amount is confident that this matter will be resolved amicably with the banking company.

- 12.6** There are no major changes in the status and nature of contingencies as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2025.

### **13 TRANSACTIONS WITH RELATED PARTIES**

	<u>(Unaudited)</u> <b>September 30</b> 2025	<u>(Unaudited)</u> September 30 2024
<i>Note</i>	---- Rupees in '000'----	

#### **- associated undertaking Agha Steel Industries**

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

<b>21,400</b>	<b>12,567</b>
<b>4,710</b>	<b>12,567</b>

#### 14 UTILIZATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING

During the period, the Company has issued its shares to general public through IPO to finance the project of expansion of its capacity by installing Mi. Da. As at September 30, 2022, the utilization of proceeds from IPO is as follows:

	<i>2025</i> <i>September 30</i>	<i>2024</i> <i>September 30</i>
	<i>Rupees in '000'</i>	
Proceeds from IPO	3,840,000	3,840,000
IPO related expenses	(225,275)	(225,275)
Civil works	(1,073,825)	(1,073,825)
Electrical	(452,023)	(452,023)
Mechanical	(665,277)	(665,277)
Duties and other taxes	(535,410)	(535,410)
LC Discounting charges	(193,861)	(193,861)
Air Separation Unit	(694,329)	(694,329)
Unutilized balance	-	-

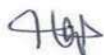
14.1 IPO proceeds have been fully utilized during FY 2022.

#### 15 GENERAL

Figures have been rounded-off to the nearest thousand rupee.

#### 16 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors on **October 23, 2025**.



*Chief Executive*



*Chief Financial Officer*



*Director*