



AGHA STEEL INDUSTRIES Ltd.

Report for the Three Months Period
Ended September 30, 2026

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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. Hammad Khan

EXTERNAL AUDITORS

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

SHARE REGISTRAR

CDC Share Registrar Services Limited

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

LEGAL ADVISOR

M/s Arif Law Partners

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

BANKERS

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

REGSITERED OFFICE

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

PTCL# 021-34156219-21

CORPORATE OFFICE

Office 801 & 804, 8th Floor, Emerald Tower, G-19

II Talwar, Block 5, Clifton, Karachi, Pakistan

UAN # 021-111-111-2442

Corporate@aghasteel.com

SYMBOL AT PAKISTAN STOCK EXCHANGE

AGHA

WEBSITE INFORMATION

www.aghasteel.com

DIRECTORS' REVIEW REPORT

The Directors are pleased to present the financial statements for the quarter ending September 30, 2026.

ECONOMIC ENVIRONMENT

Pakistan's economy continues to navigate a complex recovery path. Key developments as of September 2026 include:

- Real GDP growth reflects ongoing stabilization efforts under macroeconomic adjustments and fiscal consolidation frameworks.
- The industrial sector continues to experience evolving market conditions, with manufacturing and construction sectors adapting to monetary and fiscal policies.
- Inflation and energy costs remain key focus areas influencing business viability and consumer purchasing power.
- Federal and institutional economic targets continue to be supported by structural reforms and program milestones.

STEEL INDUSTRY LANDSCAPE

For the Pakistani steel sector in September 2026, the operating environment remains challenging:

- Domestic steel production and import trends continue to adjust to demand dynamics in the construction, housing, and infrastructure sectors.
- Input costs, including scrap materials and energy tariffs, continue to impact operational margins for local manufacturers.
- The sector looks forward to stabilization driven by public and private sector construction demand, alongside policy measures supporting local industry competitiveness.
- Overall demand remains tempered by broader economic headwinds, with domestic producers striving to optimize market share against imported alternatives.

CONCLUSION

As of September 2026, while the steel industry and broader economy face persistent headwinds, management remains focused on strategic execution, cost discipline, and operational efficiency to navigate the market environment.

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 2026 has registered net sales of Rs. 1,444,843 thousand as compared to Rs. 2,162,185 thousand under review.

Your Company registered an operating loss of Rs. (1,222,014) thousand during the three months' period under review as against an operating loss of Rs. (1,241,388) thousand in the similar period last year. The Company registered a loss before and after tax of Rs. (1,189,217) thousand and Rs. (969,763) thousand respectively, as compared to a loss of Rs. (1,280,259) thousand and Rs. (1,168,632) thousand during the corresponding period last year.

Key Financial Highlights

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

Particulars	First Quarter Ended September 30, 2026 (Un-Audited)	First Quarter Ended September 30, 2025 (Un-Audited)
Turnover net	1,444,843	2,162,185
Gross Loss	(322,312)	(331,256)
Operating Loss	(1,222,014)	(1,241,388)
Loss before tax	(1,189,217)	(1,280,259)
Loss after tax	(969,763)	(1,168,632)

Particulars	First Quarter Ended September 30, 2026 (Un-Audited)	First Quarter Ended September 30, 2025 (Un-Audited)
(Loss) / Earnings per share – Basic (Rs.)	(1.34)	(1.93)

(Loss) / Earnings per Share

The basic and diluted loss per share for the period ended September 30, 2026 was Rs. (1.34) as compared with Rs. (1.93) per share in the corresponding period last year.

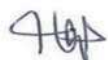
FUTURE PROSPECTS

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 its appreciation to 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



Hussain Iqbal Agha
Chief Executive Officer



Raza Iqbal Agha
Director

Karachi: 26th October, 2026

AGHA STEEL INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026

Un-Audited *Audited*
2026 **2026**
September 30 *June 30*
--- Rupees in '000'---

ASSETS

Non-Current Assets

Property, plant and equipment	45,100,458	45,398,966
Intangible asset	21,980	23,550
Long term deposits and receivable	8,981	8,981
	<u>45,131,419</u>	<u>45,431,497</u>

Current Assets

Stores, spare parts and loose tools	1,608,891	1,663,459
Stock-in-trade	2,152,610	2,162,380
Trade and other receivables	2,003,260	2,220,420
Loans and advances	1,137,389	999,181
Deposits	16,416	17,642
Tax refunds due from Government	1,090,751	1,077,286
Cash and bank balances	314,224	195,783
	<u>8,323,541</u>	<u>8,336,151</u>
Total Assets	<u><u>53,454,960</u></u>	<u><u>53,767,648</u></u>

EQUITY AND LIABILITIES

Share Capital And Reserves

Authorized capital	<u>10,250,000</u>	<u>10,250,000</u>
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Share Capital

Issued, subscribed and paid up capital	7,213,811	7,213,811
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Capital Reserve

Share premium	2,126,687	2,126,687
Surplus on revaluation of fixed assets - net	16,382,921	16,538,464
	18,509,608	18,665,151

Revenue Reserve

Accumulated (loss) / profit	(8,142,734)	(7,328,514)
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Total Shareholders' Equity

	<u>17,580,685</u>	<u>18,550,448</u>
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Non-Current Liabilities

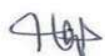
Long term borrowings	-	-
Loans from Related Party	151,057	21,000
Lease liabilities	-	-
Deferred tax liability	1,366,152	1,585,606
	1,517,209	1,606,606

Current Liabilities

Trade and other payables	316,174	292,073
Accrued markup - on demand	10,628,900	9,899,482
Short term borrowings - on demand	15,465,247	15,465,247
Long term borrowings - on demand	7,934,597	7,934,597
Current portion of lease liabilities	12,148	19,195
	34,357,066	33,610,594

Contingencies and Commitments

Total Equity And Liabilities	<u><u>53,454,960</u></u>	<u><u>53,767,648</u></u>
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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, 2026

	<i>Un-Audited</i> <i>September 30</i> <i>2026</i>	<i>Un-Audited</i> <i>September 30</i> <i>2025</i>
<i>Note</i>	<i>----- Rupees in '000'-----</i>	
Turnover - net	1,444,843	2,162,185
Cost of sales	<u>(1,767,155)</u>	<u>(2,493,441)</u>
Gross loss	(322,312)	(331,256)
Administrative expenses	<u>(83,035)</u>	<u>(90,989)</u>
Selling and distribution costs	<u>(77,374)</u>	<u>(88,324)</u>
Finance costs	<u>(739,293)</u>	<u>(730,819)</u>
	<u>(899,702)</u>	<u>(910,132)</u>
Operating loss	(1,222,014)	(1,241,388)
Other expenses	-	(29,088)
Other income	<u>50,858</u>	<u>17,966</u>
Loss before levy and taxation	(1,171,156)	(1,252,510)
Levy	<u>(18,061)</u>	<u>(27,749)</u>
Loss before taxation	(1,189,217)	(1,280,259)
Taxation - net	<u>219,454</u>	<u>111,627</u>
Loss after taxation	(969,763)	(1,168,632)
Other comprehensive income for the year		
	-	-
Total comprehensive (loss) / income for the year	<u><u>(969,763)</u></u>	<u><u>(1,168,632)</u></u>
	<i>2026</i>	<i>2025</i>
	<i>----- Rupees in '000'-----</i>	
Loss per share - basic and diluted	<u><u>(1.34)</u></u>	<u><u>(1.93)</u></u>



Chief Executive



Chief Financial Officer



Director

AGHA STEEL INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

Un-Audited *Un-Audited*
2026 2025
September 30 September 30
---- Rupees in '000'----

A. CASH FLOWS FROM OPERATING ACTIVITIES *Note*

Loss before levy and taxation	(1,171,156)	(1,252,510)
Adjustments for:		
Depreciation	310,958	466,937
Amortization	1,570	1,570
Impairment loss on trade receivables - net	(39,748)	29,088
Finance cost	738,233	728,698
Finance lease markup	1,061	2,121
Cash used in operations before working capital changes	(159,083)	(24,096)

Changes in working capital

Decrease / (Increase) in current assets

Stores, spare parts and loose tools	54,568	51,973
Stock-in-trade	9,771	184,054
Trade and other receivables	256,908	16,747
Loans and advances	(138,208)	(25,605)
Deposits	1,226	200
	184,265	227,369

Increase in current liabilities

Trade and other payables	24,101	(32,668)
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Net cash generated from operations

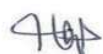
Taxes paid - net	(31,527)	(131,526)
Financial charges paid	(9,875)	(9,752)
Net cash (used) in / generated from operations	7,881	29,327

B. CASH FLOWS FROM INVESTING ACTIVITIES

Long term deposits and receivable recovered - net	-	-
Additions in capital work in progress - net	-	-
Additions in property, plant and equipment	(12,450)	(48,569)
Net cash used in investing activities	(12,450)	(48,569)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Receipts/ (repayments) of long-term borrowings - net	-	-
Loans from Directors	130,057	-
Lease rentals paid	(7,047)	(3,123)
Receipts of short-term borrowings - net	-	-
Net cash generated from financing activities	123,010	(3,123)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	118,441	(22,365)
Cash and cash equivalents at the beginning of the year	195,783	48,462
Cash and cash equivalents at the end of the year	314,224	26,097



Chief Executive



Chief Financial Officer



Director

AGHA STEEL INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

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, 2025 -Audited	6,048,791	2,126,687	15,980,622	(3,229,278)	14,878,031	20,926,822
Total comprehensive income for the year						
Loss after taxation	-	-	-	(1,168,632)	(1,168,632)	(1,168,632)
Other comprehensive income - net	-	-				-
	-	-	-	(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	(4,237,281)	13,709,399	19,758,190
Balance as at June 30, 2026- Audited	7,213,811	2,126,687	16,538,464	(7,328,514)	11,336,637	18,550,448
Total comprehensive loss for the year						
Loss after taxation	-	-	-	(969,763)	(969,763)	(969,763)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(969,763)	(969,763)	(969,763)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(155,543)	155,543	-	-
Balance as at September 30, 2026- Un-Audited	7,213,811	2,126,687	16,382,921	(8,142,734)	10,366,874	17,580,685

* 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.


Chief Executive


Chief Financial Officer


Director

AGHA STEEL INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

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 Limited on November 02, 2020. The Company is principally engaged in manufacturing and sale of steel bars, wire rods and billets, and its registered office and production plants are situated at plot no. N.W.I.Z. /1/ P-133, (SP-6 & 6A), D-2, Port Qasim Authority, Karachi.

2 GOING CONCERN ASSUMPTION

During the period, the company incurred gross loss of Rs. 322.31 (2025: 331.26) million, loss before levy and taxes amounting to Rs. 1,171.16 (2025: 1,241.39) million, loss after taxation amounting to Rs. 969.76 (2025: 1,168.63) million, the Company's net operating cashflows are also negative for the current period amounting to Rs. 7.88 million and not sufficient to meet its short term obligations towards lenders (especially the banking companies). Further, the company's current liabilities exceed its current assets by Rs. 26,033.53 million. Additionally, all the banking liabilities are payable on demand at year end comprising of short term borrowing amounting Rs. 15,465.25 million, long term borrowing amounting to Rs. 7,934.6 million and accrued markup amounting to Rs. 9,899.48 million due to breach of covenants. Additionally, market prices of steel

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

- 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, 2027.
- On July 13, 2026, the Company entered into a Restructuring Agreement with Bank AL Habib Limited in respect of existing outstanding facilities aggregating to Rs. 3,279.648 million. Under the agreement, Rs. 1,780 million has been converted into a long-term facility repayable over ten years, including a three-year grace period, while the remaining Rs. 1,499.648 million continues as a revolving short-term facility available for redrawing towards working capital. The agreement is subject to certain conditions precedent and is
- 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. Subsequently in this respect, the restructuring arrangement with one major bank has been finalized. 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, 2027 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.
- During the year, the Company strengthened its capital base through the conversion of financial support previously provided by its sponsoring directors and minority shareholders into ordinary share capital. The advance of Rs. 750 million received against the proposed issuance of preference shares and the directors' loan of Rs. 415.020 million were converted into ordinary share capital pursuant to the approval of the shareholders. The conversion reduced the Company's outstanding financial obligations and improved its capital structure.
- 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
- The management is confident of the successful installation of Mi. Da Rolling Mill following the restructuring of its banking liabilities and recovery of insurance claim which 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 2027 - 2036. 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.

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 of the Company for the period ended June 30, 2026.

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, 2026.

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.

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, 2026.

		<i>(Unaudited)</i>	<i>(Audited)</i>
		September 30	June 30
		2026	2026
6 PROPERTY, PLANT AND EQUIPMENT	Note	----- Rupees in '000' -----	
Operating fixed assets	6.1	31,333,436	31,631,944
Capital work in progress (CWIP)		13,767,022	13,767,022
		<u>45,100,458</u>	<u>45,398,966</u>
6.1 Operating fixed assets			
Opening book value		31,631,944	31,488,415
Additions during the period / period	6.1.1	12,450	129,243
Revaluation surplus		-	1,468,528
Disposals during the period / period		-	(24,378)
Depreciation charge for the period / period		(310,958)	(1,429,864)
		<u>31,333,436</u>	<u>31,631,944</u>
		<i>(Unaudited)</i>	<i>(Audited)</i>
		September 30	June 30
		2026	2026
6.1.1 Additions during the period / period	Note	----- Rupees in '000' -----	
Plant and machinery		12,450	91,448
Computers		-	253
Major Stores & Spares		-	37,542
		<u>12,450</u>	<u>129,243</u>

7 STORES, SPARE PARTS AND LOOSE TOOLS

The carrying amount of stores, spare parts and loose tools includes a provision of Rs. 129.79 million (June 30, 2026: Rs. 129.79 million) against the estimated diminution in value of slow-moving, obsolete and impaired items, recognised to reflect their estimated net realisable value.

	<i>(Unaudited)</i>	<i>(Audited)</i>
	September 30	June 30
	2026	2026
Note	----- Rupees in '000' -----	

Conventional banks	11.1	6,030,123	6,030,123
Islamic banks		200,000	200,000
		6,230,123	6,230,123

Finance against Trust Receipt (FATR)- secured

Conventional banks		7,351,266	7,351,266
Islamic banks		1,883,858	1,883,858
		9,235,124	9,235,124
	11.2	15,465,247	15,465,247

11.1 On July 13, 2026, the Company entered into a Restructuring Agreement with Bank AL Habib Limited (BAHL) in respect of its existing outstanding finance facilities aggregating to Rs. 3,279.648 million, comprising running finance of Rs. 2,281.980 million and FATR of Rs. 997.668 million. Of this, Rs. 1,780 million has been converted into a long-term facility repayable over 10 years (including a 3-year grace period), while the remaining Rs. 1,499.648 million continues as a revolving short-term facility available for re-draw towards working capital. Mark-up on both facilities accrues at 3-month KIBOR and is deferred for an initial period (5 years for the long-term portion, 3 years for the revolving portion), thereafter payable along with the deferred mark-up in a stepped-up manner. Outstanding mark-up accrued up to the effective date of restructuring will be notified by BAHL and settled as per the agreement. A cash sweep mechanism also applies from July 1, 2026, under which any excess cash flows are to be applied towards mandatory prepayment. The agreement remains subject to fulfilment of certain conditions precedent stipulated therein. As at the reporting date, the Bank had not confirmed the fulfillment of the conditions precedent. Accordingly, the financial effects of the restructuring agreement have not

11.2 There are no major changes in terms and conditions of short term borrowings as disclosed in note 26 to the annual audited financial statements of the Company for the period ended June 30, 2026.

	<i>(Unaudited)</i>	<i>(Audited)</i>
	September 30	June 30
	2026	2026
Note	----	----

12 LONG TERM BORROWINGS - ON DEMAND

Long term borrowings			
- on demand portion	10	7,934,597	7,934,597

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 On October 5, 2026, Al Baraka Bank Limited filed a suit for the recovery of Rs. 326,305,479 (Rs. 225 million principal and 101 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.

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, 2026.

	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	September 30	September 30
	2026	2026
<i>Note</i>	----	Rupees in '000'----

14 TRANSACTIONS WITH RELATED PARTIES

- associated undertaking

Agha Steel Industries

Markup income received during the period	10,000	21,400
Markup income accrued during the period	10,000	4,710
Loan recovered during the period		

Nitro Chemical And Gases (Private) Limited

Sales during the year	11,763	-
Receipts during the year	11,763	-

Agha Steel Industries Staff Provident Fund

Employer contributions recognized by the Company	3,761	3,761
Employee contributions recognized by the Company	3,761	3,761
Total contributions made to the Trust by the Company	7,522	7,522

Key management personnel

Directors

Loans received from directors	70,057	
Markup accrued during the period	1,051	

Member

Loan received from member	60,000	
Markup accrued during the period	907	

15 UTILIZATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING

In 2021, 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, 2026, the utilization of proceeds from

	2026	2025
	September 30	September 30
	Rupees in '000'	
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	-	-

15.1 IPO proceeds have been fully utilized during FY 2022.

16 GENERAL

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

17 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors on 26th Oct 2026



Chief Executive



Chief Financial Officer



Director