



REANDA

Reanda Haroon Zakaria & Company
Chartered Accountants



January 05th, 2024

The Board of Directors,
Agha Steel Industries Limited,
Plot no. G-19, Office # 801, 803 & 804, 8th Floor,
Emerald Tower, II Talwar, Block # 5, Clifton,
Karachi.

Dear Sirs/Madam,

**SUBJECT: AUDITORS CERTIFICATIONS IN CONNECTION WITH PAYMENT
OF SUKUK EARLY REDEMPTION AMOUNT TO THE SUKUK
HOLDERS OF THE COMPANY**

The Agha Steel Industries Limited (the company) had issued 5000 Sukuk, each having a face value of Rs. 1,000,000 resulting in an aggregate amount of Rs. 5,000 million, on October 08, 2018.

Furthermore, we have been requested to provide you with a certificate that the company had fully repaid the outstanding principal, markup and early redemptions cost to sukuk holders as of July 31, 2023 (call option date).

Scope of certificate

The scope of the certificate is confirmation of payment of early redemption amount (inclusive of principal, markup, early redemption cost and net of withholding tax) of the Sukuk certificate by the company to the Sukuk holders as of July 31, 2023.

Management's responsibility

It is the management's responsibility to ensure full repayment of total outstanding Sukuk (Inclusive of principal, markup, early redemption cost and net of withholding tax), compliance with related statutory/legal requirements, maintain appropriate underlying records and provide us with the information required to fulfill our responsibilities as mentioned in the *Auditor's Responsibility* paragraph of this certificate. The Company is responsible for such internal controls as the Management determines is necessary to enable the preparation of the information required for the certification to be free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to provide a certificate in connection with the matters as stated in *Scope of Certificate* paragraph in accordance with the Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

- a) Obtained details of the payment of redemption amount made by the company to the Sukuk holders, on August 09, 2023 (settlement date) and traced the relevant details from the supporting documents;
- b) Reviewed the correspondence between Pak Brunei Investment Company Limited (Lead Advisor and Arranger) and the sukuk holders confirming the approval of total outstanding amount as of the date of call option;
- c) Obtained direct confirmation from Lead Adviser and Arranger of the full and final payment to Sukuk holders.
- d) Obtained copy of statement of sukuk holders received by the company from the CDC as of the date of call option and checked the mathematical accuracy thereof;
- e) In relation to withholding of income tax, check the copies of tax exemption certificates of all the Sukuk holders.

Certificate

Based on the procedures mentioned above, we certify that the entire outstanding principal, accrued profit and early redemption cost associated with the Sukuk as of the date of call option has been paid to the Sukuk holders on August 09, 2023.

Restriction on use and distribution

This certificate is issued by us in the capacity of statutory auditor of the company on the specific request of the management of the company and it is not to be used for any other or to be distributed to any party other than the Pakistan Stock Exchange (PSX). This certificate is restricted to the facts stated herein and does not extend to any financial statement of the company.

Yours truly,


Reanda Haroon Zakaria & Company
Chartered Accountants