



Agro Allianz Limited



Our Path Forward
**Growth. Sustainability.
Continuity.**



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VISION STATEMENT

The management is committed to revive the company by introducing new business dimensions. The primary vision is to re-establish the company in local and international market with new products.

MISSION STATEMENT

The company has taken on a mission to introduce new products, improve quality, profitability and meet its financial commitments, improve the remuneration of its employees and give a fair return to its shareholders while complying with the best practices of Corporate Governance.



Company Information

Board of Directors	Muhammad Farrukh Abdul Majeed Ghaziani Safdar Sajjad Abdul Hafeez Sheikh Ali Baakza Abu Talib* Muhammad Zain Sardar *Abu Talib resigned on July 24, 2018	Chairman Chief Executive Officer Non-Executive Non-Executive Non-Executive Independent Non-Executive
Audit Committee	Abu Talib Safdar Sajjad Abdul Hafeez	Chairman
Human Resource and Remuneration Committee	Abu Talib Abdul Hafeez Safdar Sajjad	Chairman
Chief Executive Officer	Abdul Majeed Ghaziani	
Chief Financial Officer and Company Secretary	Yousuf Hamdani	
Auditors	S.M. Sohail & Co. Chartered Accountant Office No. 1001-1014, Unit Centre, I.I. Chundrigar Road, Karachi.	
Legal Advisor	Shah Khalid -Advocate Room No. 21, 2nd Floor, Fareed Chamber, Abdullah Haroon Road, Karachi.	
Share Registrar	F.D. Registrar Services (SMC-Pvt.) Limited 17th Floor, Saima Trade Tower "A", I.I. Chundrigar Road, Karachi.	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited	
Registered Office	Unity Tower, 8-C, P.E.C.H.S., Block-2, Karachi. Phone No. 92-21 34373605-7, 34388666, 34387666 Fax No. 92-21 34373608	
Website	www.agroallianz.com.pk	



PROFILE OF THE BOARD OF DIRECTORS

Muhammad Farrukh - Chairman

Mr. Muhammad Farrukh is a seasoned businessman and an avid learner. He has over sixteen years of experience. His role encompasses exploring untapped export markets and managing group's banking support. His passion for the business steers the company in the most profitable and determined manner.

Abdul Majeed Ghaziani - Chief Executive

Mr. Abdul Majeed Ghaziani is a Qualified Cost & Management Accountant from Institute of Cost & Management of Pakistan. He is an ex-treasurer – Rice Exporters Association of Pakistan. He has over twenty one years of experience in commodity business. His core expertise is in the area of exploring new products & business ventures and integrating them with the current business model. His knowledge along with decades of experience adds a high value in intellectual asset of the company.

Safdar Sajjad - Director

Mr. Safdar Sajjad's Multi-dimensional experience is the key through which the group is managing voluminous trade. His responsibilities include but not restricted to managing the logistics, procurement and disbursement of the products. He has over fifteen years of experience. His deep knowledge of various aspects of the edible oil business has played an instrumental role in group's growth.

Abdul Hafeez - Director

Mr. Abdul Hafeez is Masters in Computer Science. He has gained dual experience of Information Technology as well as Accountancy in his career and has over sixteen years of experience in these areas. He also possesses vast expertise of imports that has enabled the group to achieve market competitiveness.

Sheikh Ali Baakza - Director

Mr. Sheikh Ali Baakza studied at Wharton Business School, USA for two and half years and successfully completed several courses with Grain and Food Trading Organizations in London. He has an exhaustive experience of sixteen years in trading and shipping and has remained associated with renowned organizations namely; Ameropa, Cargill and Louis Dreyfus. His core expertise in solvent extraction, shipping and trading commodities enables the group to discover new opportunities and expand its horizons.

Muhammad Zain Sardar

Mr. Muhammad Zain Sardar has over twenty one years' experience mainly in the fields of shipping, port operations, mechanized and advanced agriculture, solvent extraction, flour mill operations, import and export and other trading businesses. He has worked with Price Club (Now COSTCO), Northstar Int'l Support, Ace International (Pvt.) Limited, various ports in Pakistan besides in agricultural farming. He has an Associate Degree/Junior Bachelors from Los Angeles Valley College, California, USA and Graduated with Honors from Dale Carnegie Course in Human Relations and Effective speaking in Los Angeles, California, USA.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to all the members of Agro Allianz Limited that the 48th Annual General Meeting of Agro Allianz Limited will be held on **Wednesday, October 24, 2018 at 06:00 p.m.** at Regent Plaza Hotel and Convention Centre, Main Shahreh-e-Faisal, Karachi, to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the company for the twelve months period ended 30th June, 2018 together with the Directors' and Auditors' Reports thereon.
2. To appoint auditors for the next financial year ending June 30, 2019 and fix their remuneration. The present auditors, S.M. Suhail & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment. However, the management has received a letter from one of the member proposing the name of EY FORD RHODES, Chartered Accountants to be considered for appointment in the Annual General Meeting of the Company.

Special Business:

3. To approve transmission of annual audited financial statements, auditor's report and directors' report etc. ("Annual Audited Accounts") along with notice of general meeting to the shareholders of Agro Allianz Limited at their registered address in soft form i.e. CD/DVD/USB instead of transmitting the same in hard copies from the year ending June 30, 2019 as notified by SECP vide its SRO no. 470 (1) 2016 dated May 31, 2016 and if thought fit to pass the following resolution as special resolution.

"RESOLVED THAT transmission of annual audited financial statements, auditor's report and directors' report etc. ("Annual Audited Accounts") along with notice of general meeting to the members of the Company at their registered address in soft form i.e. CD/DVD/USB instead of transmitting the same in hard copies from the year ending June 30, 2019 as notified by SECP vide its SRO no. 470 (1) 2016 dated May 31, 2016 be and is hereby approved."

A statement of Material Facts under Section 134 (3) of the Companies Act, 2017 pertaining to special business along with the special resolutions proposed to be passed are being sent to the shareholders with the notice.

Other Business:

4. To transact any other business as may be placed before the meeting with the permission of the chair.

By Order of the Board

Dated: October 03, 2018
Place: Karachi

Yousuf Hamdani
Company Secretary

Notes:

- i) The Share Transfer Books of the Company shall remain closed from October 18, 2018 to October 24, 2018 (both days inclusive) for determining the entitlement of shareholders for attending the Annual General Meeting.
- ii) Physical Transfers received by the Company at the close of business on October 17, 2018 will be treated as being in time for the purpose of attending the meeting.
- iii) Members entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend, speak and vote on him /her behalf. The proxy need not to be a member of the Company.
- iv) Forms of proxy to be valid must be properly filled in/ executed and received by the company not later than forty eight hours before the commencement of the meeting.



Notes:

- v) Shareholders who have deposited their shares into the Central Depository Company of Pakistan Limited will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan. Such shareholders must bring their original Computerized National Identity Card (CNIC) or Original Passport at the time of attending the meeting. If proxies are granted by such shareholders the same must be accompanied with attested copies of the CNIC or the Passport of the beneficial owners. Additionally, (i) the proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form; (ii) attested copies of CNIC or the passport of the proxy shall be furnished with the proxy form; and (iii) the proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- vi) In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting. If proxies are granted by such corporate shareholders the same must be accompanied with the Board of Directors' resolution / power of attorney with specimen signatures.
- vii) Members are requested to immediately notify any change in their addresses to the Company registrar and share transfer agent.
- viii) Pursuant to SECP Circular No 10 of 2014 dated May 21, 2014, if Company receives consent from members holding aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 5 days prior to the date of Annual General Meeting. The Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide the following information to the Share Registrar Office of the Company i.e. F.D. Share Registrar Services (SMC-Pvt.) Limited Office No. 1705, 17th Floor, Saima Trade Tower-A, I. I. Chundrigar Road, Karachi.

I/We, of being a member of Agro Allianz Limited, holder of Ordinary Share(s) as per Register Folio No. _____ hereby opt for video conference facility at (Please insert name of the City)

Signature of member

Statement of Material Facts under Section 134 (3) of the Companies Act, 2017 pertaining to Special Business

Transmission of Annual Accounts by CD/DVD/USB

Securities and Exchange Commission of Pakistan ("SECP") has vide S.R.O 470(1)2016 dated May 31, 2016 allowed the companies to circulate the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting. This will save time and expenses incurred on printing of the annual report.

The Company shall provide the hard copies of the aforesaid documents to the shareholders on demand, free of cost, within one week of such demand. After approval of the shareholders, the Company shall place a Standard Request Form on its website to communicate their need of hard copies of the documents along with postal and email address of the Company Secretary / share registrar to whom such requests shall be made.

The directors, sponsors, majority shareholders of the company and their relatives have no vested interest, directly or indirectly in the above mentioned Special Business.



Financial Highlights

	Year ended June 30,					
	2018	2017	2016	2015	2014	2013
	------(Rupees)-----					
Operating Performance						
Operating income	-	-	-	-	-	-
Other income	15,855,019	13,013,656	-	-	-	-
Administration and general expenses	(4,065,990)	(2,899,140)	(308,425)	2,163,810	(1,067,442)	(180,670)
Profit / (loss) before tax	11,789,029	10,114,516	(308,425)	2,163,810	(1,067,442)	(180,670)
Profit / (loss) after tax	8,353,465	6,877,871	(308,425)	2,163,810	(1,067,442)	(180,670)
Per Ordinary Share						
Earnings / loss per shares	0.36	5.55	(0.26)	1.83	(0.90)	(0.15)
Break-up value per shares	10.35	9.98	(0.89)	(0.63)	(2.46)	(1.56)
Dividend (Percentage %)						
Cash	-	-	-	-	-	-
Assets and Liabilities						
Total Assets	240,097,811	231,249,800	14,027	13,452	14,142	14,084
Non-current Assets	120,93,188	14,227,280	-	-	-	-
Current Assets	228,004,623	217,022,520	14,027	13,452	14,142	14,084
Current Liabilities	2,188,461	209,915	884,915	759,915	2,924,415	1,856,915
Financial Position						
Paid-up capital	229,932,940	229,932,940	11,832,940	11,832,940	11,832,940	11,832,940
Unappropriated profit / (loss)	7,976,410	(377,055)	(12,887,828)	(12,579,403)	(14,743,213)	(13,675,771)
Long-term Loan	-	1,484,000	184,000	-	-	-
Share Outstanding (Numbers)	22,993,294	22,993,294	1,183,294	1,183,294	1,183,294	1,183,294



Agro Allianz Limited

Chairman's Review

I am pleased to submit the Chairman's Report on the overall performance of Agro Allianz Limited and effectiveness of the role played by the Board in achieving the Company's objectives.

The Board has played a very effective role during the year ended June 30, 2018. It took control of the Company in August 2017 following change of management of Agro Allianz Limited (formerly known as Karim Cotton Mills Limited). The Board initiated work on the new business plan immediately after it assumed control of the Company.

Alhamdulillah, after the close of year on June 30, 2018 the Board has been able to implement the initial steps of the business plan and has approved changes in the Memorandum & Articles of Association of the Company in line with proposed business of bulk warehousing and logistics, and steel manufacturing. In the Extraordinary General Meeting held on September 11, 2018, the shareholders granted their approval to change the name of the Company to Allianz Bulk and Steel Limited. This was done keeping in mind the business the company plans to initiate. The shareholders further approved increase in authorized capital of the Company to PKR 8.25 billion from PKR 250 million. Shareholders also approved the necessary changes in the Memorandum and Articles of Association to incorporate details of the new business that the company plans to enter.

The Aim of the Board is to make this Company a leading entity in bulk warehousing, steel manufacturing, logistics and related business activities. The business plan approved by the Board and submitted to SECP and PSX has a capital outlay of over Rs. 20 billion comprising of about Rs. 9 billion of equity and a long term debt component of Rs. 11 billion which will be project financing for the proposed steel mills. This amount is inclusive of working capital. The balance sheet footing is expected to be over Rs. 27 billion.

The independent director of the Company Mr. Abu Talib resigned on July 24, 2018 and suitable person shall be appointed within the prescribed period to fill the casual vacancy created due to his resignation.

The Board has ensured compliance of Code of Corporate Governance in true letter and spirit as the Company gears itself to launch full scale operations. In order to strengthen the internal audit and control of the Company, the Board is in process of hiring the required human resource.

I thank the Board members for their contribution in preparing the business plan of the Company and other steps being taken to start the operations under revised business plan.

Muhammad Farrukh
Chairman
September 26, 2018

چیئر مین کی تجزیاتی رپورٹ

میں ایگرو آلیانز لمیٹڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے کردار پر چیئر مین کی تجزیاتی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

30 جون، 2018 کو ختم شدہ سال کے دوران بورڈ نے انتہائی منوثر کردار ادا کیا ہے۔ بورڈ نے اگست 2017 میں ایگرو آلیانز لمیٹڈ (سابقہ کریم کاشن ملز لمیٹڈ) کا انتظامی کنٹرول سنبھالا۔

بورڈ نے کمپنی کا انتظام سنبھالنے کے فوراً بعد ہی اپنے نئے کاروباری منصوبے پر کام کا آغاز کیا۔

الحمد للہ! 30 جون، 2018 کو مالی سال کے اختتام کے بعد کمپنی نے اپنے آپریشنز کی بحالی کے لیے اہم اقدامات اٹھائے۔ اس سلسلے میں، ہم یہ بات بتاتے ہوئے خوشی محسوس کرتے ہیں کہ 19 جولائی، 2018 کو بورڈ نے کمپنی کے مجوزہ ویز ہاؤسنگ، اسٹیل مینوفیکچرنگ اور لاجسٹکس کے کاروبار کے لیے میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن میں تبدیلی کی منظوری دے دی۔ 11 ستمبر، 2018 کو منعقدہ غیر معمولی اجلاس عام میں شیئر ہولڈرز نے کمپنی کا نام تبدیل کر کے آلیانز بلک اینڈ اسٹیل لمیٹڈ رکھنے کے فیصلے کی توثیق کر دی۔ یہ تبدیلی کمپنی کے مجوزہ کاروباری منصوبے کو ذہن میں رکھتے ہوئے کی گئی۔ شیئر ہولڈرز نے کمپنی کے کیپٹل کو 250 ملین روپے سے بڑھا کر 8.25 ارب روپے کرنے کی بھی منظوری دے دی۔ شیئر ہولڈرز نے نئے کاروباری منصوبے کے لیے کمپنی کے میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن میں بھی تبدیلیوں کی توثیق کر دی ہے۔

ہم چاہتے ہیں کہ کمپنی کو بلک ویز ہاؤسنگ، اسٹیل مینوفیکچرنگ، لاجسٹکس اور متعلقہ کاروباری سرگرمیوں کے حوالے سے بڑے ادارے کی حیثیت دلائیں۔ اس سلسلے میں کاروباری منصوبے کی تفصیلات ایس ای سی پی اور پی ایس ایکس میں جمع کرا دیں ہیں جس میں 20 ارب روپے کا سرمایہ درکار ہے، جس میں تقریباً 9 ارب روپے ایکویٹی اور 11 ارب روپے پروجیکٹ فنانسنگ اور طویل مدتی قرضہ سے حاصل کیے جائیں گے، اس رقم میں ہشول ورکنگ کیپٹل اسٹیٹمنٹ آف فنانشل پوزیشن میں مجموعی طور پر 27 ارب روپے کے اثاثے کی توقع ہے۔

کمپنی کے آزاد ائریٹریکٹرز نے 24 جولائی، 2018 کو اسٹیٹمنٹ دے دیا اور اس عہدے پر مجوزہ وقت کے اندر موزون شخص کی تقرری کی جائے گی۔

بورڈ نے یقینی بنایا ہے کہ جیسے ہی آپریشنز کا آغاز ہوگا تو کمپنی میں کوڈ آف کارپوریٹ گورننس کی پاسداری کے لیے پیشہ ورانہ جذبے کے ساتھ عملدرآمد کیا جائے گا۔

انتہائی آڈٹ اور کمپنی کے انتظامی امور کو مستحکم بنانے کے لیے بورڈ مطلوبہ افرادی وسائل کی تقرری کے لیے کوشاں ہے۔

میں بورڈ ممبرز کا شکریہ ادا کرتا ہوں کہ انہوں نے کمپنی کے کاروباری منصوبے کو تیار کیا اور نظر ثانی شدہ کاروباری منصوبے کے تحت آپریشنز بحال کرنے کے لیے دیگر اقدامات اٹھائے جا رہے ہیں۔

محمد فرخ

چیئر مین

26 ستمبر، 2018



Directors' Report

On behalf of the Board of Directors I am pleased to present the Directors' Report for the year ended June 30, 2018.

During the year, the name of the Company was changed from Karim Cotton Mills Limited to Agro Allianz Limited in pursuance of merger scheme of the company.

Alhamdulillah, following the close of year on June 30, 2018 your company has made significant progress towards commencement of operations. In this regard, we are pleased to report that on July 19 the Board approved to change the Memorandum & Articles of Association of the Company in line with proposed business steel manufacturing and warehousing and logistics. The name of the Company was also proposed to be changed in line with the new business and the authorized capital of the Company was also approved to be increased to facilitate raising fresh equity for the project.

On September 11 the Shareholder approved these changes and the name of the Company was approved to be changed to Allianz Bulk & Steel Limited while the authorized capital was approved to be raised from Rs. 250 million to Rs. 8,250 million. The Shareholders also approved the changes in Memorandum & Articles of Association of the Company in pursuance of the new business plan.

The Company has already submitted its business plan to the SECP and PSX. While the gestation phase of erecting the steel mill is around 24 months, the revenue stream from other business activities will started to flow from third quarter of financial year 2019. These revenues are expected to accrue from warehousing and bulk storage operations.

The capital structure of the Company comprise both debt and equity and we are in the process of discussing with banks and other financiers to engage the funds into the project.

The Company is negotiating purchase of 154.25 acre of land in Port Qasim Authority. The land is in prime location of North Western Industrial Zone. About 100 acre of land will be allocated to the warehousing and related operations while about 54 acre land will be used for steel plant erection and its other related activities.

Our aim is to make this Company a leading entity in steel manufacturing, warehousing, logistics and related business activities. In this regard, the business plan submitted to SECP and PSX has a capital outlay of over Rs. 20 billion comprising about Rs. 9 billion of equity and a long term debt component of Rs. 11 billion. Inclusive of working capital, the balance sheet footing is expected to be over Rs. 27 billion.

However, the smooth and timely implementation of business plan is subject to timely regulatory approvals besides risk factors associated with implementation of project of this scale.

During the period from July 1, 2017 to June 30, 2018 following persons held the position of directors.

	July 1, 2017	August 25 , 2017	June 30, 2018
1	Mr. Muhammad Idrees Haji Ebrahim	*Mr. Muhammad Farrukh	Mr. Muhammad Farrukh
2	Mr. Saeed Uddin Hamed Uddin	*Mr. A. Majeed Ghaziani	Mr. A. Majeed Ghaziani
3	Mr. Muhammad Arif Abdullah	*Mr. Safdar Sajjad	Mr. Safdar Sajjad
4	Mr. Adnan Muhammad Ahmed	*Mr. Abdul Hafeez	Mr. Abdul Hafeez
5	Mr. Abdul Wahid Umer	*Mr. Sheikh Ali Baakza	Mr. Sheikh Ali Baakza
6	Mr. Abu Talib	Mr. Abu Talib	Mr. Abu Talib
7	Mr. Zain ul Abedin Muhammad Yunus	*Mr. Mohammad Zain Sardar	Mr. Mohammad Zain Sardar

*Changes in the Board during the year.

The details of Committees constituted by the Board is provided below:

Board Audit Committee

July 1, 2017 to August 25 2017	Designation	August 25 2017 to June 30, 2018	Designation
Mr. Arif Abdullah	Chairman	Mr. Abu Talib	Chairman
Mr. Abu Talib	Member	*Mr. Safdar Sajjad	Member
Mr. Abdul Wahid Umer	Member	*Mr. Abdul Hafeez	Member

*Changes. Due to change of the Board on August 25, 2017 Mr. Safdar and Mr. Abdul Hafeez were appointed as member of the Audit Committee .

Board Human Resources & Remuneration Committee

August 25 , 2017 to May 02, 2018	Designation	May 02 2018 to June 30, 2018	Designation
*Mr. Safdar Sajjad	Chairman	*Mr. Abu Talib	Chairman
Mr. Abu Talib	Member	Mr. Safdar Sajjad	Member
Mr. Abdul Hafeez	Member	Mr. Abdul Hafeez	Member

The Company faces little risk or uncertainty in any area except those generally faced by local companies operating in Pakistan. There are some risks relating to erection of steel plant the Company has proposed to install. However, the management is taking necessary steps to mitigate the risk.

The pattern of shareholding is given in the Annual Report of the Company.

The Internal Financial and Other Control of the Company are being managed under by the relevant staff. As the Company launches operations, necessary human resource will be hired to strengthen the Internal Controls.



There has been no major changes in commitments affecting financial position of the Company's affairs after the balance sheet date.

Summary of financial operations of the Company for financial year ended June 30, 2018 is provided below:

	Rs.
Mark up Income	15,802,019
Excess Accrual Written back	50,000
Total Income	15,852,019
Administrative and General Expenses	(4,062,990)
Profit Before Taxation	11,789,029
Taxation	(3,435,564)
Profit After Taxation	8,353,465
EPS (Basic and Diluted)	0.36

As of the date of this report no change has occurred in commitment affecting financial position of the company between June 30, 2018 and September 26, 2018, the date of this report.

There is adequate demand for steel in the local market and the management do not foresee any major adverse change in steel market in the country. Also, the other services that the Company propose to offer including warehousing and logistics also have demand growing steadily over the years and is expected to witness same growth trajectory going forward.

Based on the above, it is highly likely that steel industry in the country will not face major slump or decline in demand. Accordingly, the Company is likely to witness growth in revenues and profits in coming years.

The Company's operations in steel manufacturing warehousing and logistics has minimal adverse impact on environment. Further, the management has taken steps that will facilitate operations in highest standards of environmental protection. All necessary approvals from environmental agencies and certifications are under process and will be implemented as when required.

The Board has approved a policy in line with its commitment towards its social responsibility and once the operations commences, it will implement the policy in letter and spirit.

Acknowledgements

We would like to take this opportunity to thank the Pakistan Stock Exchange, the SECP and the CDC for their continued support and cooperation towards the Company. We hope that this support would continue in the future as well.

We would also like to thank our dedicated and talented team of executives, staff and workers for the hard work put in during the period. We expect continued efforts from our employees to attain higher goals going forward.

For and on behalf of the Board

Abdul Majeed Ghaziani

Chief Executive

Karachi:

Date: September 26, 2018

Muhammad Farrukh

Director

مقامی مارکیٹ میں لوہے کی کافی طلب موجود ہے اور مینجمنٹ کے خیال میں لوہے کی صنعت کسی منفی رجحان کا شکار نہیں ہوگی۔ اس کے علاوہ، بلک ویئر ہاؤسنگ اور لاجسٹکس سمیت کمپنی کی مجوزہ دیگر سروسز کی طلب بھی سالہا سال بڑھ رہی ہے اور مستقبل میں بھی اس میں اضافے کی امید ہے۔

لہذا اس بات کے واضح امکانات ہیں کہ ملک میں لوہے کی صنعت کسی بحران یا طلب میں کمی کا شکار نہیں ہوگی۔ لہذا کمپنی کے کاروبار اور منافع میں آنے والے سالوں میں اضافے کی توقع ہے۔

کمپنی کے آپریشنز یعنی بلک ویئر ہاؤسنگ، اسٹیل مینوفیکچرنگ اور لاجسٹکس کا ماحول پر کم از کم منفی اثر ہوتا ہے۔ مزید برآں، انتظامیہ نے اپنے آپریشنز کے دوران ماحولیاتی تحفظ کے لیے اعلیٰ معیاری اقدامات اٹھائے ہیں۔ ماحولیاتی تحفظ کے اداروں سے تمام ضروری اجازت نامے حاصل کر لیے گئے ہیں اور اسناد کے لیے کام جاری ہے اور جب ضرورت ہوگی تو ان پر عمل بھی کیا جائے گا۔

بورڈ نے اپنی سماجی ذمہ داری پوری کرنے کے لیے پالیسی منظور کر لی ہے اور جیسے ہی آپریشنز کا آغاز ہوگا تو اس پالیسی کو تحریری اور عملی طور پر رائج کیا جائے گا۔

بشکریہ

ہم پاکستان اسٹاک ایکسچینج، ایس ای سی پی اور سی ڈی سی کے شکرگزار ہیں کہ انہوں نے کمپنی کے ساتھ مسلسل تعاون کو جاری رکھا۔ ہم مستقبل میں بھی اسی تعاون کی امید رکھتے ہیں۔

ہم اپنے ایگزیکٹوز، ملازمین اور ورکرز کی انتھک جدوجہد کے بھی شکرگزار ہیں۔ ہم اپنے ملازمین کی جانب مستقبل میں بحالی کے منصوبوں کو کامیاب بنانے میں مسلسل کوششوں کی امید کرتے ہیں۔

بورڈ کی طرف سے

محمد فرخ

ڈائریکٹر

عبدالحمید غازیانی

چیف ایگزیکٹو

کراچی:

26 ستمبر، 2018



عہدہ	25 اگست، 2017 سے 30 جون، 2018	عہدہ	25 اگست، 2017 سے 30 جولائی، 2017
چیئر مین	محترم ابوطالب	چیئر مین	محترم عارف عبداللہ
ممبر	محترم صفدر سجاد	ممبر	محترم ابوطالب
ممبر	محترم عبدالحفیظ	ممبر	محترم عبدالواحد عمر

- بورڈ میں 25 اگست، 2017 کو تبدیلی کی گئی اور محترم صفدر اور محترم عبدالحفیظ کو آڈٹ کمیٹی کے ممبر کی حیثیت سے مقرر کیا گیا۔

بورڈ کی ہیومن ریسورسز اینڈ ریویژن کمیٹی

عہدہ	02 مئی، 2018 سے 30 جون، 2018	عہدہ	25 اگست، 2017 سے 02 مئی، 2018
چیئر مین	محترم ابوطالب	چیئر مین	محترم صفدر سجاد
ممبر	محترم صفدر سجاد	ممبر	محترم ابوطالب
ممبر	محترم عبدالحفیظ	ممبر	محترم عبدالحفیظ

علاوہ خطرات جو پاکستان میں کام کرنے والی مقامی کمپنیوں کو درپیش ہیں۔ کمپنیوں کو کوئی بڑا خطرہ درپیش نہیں۔ اسٹیل مل کی تعمیر میں کچھ خطرات ہیں تاہم مینجمنٹ ان خطرات کو کم کرنے کیلئے ضروری اقدام اٹھا رہی ہے۔ کمپنی جنرل پروجیکٹ کے تاخیری خطرات سے دوچار ہے جو کہ فی الوقت پروجیکٹس کے ساتھ منسلک ہیں۔

شیئر ہولڈنگ کا طریقہ کار کمپنی کی سالانہ رپورٹ میں دیا گیا ہے۔

کمپنی اندرونی مالی اور دیگر معاملات کو متعلقہ افراد کے ذریعے چلا رہی ہے اور کاروبار کے آغاز کے ساتھ ہی ضروری افرادی وسائل بھی مہیا کر دیئے جائیں گے۔

کمپنی نے اپنے کاروبار کو پیشہ ورانہ انداز میں بہتر طریقے سے چلانے کے لیے مطلوبہ آپریشنز اور دیگر تکنیکی افرادی وسائل کے لیے اقدامات کر لیے ہیں۔

30 جون، 2018 کو ختم شدہ مالی سال کے لیے کمپنی کے مالی حسابات کی تفصیلات ذیل میں فراہم کی گئی ہے:

روپے	مارک اپ آمدنی
15,802,019	زائد ایکروول ریٹن بیک
50,000	مکمل آمدنی
15,852,019	ایڈمنسٹریشن اور جنرل ایکسس
(4,062,990)	آمدنی قبل از ٹیکس
11,789,029	ٹیکسیشن
(3,435,564)	آمدنی بعد از ٹیکس
8,353,465	فی حصص آمدنی (ای پی ایس) (بنیادی اور ڈائلیوٹڈ))
0.36	

بیلنس شیٹ کی تاریخ کے بعد کمپنی کے معاملات پر مالی حیثیت کے اثر انداز ہونے سے ارادوں اور منصوبوں میں کوئی اہم تبدیلی نہیں ہوئی ہے۔

ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی طرف سے میں 30 جون، 2018 کو ختم شدہ سال کے لیے ڈائریکٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

الحمد للہ! 30 جون، 2018 کو مالی سال کے اختتام کے بعد کمپنی نے اپنے آپریشنز کی بحالی کے لیے اہم اقدامات اٹھائے۔ اس سلسلے میں، ہم یہ بات بتاتے ہوئے خوشی محسوس کرتے ہیں کہ 19 جولائی، 2018 کو بورڈ نے کمپنی کے مجوزہ ویز ہاؤسنگ، اسٹیل مینوفیکچرنگ اور لاجسٹکس کے کاروبار کے لیے میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن میں تبدیلی کی منظوری دے دی۔ نئے کاروبار کے حوالے سے کمپنی کا نام بھی تبدیل کرنے کی تجویز دی گئی اور پروجیکٹ کے لیے نئے فنڈز کی فراہمی کو ممکن بنانے کے لیے کمپنی کا مجاز کیپیٹل بڑھانے کی بھی منظوری دی ہے۔

11 ستمبر، 2018 کو شیئر ہولڈرز نے مذکورہ تبدیلیوں کی توثیق کر دی اور کمپنی کا نام تبدیل کر کے آلیانز بلک اینڈ اسٹیل لمیٹڈ رکھا گیا جبکہ مجاز کیپیٹل کو 250 ملین روپے سے بڑھا کر 8,250 ملین روپے کرنے کی منظوری بھی دے دی گئی۔ شیئر ہولڈرز نے نئے کاروباری منصوبے کے لیے کمپنی کے میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن میں بھی تبدیلیوں کی توثیق کر دی ہے۔

کمپنی نے ایس ای سی پی اور پی ایس ایکس میں پہلے ہی اپنے کاروباری منصوبے کی تفصیلات جمع کرا دی ہیں۔ گرچہ کہ اسٹیل مل کو قائم کرنے کے لیے تقریباً 24 مہینے درکار ہوں گے، دیگر کاروباری سرگرمیوں سے آمدنی کا آغاز ممکنہ طور پر مالی سال 2019 کی تیسری سہ ماہی سے متوقع ہے۔ یہ آمدنی ویز ہاؤسنگ اور بلک اسٹورج سے حاصل ہونے کی امید ہے۔

کمپنی کا کیپیٹل اسٹرکچر ڈیبٹ اور ایکویٹی پر مشتمل ہے اور ہم بینکوں و دیگر سرمایہ کار اداروں کے ساتھ مذاکرات کے عمل سے گزر رہے ہیں تاکہ اسٹیل مینوفیکچرنگ پلانٹ کے لیے سرمایہ حاصل ہو سکے۔

کمپنی نے پورٹ قاسم اتھارٹی میں 154.25 ایکڑ زمین کی خریداری کے لئے گفتگو شنید کر رہی ہے۔ یہ زمین نارتھ ویسٹرن انڈسٹریل زون سے متصل اہم مقام پر واقع ہے۔ اس میں سے تقریباً 100 ایکڑ زمین ویز ہاؤسنگ اور متعلقہ آپریشنز کے لیے مختص کی جائے گی جبکہ 54 ایکڑ زمین اسٹیل پلانٹ اور اس سے منسلک سرگرمیوں کے لیے استعمال کی جائے گی۔

ہمارا مقصد ہے کہ کمپنی کو بلک ویز ہاؤسنگ، اسٹیل مینوفیکچرنگ، لاجسٹکس اور متعلقہ کاروباری سرگرمیوں کے حوالے سے بڑے ادارے کی حیثیت دلائیں۔ اس سلسلے میں کاروباری منصوبے کی تفصیلات ایس ای سی پی اور پی ایس ایکس میں جمع کرا دی ہیں جس میں 20 ارب روپے کا سرمایہ درکار ہے، جس میں تقریباً 9 ارب روپے ایکویٹی اور 11 ارب روپے طویل المدتی قرضہ اپروویجٹ فنڈنگ سے حاصل کیے جائیں گے۔ اس رقم میں بشمول ورکنگ کیپیٹل اسٹیٹمنٹ آف فنانشل پوزیشن میں مجموعی طور پر 27 ارب روپے کے اثاثے کی توقع ہے۔

تاہم کاروباری منصوبے پر بروقت عملدرآمد کا انحصار ضابطے کی بروقت منظوری اور پروجیکٹ کو عملی جامہ پہنانے سے منسلک مختلف خطرات پر قابو پانے کے لیے خاطر خواہ انتظامات سے مشروط ہوگا۔

اس دوران یکم جولائی، 2017 سے 30 جون 2018 تک درج ذیل افراد ڈائریکٹرز کے عہدوں پر فائز رہے۔

یکم جولائی، 2017	25 اگست، 2017	30 جون، 2018
1- محترم محمد ادریس حاجی ابراہیم	محترم محمد فرخ	محترم محمد فرخ
2- محترم سعید الدین حمید الدین	محترم عبدالجید غازیانی	محترم عبدالجید غازیانی
3- محترم محمد عارف عبداللہ	محترم صفدر سجاد	محترم صفدر سجاد
4- محترم عدنان محمد احمد	محترم عبدالحفیظ	محترم عبدالحفیظ
5- محترم عبدالواحد عمر	محترم شیخ علی باکڑا	محترم شیخ علی باکڑا
6- محترم ابوطالب	محترم ابوطالب	محترم ابوطالب
7- محترم زین العابدین محمد یونس	محترم محمد زین سردار	محترم محمد زین سردار

رواں سال کے دوران بورڈ میں تبدیلی کیا گیا

بورڈ کی جانب سے قائم کردہ کمیٹیوں کی تفصیلات ذیل میں فراہم کی گئی ہے:

بورڈ کی آڈٹ کمیٹی



INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF AGRO ALLIANZ LIMITED (FORMERLY KARIM COTTON MILLS LIMITED) Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **Agro Allianz Limited** (Formerly Karim Cotton Mills Limited) (the Company) for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the note reference where it is stated in the Statement of Compliance:

Note Reference	Description
8	The Board has not developed the formal policy and transparent procedure for Remuneration of directors in accordance with the Companies Act, 2017 and the Regulations.

Chartered Accountants
Place: Karachi
Date: September 26, 2018

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

Name of Company : AGRO ALLIANZ LIMITED

Year Ended : JUNE 30, 2018

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are Seven as per the following:
 - a. Male : Seven
 - b. Female: Nil
2. The Composition of the Board is as follows:

CATEGORY	NAMES
Independent Director	1) Abu Talib*
Non -Executive Directors	2) Safdar Sajjad 3) Abdul Hafeez 4) Muhammad Farrukh 5) Muhammad Zain Sardar 6) Sheikh Ali Baakza
Executive Director	7) Abdul Majeed Ghaziani

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including Agro Allianz Limited.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The formal policy relating to Directors Remuneration will be made, once Company is in Operation.
9. None of the Directors has attended the Directors' Training Program during the year, however, the condition of training certification for the directors shall be complied with in due course.



10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The Board has formed committees comprising of members given below.

Name of Committee	Name of Members and Chairman
Audit Committee	1) Abu Talib* (Independent Director) Chairman 2) Safdar Sajjad - Member 3) Abdul Hafeez - Member
Human Resource and Remuneration Committee	1) Abu Talib* (Independent Director) Chairman 2) Safdar Sajjad - Member 3) Abdul Hafeez - Member

13. The terms and reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per the following:
Number of Audit Committee meetings held during the year - Four The details of Audit Committee Meetings are as Follows:

Name of Committee Member	Designation	Number of meeting held	Meeting Attended
Abu Talib*	Independent Director / Chairman Audit Committee	4	4
Safdar Sajjad	Member	4	4
Abdul Hafeez	Member	4	4

Number of Human Resource and Remuneration Committee meeting held during the year – One
The details of Human Resource and Remuneration Committee meeting are as Follows:

Name of Committee Member	Designation	Number of meeting held	Meeting Attended
Safdar Sajjad	Chairman	1	1
Abdul Hafeez	Member	1	1
Abu Talib *	Member	1	1

- Mr. Abu Talib was appointed as Chairman Human Resource and Remuneration Committee on May 02, 2018. Mr Abu Talib, Director has resigned on July 24, 2018.

15. The board has setup an effective internal audit function.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all of its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan (ICAP).

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

ABDUL MAJEED GHAZIANI
 CHIEF EXECUTIVE

MUHAMMAD FARRUKH
 Chairman

Karachi: September 26, 2018



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)

Report on the Audit of the Financial Statements of June 30, 2018

Opinion

We have audited the annexed financial statements of Agro Allianz Limited (Formerly Karim Cotton Mills Limited) (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern

We draw attention towards Note 2 to the accompanying financial statements which states that the Company has not commenced its operations yet and earning only markup income from loan to an associated company. The business plan which has been developed requires huge capital which is presently not available with the Company further for meeting of the routine expenses the Company, It is dependent upon the financial assistance from the directors of the Company. These conditions indicates that the materiality uncertainty exists that may cast significant doubt about the Company's ability to continue as going concern. The underlying going concern assumption is contingent upon the successful implementation of the identified business plan and the process as disclosed in the Note 2 through which the said fund shall be arranged. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 8.3 to the accompanying financial statements which states that requirements of provisions of “section 199 - investment in associated companies and undertakings” of Companies Act, 2017 have not been considered by the management after conversion of the status of company from private to the public limited company. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the “Material Uncertainty Relating to Going Concern” and “Emphasis of Matter” sections we have determined the matters described below to be the Key Audit Matters to be communicated in our report:

S.No.	Key audit matters	How the matter was addressed in our audit
1.	Valuation and presentation of loan to associated company	
	Refer note 8 and 19 to the accompanying financial statements.	
	The Company has given loan to its associated company and this loan consists 89% of the total assets further markup from the loan is the only significant source of income of the Company.	
	As per the terms of agreement of the loan the complete amount is recoverable on demand expected / arises to be completely recovered during the year however, no recovery in respect of principal of the loan has yet been made.	Our key audit procedures with respect to valuation and presentation of the loan included related enquiry from management and confirmation from associated company, review of loan agreement to evaluate of terms of repayment, pricing mechanism and other major terms like securities held and termination or breach conditions. We considered the adequacy and appropriateness of the presentation of loan as current asset and related disclosure in respect of related party disclosures. Further to this we recomputed the charged amount of markup for the year as per the terms of agreement.
	As the asset is significant and related to associated company and this relation is based on common directorship with significant holding of directors in associated company therefore, risk of inappropriate assessment for need of impairment is high.	We also evaluated the financial position of the associated company through review of its audited financial statements and obtained reasons of variations considering the consistency with other related information and significant events disclosed by the associated company.
		We have also examined the payments from associated company to understand the ability and intention of the associated company and of the directors.



Due to the significant involvement of management's judgment in valuing major asset, its impact and volume to total revenue from markup income we considered it to be key audit matter.

2. Management intention to execute the new business plan

Refer the note 2 and 3.2 to the accompanying financial statements.

During the year the management has developed a business plan for the future operations of the Company. The underlying assumption of going concern is contingent upon the successful implementation of the business plan.

To execute the plan, Company needs some initial funds for initiating the process. The required fund could be considered as available if the loan to associated company is recovered to the extent needed. Insignificant recovery of loan from associated company raised the risk over the availability of fund to execute the business plan which would impact the validity of going concern assumption of the Company.

Disclosure of future plans of the Company in the accompanying financial statements needs to be fair and truly represent and present intentions of the management. The actions which have been reported as taken did not impact the financial position of the Company in monetary terms however, these were significant enough to impact the marketability of the equity securities of the Company when resumed to trade through stock exchange. Increase of paid-up capital through right issue is also a part of the business plan.

We considered that there may be high risks of misstatement in the related disclosure therefore we considered it as key audit matter.

We also evaluated the appropriateness of the accounting and disclosures and considered the adequacy and relevance of related party transactions in accordance with the requirements of the "IAS 24 – Related Party Disclosures" and the Act.

The key audit procedures which we have performed for ascertaining validity of the business plan included the review of communication with the owner of the prospective land and with contractor for installation of sprinkling plant at the prospective business premise the warehouse premises to analyse the intention of management to implement the plan.

We evaluated the communication and assessed the stage of the negotiation and probability of execution of the transaction and further assessed the impact of the transaction on the overall implementation of the business plan.

We have also examined the relevant approvals from the Board of Directors and members of the Company which has been obtained subsequent to year end. Communication of such approvals to Pakistan Stock Exchange has also been examined.

3. Contingency

Refer note 13 to the accompanying financial statements:

The Company has contingent liability in respect of order of Hon'ble Supreme Court of Pakistan regarding repayment of loan previously written off.

In order to assess contingency the management makes judgments and estimates in relation to the interpretation of the laws, Orders, rules and regulations and available agreements with probability of outcome of the financial impact, if any, on the Company for disclosure, recognition and measurement of any provision that may be required to be recorded or disclosed.

Due to the magnitude of the amount involved, inherent uncertainties with respect to the outcome of the matter and use of the significant management judgments, and estimates to assess the same probability of cash outflow and related financial impact we have considered the matter as key audit matter.

The key audit procedures which we have followed to cover the risk of material misstatement and inappropriate disclosure of the matter includes the review of order of the Hon'ble Supreme Court of Pakistan with independent understanding of the complete respective Suo Motu Case.

We have also reviewed the communications with the Bank and the agreement entered into by the present management with the previous management in respect of transfer of management on merger to evaluate the available indemnity to the Company in respect of any past liability.

We circulated confirmation to the external legal advisors of the Company to identify any further contingency. We also evaluated the rationale of the bases of the Company's legal counsel.

We enquired about the future course of action which the management shall exercise, if the liability would be collected from the Company. Further we assess the present status of the case to ascertain the amount and probability of the future cash outflow.

Further we reviewed the disclosures made in the financial statements in respect of such contingency.

4. Preparation of financial statements under Companies Act, 2017

As referred in note 4.1 to the accompanying financial statements, the Companies Act, 2017 (the Act) became applicable for the first time for the preparation of financial statements.

The Act forms an integral part of the financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosure in relation to various elements of the financial statements

We assessed the procedures adopted by the management for identification of the required changes in the financial statements due to the application of the Act. We considered the adequacy and appropriateness of the additional disclosures presented and changes to the previous disclosures based on the new requirements. We also evaluated the sources of information used by the management for the preparation of the above referred disclosure and internal consistency of such disclosures and information with other elements of the financial statements.



In case of the Company, specific additional disclosures have been included in the financial statements as referred to note 4.1 to the accompanying financial statements.

The aforementioned changes and enhancements in the reporting framework are considered as a key audit matter because of the volume and significance of the new disclosures in the financial statements resulting from the transition to the new reporting requirement under the Act.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease its operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is S. M. Suhail, FCA

S. M. Suhail & Co.
Chartered Accountants
Karachi
Ref: SMS-A-4322018
Date: 26 September, 2018

AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)
Statement of Financial Position
As at June 30, 2018

ASSETS		2018	2017
	Note	(all amounts in PKR)	
Non-current assets			
Property, plant and equipment	7	12,093,188	14,227,280
Current assets			
Loan to associate	8	213,310,348	198,895,535
Taxation-net		14,582,104	18,013,600
Cash and bank balances	9	112,171	113,385
		228,004,623	217,022,520
TOTAL ASSETS		240,097,811	231,249,800
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
25,000,000 (2017: 25,000,000) ordinary shares of Rs. 10/-		250,000,000	250,000,000
Issued, subscribed and paid-up capital	10	229,932,940	229,932,940
Long-term loan		-	1,484,000
Accumulated profit / (loss)		7,976,410	(377,055)
		237,909,350	231,039,885
Current liabilities			
Loan from directors	11	1,716,500	-
Accrued and other payables	12	462,046	200,000
Unclaimed dividend		9,915	9,915
		2,188,461	209,915
TOTAL EQUITY AND LIABILITIES		240,097,811	231,249,800
Contingencies and commitments	13		

The annexed notes from 1 to 25 form an integral part of these financial statements.

 Chairman
 Muhammad Farrukh

 Chief Executive Officer
 Abdul Majeed Ghaziani

 Chief Financial Officer
 Yousuf Hamdani



AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)

Statement of Profit or Loss

For the year ended June 30, 2018

REVENUE		2018	2017
	Note	(all amounts in PKR)	
Mark -up income	14	15,802,019	13,013,656
Excess accrual written back		50,000	-
Total Income		15,852,019	13,013,656
Administrative and general expenses	15	(4,062,990)	(2,899,140)
Profit before taxation		11,789,029	10,114,516
Taxation	16	(3,435,564)	(3,236,645)
Profit after taxation		8,353,465	6,877,871
Earnings per share -basic & diluted	17	0.36	5.55

The annexed notes from 1 to 25 form an integral part of these financial statements.

Chairman
Muhammad Farrukh

Chief Executive Officer
Abdul Majeed Ghaziani

Chief Financial Officer
Yousuf Hamdani

**AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)****Statement of Comprehensive Income****For the year ended June 30, 2018**

COMPREHENSIVE INCOME	2018	2017
	(all amounts in PKR)	
Profit for the year	8,353,465	6,877,871
Other comprehensive income for the year		
Gain on merger	-	5,632,902
Total Comprehensive Income for the Year	8,353,465	12,510,773

The annexed notes from 1 to 25 form an integral part of these financial statements.

Chairman
Muhammad Farrukh

Chief Executive Officer
Abdul Majeed Ghaziani

Chief Financial Officer
Yousuf Hamdani



AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)
Statement of Cash Flows
For the year ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	2018	2017
	(all amounts in PKR)	
Profit before taxation	11,789,029	10,114,516
Adjustments for:		
Depreciation	2,134,092	2,510,697
Excess accrual written back	(50,000)	-
Mark-up earned	(15,802,019)	(13,013,656)
Operating Loss Before Working Capital Changes	(1,928,898)	(388,443)
Changes in working capital		
Increase / (decrease) in current liabilities:		
Accrued expenses	312,046	(915,000)
Taxes paid	(4,068)	(181)
Net cash flows used in operations	(1,620,920)	(1,303,624)
CASH FLOWS FROM INVESTING ACTIVITIES		
Mark-up received	1,387,206	1,799
Net cash flows generated from investing activities	1,387,206	1,799
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan received from directors	1,267,800	1,300,000
Loan repaid to director	(1,035,300)	-
Net cash flows generated from financing activities	232,500	1,300,000
Net decrease in cash and cash equivalent	(1,214)	(1,825)
Cash and cash equivalents at beginning of the year	113,385	115,210
Cash and cash equivalents at end of the year	112,171	113,385

The annexed notes from 1 to 25 form an integral part of these financial statements.

Chairman
Muhammad Farrukh

Chief Executive Officer
Abdul Majeed Ghaziani

Chief Financial Officer
Yousuf Hamdani

AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)
Statement of Changes in Equity
For the year ended June 30, 2018

Particulars	(all amounts in PKR)			
	Issued, Subscribed and Paid-up Capital	Accumulated Profit / (Loss)	Loan from director	Shareholders' Equity
Balance as at July 01, 2016	11,832,940	(12,887,828)	184,000	(870,888)
Share issued on merger - note 1.1	218,100,000	-	-	218,100,000
Total comprehensive income for the year	-	12,510,773	-	12,510,773
Loan received during the year	-	-	1,300,000	1,300,000
Balance as at June 30, 2017	229,932,940	(377,055)	1,484,000	231,039,885
Total comprehensive income for the year	-	8,353,465	-	8,353,465
Transferred to current liability	-	-	(1,484,000)	(1,484,000)
Balance as at June 30, 2018	229,932,940	7,976,410	-	237,909,350

The annexed notes from 1 to 25 form an integral part of these financial statements.

 Chairman
 Muhammad Farrukh

 Chief Executive Officer
 Abdul Majeed Ghaziani

 Chief Financial Officer
 Yousuf Hamdani



AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)

Notes to the Financial Statements

For the year ended June 30, 2018

Note

1

LEGAL STATUS AND BUSINESS ACTIVITIES OF THE COMPANY

Agro Allianz Limited (formerly: Karim Cotton Mills Limited) (the Company) was originally incorporated as a private limited company on March 28, 1968 under the repealed Companies Act, 1913 now the Companies Act, 2017. It was later converted into a public limited company on December 14, 1968. Its shares are quoted on Pakistan Stock Exchange Limited but presently these are at the defaulter's counter.

During the year, name of the Company has been changed from Karim Cotton Mills Limited to Agro Allianz Limited and amended certificate of incorporation in this respect has been issued by the Securities and Exchange Commission of Pakistan (SECP) on June 29, 2018.

Geographical location and address of business units

Address

Unity Tower Plot No. 8-C, P.E.C.H.S., Block-6, Karachi.

Purpose

Registered office

The main business activity of the Company is to manufacture yarn and fabrics. On April 30, 1995 it ceased its operations which is still ceased. Subsequent to the closure of its operations on April 30, 1995 it sold its operating assets in 1999 and while management is making continuous efforts to revive its operations. Since then directors have been meeting its expenses from their own resources.

Pursuant to the order dated August 31, 2004, passed by the Appellate Tribunal of the Commission, on Company's appeal suspending impugned winding up order passed on June 16, 2004 by Enforcement and Monitoring Department of SECP, the sponsors holding majority shares executed a MOU dated May 3, 2014 with M/s Agro Allianz (Private) Limited (AAPL) for the long awaited revival of the Company. On August 18, 2016 the High Court of Sindh has allowed the merger as prayed through an order. Now the Company stand merged and have acquired total net assets of AAPL.

1.1 Merger of the Company

The agreed SWAP ratio was 145.4:1 and the effective date of the merger was agreed as March 31, 2016. As result of merger the Company acquired all the assets and liabilities of AAPL. Now, the legal status of AAPL ceased on merger without being wound up and KCML continued as merged company. According to the revised scheme, the Company has issued 21,810,000 shares of Rest. 10/- each, at par value to the shareholders of the AAPL against acquisition of complete net assets of the company.

Note

2

MATERIAL UNCERTAINTY

The Company is presently earning profit on debt on loan to associated company to meet its expenses and to increase its equity. However it has not yet commenced its operations because the management is interested in changing its main business activity.

Subsequent to year end it has been decided by the management to change its business activity from manufacturing of yarn and fabric to melting and re-rolling of steel with provision of warehousing facilities to importers of coal and allied items.

AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)

Notes to the Financial Statements

For the year ended June 30, 2018

To commence the activity initial capital of Rs. 20 billion is required which is presently not available with the Company. Further, the main asset available to the Company is a loan given to an associated company which owe external debts too. The availability of funds for meeting initial expenses for executing the business plan is dependent upon the recoverability of loan amount. However, the management has developed a plan which consists over next at least 3 years for commencing new business activity. Initially the company is interested in raising its equity through right issue upto Rs. 08 billion to acquire assets and equipments for warehousing project and it intends to commence its operations from year 2019. Negotiation to acquire land and construct required structure is already in process. After commencing the warehousing activity it shall raise its remaining liquidity needs by borrowings. From borrowings the management is intended to build a steel mill which shall be operative by 2022. The loan shall be repaid through short term financing at lower rates and profits earned.

Note 3	SIGNIFICANT TRANSACTIONS AND EVENTS THAT EFFECTED THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE
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- 3.1 During the year the Hon'ble Supreme Court of Pakistan has issued an order on Suo Motu Case No. 26/2007 requiring the involved banks to facilitate in collection of previously unlawfully written off amount of loans from alleged 222 borrowers. The list of 222 borrowers includes the name of the Company with name and style of "Karim Cotton Mills Limited". The matter is further described in Note 13 to these financial statements.
- 3.2 During the year management has carried a comprehensive research considering the resources available with the Company and the Unity Group, and developed a business plan with its 10 years projection. The business plan has been approved subsequent to year end while the negotiations to implement the plan are being carried with vendors and different other relevant parties. Land to be used for warehousing and installation of plant has been identified during the year and process for acquisition has been initiated. The business plan has been shared through presentation at Pakistan Stock Exchange.
- 3.3 During the year Pakistan Stock Exchange Limited has eliminated the possibility to levy a penalty of aggregate Rs. 4.05 million which was originally livable against late filing of accounts and delayed meetings for year 2011 and 2012. It was disclosed as contingency in prior years. The Pakistan Stock Exchange has demanded all the dues from the Company and did not consider to levy the penalty.
- 3.4 During the year a liability of ex-share registrar has been identified which belonged to the period from January, 2016 till the date of appointment of new registrar. It has been paid and recorded in professional charges by amount Rs. 668,897. Further, due to the filing requirements of Securities and Exchange Commission of Pakistan related to merger, change of name and transfer of management together with pending issues at Pakistan Stock Exchange the Company has incurred several expenses which resulted in increased legal and professional charges and fee and subscriptions.



AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)

Notes to the Financial Statements

For the year ended June 30, 2018

Note
4

BASIS OF PREPARATION

4.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. These approved accounting standards comprises of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under Companies Act, 2017, provisions and directives issued under Companies Act, 2017. In case requirements differ, the provisions and directives of Companies Act, 2017 shall prevail.

The Companies Act, 2017 has also brought certain changes with regard to the preparation and presentation of these financial statements. These changes, amongst other, included changes in respect of nomenclature of these financial statements. Further the disclosure requirements contained in the fourth schedule of the Act have been revised, resulting in elimination of duplicative disclosure including, but not limited to management assessment of sufficiency of tax provision in the financial statements, additional disclosure requirements for related parties and identification of significant transactions and events that effected the Company's financial position and performance etc.

4.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention and on the accrual basis of accounting except otherwise specifically stated in their respective notes.

4.3 Standards and amendments to standards that became effective

There are certain new and amended standards, interpretations and amendments that are mandatory for the accounting periods beginning on or after July 1, 2017. These amendments do not have any significant effect on these financial statements.

IFRS-12 Disclosure of Interests in Other Entities (Amendments regarding the application of the consolidation exception)

IAS-7 Statement of Cash Flows - Disclosure initiative

IAS-12 Income Taxes - Recognition of deferred tax assets for unrealized losses

4.4 Standards and amendments to published approved accounting standards that are not yet effective.

The following standards, amendments and interpretations of approved accounting standards would be effective from the dates mentioned below against the respective standard or interpretation:

**AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)****Notes to the Financial Statements****For the year ended June 30, 2018**Annual period
beginning on or
after

IFRS-2	Share Based Payments - Classification and measurement of share based payment transactions (Amendments)	January 1, 2018
IFRS-3	Business Combinations - Remeasurement of previously held interest (Amendments)	January 1, 2019
IFRS-4	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)	January 1, 2018
IFRS-9	Financial Instruments	July 1, 2018
IFRS-9	Prepayment Features with negative compensation (Amendments)	January 1, 2018
IFRS-10	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sales or Construction of Assets between and Investor and Associate or Joint Venture (Amendments)	Not yet finalized
IFRS-11	Joint Arrangements - Remeasurement of previously held interest (Amendments)	January 1, 2019
IFRS-15	Revenue from Contracts with Customers (Original issue)	July 1, 2018
IFRS-16	Leases (Original issue)	January 1, 2019
IFRS-40	Investment Property - Transfer of Investment Property	January 1, 2018
IAS-12	Income Taxes - Income tax consequences of dividends	January 1, 2019
IAS-19	Employees Benefits - Plan Amendment, Curtailment or Settlement (Amendment)	January 1, 2019
IAS-23	Borrowing Cost - borrowing costs eligible for capitalization	January 1, 2019
IAS-28	Investments in Associates and Joint Ventures - Clarifying certain fair value measurement, Long term Interest in Associates and Joint Ventures (Amendments)	January 1, 2019
IFRIC-22	Foreign Currency Transactions and Advance Consideration	January 1, 2018
IFRIC-23	Uncertainty over Income Tax Treatment	January 1, 2019
	IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework (Amendments)	January 1, 2020

4.5 Standards issued by IASB but not yet notified by SECP

Further, the following new standards have been issued by IASB which are not yet notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of application in Pakistan.

		IASB Effective date (annual period beginning on or after)
IFRS-14	Regulatory Deferral Accounts - Original issue	January 1, 2016
IFRS-17	Insurance contracts - Original issue	January 1, 2021



AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)
Notes to the Financial Statements
For the year ended June 30, 2018

Note 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that effect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods, if the revision affects both current and future periods. Areas where assumptions and estimates are significant to the financial statements are;

- residual value and useful life of depreciable assets
- provision for doubtful debts and
- provision for taxation

Note 6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

6.1 Property, plant and equipment

These are stated at historical cost less accumulated depreciation and impairment loss, if any. Depreciation is charged to statement of profit or loss over the useful life of the assets applying the reducing balance method at the rates specified in note 7 to the financial statements. Depreciation on additions is charged from the month the asset is available for use up to the month preceding the month of disposal.

An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than the recoverable amount.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate group under property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the comprehensive income for the financial year in which they are incurred.

Disposal of asset is recognized when significant risk and rewards incidental to ownership have been transferred to buyers. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are taken to the profit or loss account.

AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)

Notes to the Financial Statements

For the year ended June 30, 2018

6.2 Taxation

Current

Provision for taxation is based on the taxable income for the year at current tax rates after taking into account tax credits and tax rebates, if any, computed in accordance with the enacted tax laws and based on minimum tax @1.5% of turnover, Alternate Corporate Tax @ 17% of accounting profit or normal corporate tax @30% of taxable income whichever is higher. Taxable income is computed in accordance with the provisions of Income Tax Ordinance, 2001.

Deferred

The company accounts for deferred taxation using the balance sheet method. Deferred tax liability is recognized for future taxable temporary differences and deferred tax asset is recognized for future deductible temporary differences, including unutilized tax losses, to the extent when it is probable that future taxable profits will be available to offset the deferred tax asset.

However, as the deferred tax asset raised on unabsorbed tax losses exceeds the arisen deferred tax liability therefore assets are only recognized to the extent of writing off arisen liability and not further.

6.3 Stock-In-Trade

Stock -in-trade except for stock -in- transit, are valued at the lower of cost and net realizable value. Cost comprises of all the costs of procurement, cost of conversion, and other costs incurred in bringing the inventories to present location and condition.

Stock in transit is valued at cost comprising invoice value plus other charges thereon incurred to bring them in condition to process.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred in order to make a sale.

6.4 Trade debts and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful receivable balances. Bad debts are written off as and when identified.

Other receivable are recognized and carried at cost which is the fair value of the consideration to be received in the future for goods and services.

6.5 Cash and cash equivalents

Cash and cash equivalents are carried at their nominal value as applicable. For the purposes of statement of cash flows, cash and cash equivalents comprise cash in hand, balance with banks and short term placements having maturity within 3 months and readily convertible to known amounts of cash and subject to insignificant risk of changes in value.



AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)
Notes to the Financial Statements
For the year ended June 30, 2018

6.6 Provisions

Provision are recognized when the company has a present legal or constructive obligation as result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

6.7 Impairment

A financial assets are assessed at each reporting date to determine whether there is any objective evidence that financial assets or a group of financial assets is impaired. These are considered to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has any adverse impact over estimated future cash flows that can be reliably estimated.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses on financial assets that are being carried at amortized cost are recognized in statement of profit or loss.

The carrying amount of the Company's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, or when annual impairment testing of an asses is required, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted at present value of money and the risk specific to the asset. The fair value less cost to sell is based on available data on binding sales transactions, conducted at arms length.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss is recognized. The reversal is limited so that the carrying amount of the assets does not exceeds its recoverable amount, nor exceed the carrying amount that would have been determined , net of depreciation, had no impairment loss been recognized for the asset in prior year. Such reversal is recognized in the statement of profit or loss.

AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)**Notes to the Financial Statements****For the year ended June 30, 2018****6.8 Trade and other payables**

Liabilities for trade and other payables are carried at the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Company.

6.9 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date. Foreign exchange gains and losses on translation are recognized in the statement of profit or loss. Non-monetary items are translated into Pak rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

6.10 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, excluding discount, rebates, sales tax and duties.

Profit on loans is recognized on accrual basis computed in accordance with the agreed terms.

Profit on deposits placed with banks are recognized on accrual basis.

6.11 Financial instruments**Financial assets**

The company's principal financial assets are cash and bank balances, trade debtors and other receivables. These are stated at fair value or at values otherwise disclosed in respective accounting policies.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include creditors, loans and other liabilities. These are stated at fair value.

Offsetting of Financial assets and liabilities

A financial asset and a financial liability are offset and the net amount is reported in the financial statements if the company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Corresponding income on the asset and change in the liability is also off-set accordingly.



AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)

Notes to the Financial Statements For the year ended June 30, 2018

7	PROPERTY, PLANT AND EQUIPMENTS	(all amounts in PKR)		
Description	Machinery (Silos)	Vehicles	Total	
Depreciation rate%	15%	15%		
For Year 2018				
Cost	26,800,000	800,000	27,600,000	
Accumulated depreciation	(12,985,105)	(387,615)	(13,372,720)	
Net book value beginning of the year	13,814,895	412,385	14,227,280	
Changes during the year				
Addition during the year	-	-	-	
Disposal during the year	-	-	-	
Depreciation charged for the year	(2,072,234)	(61,858)	(2,134,092)	
	(2,072,234)	(61,858)	(2,134,092)	
Net book value at the end of the year	11,742,661	350,527	12,093,188	
Analysis of net book value				
Cost	26,800,000	800,000	27,600,000	
Accumulated depreciation	(15,057,339)	(449,473)	(15,506,812)	
Net book value at the end of the year	11,742,661	350,527	12,093,188	
For Year 2017				
(all amounts in PKR)				
Description	Machinery (Silos)	Vehicles	Total	
Depreciation rate%	15%	15%		
For Year 2017				
Cost	-	-	-	
Accumulated depreciation	-	-	-	
Net book value beginning of the year	-	-	-	
Changes during the year				
Addition during the year	-	-	-	
Transfer on merger	26,800,000	800,000	27,600,000	
Disposal during the year	-	-	-	
Depreciation				
Transfer on merger	(10,547,182)	(314,841)	(10,862,023)	
Depreciation charge for the year	(2,437,923)	(72,774)	(2,510,697)	
Net book value at the end of the year	13,814,895	412,385	14,227,280	
Analysis of net book value				
Cost	26,800,000	800,000	27,600,000	
Accumulated depreciation	(12,985,105)	(387,615)	(13,372,720)	
Net book value at the end of the year	13,814,895	412,385	14,227,280	

AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)
Notes to the Financial Statements
For the year ended June 30, 2018

- 7.1 The Machinery represents 04 sets of Silos which have been dismantled. Since the Company does not intend to continue the business of grain storage or textile and are shifting towards business of coal storage and steel melting/ production. Although the machinery were available for immediate sale however there was no formal plan to sell the asset. Further active programs to locate the buyers have not been initiated and the asset is not being actively marketed. The management do not have any intention to sell the asset in near future, the probability of selling these assets within the next 12 months are very insignificant.

Note		2018	2017
8	LOAN TO ASSOCIATE - Unsecured	(all amounts in PKR)	
	Loan to -Unity Feeds (Pvt.) Limited. (Formerly: Ayesha Solvent Plant (Pvt.) Limited - related party		
	Principal	185,883,678	185,883,678
	Markup	27,426,670	13,011,857
	Total Loan To Associate - Unsecured	213,310,348	198,895,535
8.1	RECONCILIATION OF CARRYING AMOUNT		
	Opening balance	198,895,535	185,883,678
	Add: Interest amount for the year	15,800,113	13,011,857
	Less: Repayment of interest amount	(1,385,300)	-
	Closing balance	213,310,348	198,895,535

- 8.2 The above loan has been given to associate Company namely - Unity Feeds (Pvt.) Limited (Formerly: Ayesha Solvent Plant (Pvt.) Limited (UFPL) by Agro Allianz (Private) Limited (AAPL) before merger. Financing limit of Rs. 350 million has been granted by the Company to UFPL. It carries markup at the rate of 8.5% per annum (2017: 7% per annum) which is being charged from the year subsequent to the year in which it was disbursed. The loan is recoverable on demand.

- 8.3 As the loan was initially made by Private Limited company therefore compliance of section 199 "investment in associated companies and undertakings" of Companies Act, 2017 is not applicable and adopted.

Note		2018	2017
9	CASH AND BANK BALANCES		
	Cash at banks		
	- Saving account	50,658	32,816
	- Current account	58,440	77,446
		109,098	110,262
	Cash in hand	3,073	3,123
		112,171	113,385

Note	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	2018	2017	2018	2017
10		(Number of Shares)		(all amounts in PKR)	
	Ordinary shares of Rs. 10 each fully paid-up in cash	1,183,294	1,183,294	11,832,940	11,832,940
	Ordinary shares Rs. 10 each issued on merger - note 10.1	21,810,000	21,810,000	218,100,000	218,100,000
		22,993,294	22,993,294	229,932,940	229,932,940



AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)
Notes to the Financial Statements
For the year ended June 30, 2018

10.1 During the previous year, Company issued shares on acquisition of net assets of Agro Allianz (Pvt.) Limited.

Note		2018	2017
11	LOAN FROM DIRECTORS	(all amounts in PKR)	
	LOAN FROM DIRECTORS		
	Unsecured and interest free 11.1	1,716,500	-
		1,716,500	-
11.1	Reconciliation of Carrying Amount		
	Transferred from shareholders' equity	1,484,000	-
	Add: Further loan provided	1,267,800	-
	Less: Repayment of principal amount	(1,035,300)	-
	Closing balance	1,716,500	-

11.2 This represents loan provided by directors to meet the expenses of the Company and was utilized for the same purpose. It is interest free, unsecured and repayable on demand.

11.3 For the reason of avoiding unnecessary interest expense over the Company during the period of its being inoperative, the director has agreed to finance the expenses of the Company without charging any markup.

Note			
12	ACCRUED AND OTHER PAYABLES		
	Auditors' remuneration	200,000	200,000
	Withholding tax	2,910	-
	Others	259,136	-
	Total Accrued And Other Payables	462,046	200,000

Note			
13	CONTINGENCIES AND COMMITMENTS		
	Contingency		

On May 24, 2018 the Company has received a communication from Habib Bank Limited requesting the Company to ensure compliance of the order of the Hon'ble Supreme Court of Pakistan on Suo Motu Case No. 26/2007 which relates to matter of loan unlawfully written off during the period from 1971 to 2009. The former management of the Company have filed a statement on June 5, 2018 through their legal counsel whereby they have explained that the agreed amounts were duly paid by the then management to the Bank.

The Suo Motu was exercised by the Hon'ble Supreme Court of Pakistan in 2007 on information that huge amount of loans were being written off illegally by several banks and the amount written off includes the principal amount too even when the borrowers were financially capable of making payments. A commission had been formed by the State Bank of Pakistan in 2011 and it has submitted its report in 2013 which is considered in 2018 by the Hon'ble Supreme Court of Pakistan and an order in this respect has been issued requiring the involved Banks to present before the Hon'ble Supreme Court of Pakistan on August 2, 2018 through their representative with statements of alleged borrowers.

The representatives of Banks have appeared before the Hon'ble Supreme Court of Pakistan and accepted that the amount contained in the report of the Commission are correct. Initially the Hon'ble Supreme Court of Pakistan has granted the following options to borrowers:

- 1) Any borrower who wish to settle the written off amount has to pay 75% of the written off amount within 10 days from the hearing, or
- 2) In case borrower is not willing to pay, the outstanding amount along with markup thereon, may be treated as decree passed by the Courts of competent Jurisdiction and the amount, as unlawfully written off, may be recovered from borrower as arrears of land revenue either from original borrower or guarantors. Such decree shall be enforceable against mortgaged properties.

However as result of proceeding held on August 02, 2018 the Hon'ble Supreme Court of Pakistan has clarified that it shall consider the possibility of modifying the options to the extent of amending the amount of liability described in option 2.

The loan was written off in December, 1999 by the amount Rs. 23.05 million, and it had been written off considering the financial inability of the Company to repay the loan. Current outstanding amount as disclosed against the Company in the report of the Commission is Rs. 13.05 million after deducting recovered amount of Rs. 10.00 million from personal guarantees. The current management of the Company has already secured the Company's liability by agreeing with the former management that they shall indemnify the Company for any past liability which required to be paid by or collected from the Company after the merger.

The case is yet to be decided and liability is not yet finalized further it has been intimated that the cases may be referred to the Banking Courts for considering whether loan was written off wrongfully. The current management believes that no liability or payment shall accrues against the Company. Accordingly, no provision has been provided in these financial statements.

Commitments

There were no commitment outstanding as at year end (2017: Nil).

Note		2018	2017
14	MARK-UP INCOME	(all amounts in PKR)	
	Mark-up on loan - related party 8.1	15,800,113	13,011,857
	Mark-up on bank deposit	1,906	1,799
	Total Mark-Up Income	15,802,019	13,013,656
15	ADMINISTRATIVE AND GENERAL EXPENSES		
	Depreciation 7	2,134,092	2,510,697
	Rent, rates and taxes	-	57,600
	Listing and supervisory fee	108,500	-
	Surcharge on listing fee	24,000	-
	Fees and subscription	272,750	5,965
	Postage and courier	20,587	7,540
	Auditor's remuneration 15.1	309,200	200,000
	Legal and professional charges	1,033,533	3,295
	Printing and stationery	37,500	100,743
	Advertisement expenses	122,828	13,300
		4,062,990	2,899,140
15.1	Auditor's Remuneration		
	Statutory audit fee	212,000	150,000
	Half-yearly review fee	54,000	50,000
	Other certifications	43,200	-
		309,200	200,000



AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)

Notes to the Financial Statements

For the year ended June 30, 2018

Note		2018	2017
16	TAXATION	(all amounts in PKR)	
	Current		
	For the year	3,536,709	3,236,645
	Prior year	(101,145)	
		3,435,564	3,236,645

16.1 The management has provided sufficient tax provision in financial statements accordance with Income Tax Ordinance, 2001. Following is the comparison of provision as per financial statement viz a viz tax assessment for last three years.

	As per Accounts	As per Assessment
Accounting year ended June 30, 2017	3,236,645	3,135,500
Accounting year ended June 30, 2016	-	
Accounting year ended June 30, 2015	-	

Note	EARNINGS PER SHARE -BASIC AND DILUTED		
17			

17.1 Basic earnings per share

Weighted average number of ordinary shares	22,993,294	1,239,814
Profit after taxation attributable to ordinary shareholders	8,353,465	6,877,871
	0.36	5.55

17.2 Diluted earnings per share

Diluted earnings per share has not been computed as the Company did not have any convertible instruments in issue as at June 30, 2018 and June 30, 2017, which could have any effect on the earnings per share.

Note	REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS
18	

To relief the Company from unnecessary expenses the chief executive and all the directors have consented to not to receive any remuneration during the period of discontinued operations. The remuneration shall be charged when the Company re-commences its business.

Note	RELATED PARTY TRANSACTIONS AND ACCOUNT BALANCES
19	

The Company has related party relationship with its associated companies including under common directorship, its directors, chief executive and executive officers. These transactions are carried at arm's length basis or the terms decided in accordance with the approval of the Board of Directors of the Company.

AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)

Notes to the Financial Statements

For the year ended June 30, 2018

Details of Related Parties are as follows;

Name of Related parties	Relationship	Basis of relationship	
Unity Foods Limited	Associated Company	Common Directorship and significant holding of shares by Directors	
Reliance Exim (Pvt.) Ltd.	Associated Company	Common Directorship and significant holding of shares by Directors	
Unity Enterprises (Pvt.) Ltd.	Associated Company	Common Directorship and significant holding of shares by Directors	
Unity Feeds (Pvt.) Ltd. (Formerly: Ayesha Solvent Plant (Pvt.) Ltd.	Associated Company	Common Directorship and significant holding of shares by Directors	
Unity Wilmar Food (Pvt.) Ltd.	Associated Company	Common Directorship and significant holding of shares by Directors	
Unity Wilmar Packages (Pvt.) Ltd.	Associated Company	Common Directorship and significant holding of shares by Directors	
Unity Wilmar Agro (Pvt.) Ltd.	Associated Company	Common Directorship and significant holding of shares by Directors	
Ace International (Pvt.) Ltd.	Associated Company	Common Directorship and significant holding of shares by Directors	
Karachi Steel Industries (Pvt.) Ltd.	Associated Company	Common Directorship and significant holding of shares by Directors	
Northstar International (Pvt.) Ltd.	Associated Company	Common Directorship and significant holding of shares by Directors	
Portstar services (Pvt.) Ltd	Associated Company	Common Directorship and significant holding of shares by Directors	
TRANSACTIONS:	Relationship	Basis	
Loan received	Directors		1,267,800 1,300,000
Loan repaid	Directors		1,035,300 -
Mark-up income earned on loan -Unity Feeds (Pvt.) Limited. (Formerly: Ayesha Solvent Plant (Pvt.) Ltd.	Associated Company	Common directorship	15,800,113 13,011,857
Markup received - Unity Feeds (Pvt.) Limited. (Formerly: Ayesha Solvent Plant (Pvt.) Ltd.	Associated Company	Common directorship	1,385,300 -



AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)
Notes to the Financial Statements
For the year ended June 30, 2018

ACCOUNT BALANCES:

Loan from director	Directors		1,716,500	1,484,000
Loan receivable from - Unity Feeds (Pvt.) Limited. (Formerly: Ayesha Solvent Plant (Pvt.) Limited	Associated Company	Common directorship	213,310,348	198,895,535

There were no transaction with key management personnel, Associated undertakings and other related parties during the year except as disclosed above. The balances outstanding are strictly in accordance with the terms disclosed in note 8 and 11.

Note
20

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**20.1 Financial Risk Management**

The Company finances its operations mainly through its own working capital and from long term finances with a view to maintaining an appropriate mix between various sources of finance to minimize the risk.

Company's activities exposes it to a variety of financial risks:

- Market risk (including fair value interest rate risk, fuel price risk and currency risk)
- Credit risk
- Liquidity risk

The Board of directors has overall responsibility to establish and oversight the Company's risk management framework and plan and implement risk management policies. The Company's overall risk management plan focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

20.2 Credit Ratings of Bank

Bank	Rating Agency	Short Term	Long Term	2018	2017
(all amounts in PKR)					
MCB Bank Limited	PACRA	A1+	AAA	65,625	64,074
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	32,218	34,933
United Bank Limited	JCR-VIS	A-1+	AAA	11,255	11,255
Total				109,098	110,262

AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)
Notes to the Financial Statements
For the year ended June 30, 2018

20.3 Market Risk

Market risk is the risk that the fair value of future cash flows of the financial instrument will fluctuate due to changes in market variables such as interest rate and foreign exchange rates.

i) Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future economic transactions or receivables and payables that exist due to transaction in foreign exchange.

There is no Foreign currency risk arises on the financial assets of the Company primarily.

Sensitivity Analysis

The Company does not hold any asset or liability in foreign currency at reporting date. Therefore, any change in exchange rate of PKR against foreign currency would not affect statement of profit or loss.

ii) Interest Rate Risk

Interest / mark-up rate risk arises from the possibility that changes in interest / mark-up rates will affect the value of financial instruments.

The Company is not exposed to interest rate risk as markup rate on loans is either fixed or not applicable. Impact over other assets i.e. bank is insignificant.

Fair value sensitivity analysis for fixed rate instruments

The table below illustrates the hypothetical sensitivity of the Company's reported profit and closing equity to a 1.0% increase or decrease in interest rates, assuming all other variables were unchanged. The sensitivity rate of 1.0% represents the directors' assessment of a reasonably possible change, based on probable future need.

The analysis has been prepared using the assumptions that fixed rate financial instruments that are carried at amortized cost are subject to interest rate risk for the purpose of this analysis.

There is no floating rate assets and liabilities.

Positive figures represent an increase in profit or equity.

	Statement of profit or loss		Equity	
	2018	2017	2018	2017
Interest rate increase	1,858,837	1,858,837	1,858,837	1,858,837
Interest rate decrease	(1,858,837)	(1,858,837)	(1,858,837)	(1,858,837)

Cash flow sensitivity analysis for variable rate instruments

The Company does not hold any variable rate financial assets or liabilities. Therefore a change in interest rates at the reporting date would not affect cash flows.



AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)
Notes to the Financial Statements
For the year ended June 30, 2018

20.4 Credit risk:

Credit risk is the risk that one party to a financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from trade debts, loans and advances, deposits, investments, bank balances and other receivables. To reduce the exposure toward the credit risk, comprehensive consumer category wise credit limits and terms have been established.

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions.

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparts failed to perform as contracted. The Company believes that it is not exposed to major concentration of credit risk. However majority of the assets relates to one related party -Unity Feeds (Pvt.) Limited. (Formerly: Ayesha Solvent Plant (Pvt.) Limited amounting to Rs. 213.31 (2017: Rs. 198.89) million out of total assets of Rs. 240.09 (2017: 231.25) million.

20.5 Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. To guard against the risk, the Company has diversified funding sources and assets are managed with liquidity in mind. The maturity profile is monitored to ensure that adequate liquidity is maintained.

	2018	Maturity up to 1 year	Maturity after 1 year	Total
(all amounts in PKR)				
Non Interest Bearing				
Loan from director		1,716,500	-	1,716,500
Un-claimed dividend		9,915	-	9,915
Other payable		462,046	-	462,046
	2017	Maturity up to 1 year	Maturity after 1 year	Total
(all amounts in PKR)				
Non Interest Bearing				
Loan from director		-	1,484,000	1,484,000
Un-claimed dividend		9,915	-	9,915
Other payable		200,000	-	200,000

AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)

Notes to the Financial Statements

For the year ended June 30, 2018

The management forecasts the liquidity of the Company on basis of expected cash flows considering the level of liquid assets necessary to meet such risk. This involves monitoring liquidity ratios against internal and external regulatory requirements and maintaining committed line of credit from a highly reputable bank. The management believes that it is not exposed to any significant level of liquidity risk.

20.6 Fair Value Financial Instruments

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair value.

Note	CAPITAL RISK MANAGEMENT
21	

The objective of the company when managing the capital is to safeguard its ability to continue as a going concern and to provide expected returns to its shareholders by maintaining optimum capital structure to minimize cost of capital. To maintain or adjust the capital structure, the company may issue new equity, maintain dividend payouts to its shareholders or sell assets to reduce debts.

The company manages capital by maintaining gearing ratio at certain levels. The ratio is calculated as long term borrowings as disclosed in the statement of financial position, divided by total capital. Total capital is calculated as equity as shown in the statement of financial position plus long term borrowings.

The gearing ratio of the company is as follows:

	2018	2017
	(all amounts in PKR)	
GEARING RATIO		
Long-term loan	-	1,484,000
Total equity	237,909,350	229,555,885
Total capital	237,909,350	231,039,885
Gearing Ratio	0.00%	0.64%

Note	NUMBER OF EMPLOYEES
22	

The average and total number of employees during the year as at June 30, 2018 and June 30, 2017 respectively are as follows:

Total number of employees including contractual employees as at year end	Nil	Nil
Average number of employees including contractual employees during the year	Nil	Nil

Note	SUBSEQUENT EVENTS
23	

Subsequent to the year end on September 11, 2018 the Company held an Extraordinary General Meeting and made following decisions;

Change of Name

It was resolved in the meeting to change the name of the Company from Agro Allianz Limited to Allianz Bulk & Steel Limited.

Change of Nature of Business

It was resolved in the meeting to change the nature of business of the Company from manufacturing of yarn and fabric items to set up a Re-rolling Steel Mill and carry its business with warehousing activities.



AGRO ALLIANZ LIMITED (Formerly Karim Cotton Mills Limited)
Notes to the Financial Statements
For the year ended June 30, 2018

Increase in Authorized Capital

It was further decided in the meeting to enhance the authorized capital of the Company from Rs. 250,000,000 (25,000,000 Ordinary Shares of Rs. 10 each) to Rs. 8,250,000,000 (825,000,000 Ordinary Shares of Rs. 10 each).

Note	DATE OF AUTHORIZATION
24	

These financial statements have been authorized for issue by the Board of Directors of the Company on September 26, 2018 .

Note	GENERAL
25	

Figures have been rounded off to the nearest Rupee.

Chairman
Muhammad Farrukh

Chief Executive Officer
Abdul Majeed Ghaziani

Chief Financial Officer
Yousuf Hamdani



AGRO ALLIANZ LIMITED
Pattern Of Share Holding - Form "34"
Shareholders Statistics As At June 30, 2018

Number Of Share Holders	Share Holding From	To	Total Shares Held
491	1 -	100	27,111
66	101 -	500	15,868
11	501 -	1000	9,650
15	1001 -	5000	39,750
1	5001 -	10000	5,900
1	15001 -	20000	16,800
1	65001 -	70000	69,015
1	115001 -	120000	119,158
1	190001 -	195000	194,019
1	225001 -	230000	225,300
1	465001 -	470000	468,223
1	5445001 -	5450000	5,447,500
1	5450001 -	5455000	5,452,500
1	10900001 -	10905000	10,902,500
593			22,993,294



SR. No.	SHAREHOLDERS' CATEGORY	No. of Shares Held	Percentage
1	Associated Companies, Undertaking And Related Parties	-	-
2	Directors	21,813,000	94.87
	Mohammad Farrukh - Director	5,447,500	
	Abdul Majeed Ghaziani - CEO	5,452,500	
	Abdul Hafeez - Director	2,500	
	Safdar Sajjad - Director	2,500	
	Sheikh Ali Baakza - Director	10,902,500	
	Mohammad Zain Sardar - Director	2,500	
	Abu Talib	3,000	
3	NIT / ICP	294,315	1.28
	National Bank Of Pakistan Trustee Deptt	225,300	
	Investment Corporation Of Pakistan	69,015	
4	Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas And Pension Funds	19,500	0.08
	Pakistan Industrial Credit Investment Ltd	16,800	
	Adamjee Insurance Company Ltd.	2,500	
	M/S. Pakistan Insurance Corporation	200	
5	Others	1	0.00
6	Individuals (General Public)	866,478	3.77
	Total:	22,993,294	100.00
Shareholders Holding 5% Or More Voting Rights In The Company			
	Sheikh Ali Baakza - Director	10,902,500	47.42
	Mohammad Farrukh - Director	5,447,500	23.69
	Abdul Majeed Ghaziani - CEO	5,452,500	23.71

AGRO ALLIANZ LIMITED

PROXY FORM

48TH ANNUAL GENERAL MEETING

I/We _____ of _____ in the district of _____ being member(s) of AGRO ALLIANZ LIMITED holding _____ ordinary shares as per Share Register Folio no. _____ and /or CDC Participant ID No. _____ and A/c No. _____ (for members who have shares in CDS) hereby appoint _____ of _____ or failing him /her _____ of _____ who is / are also member (s) of AGRO ALLIANZ LIMITED vide Registered Folio No. _____ as my /our proxy in my /our absence to attend, act and vote for me / us and on my /our behalf at the Annual General Meeting of the Company to be held on Wednesday, October 24, 2018 at 06:00 p.m. and /or any adjournment thereof.

Affix Five Rupees
Revenue Stamp

Signature _____

(Signature should agree with the specimen signature registered with the Registrar).

Signed on _____

1. Witness Signature _____ 2. Witness Signature _____

Name _____

Name _____

CNIC _____

CNIC _____

NOTE:

1. No person shall act as proxy unless he /she himself /herself is a member of the Company, except that a corporation may appoint a person who is not a member.
2. In the case of bank or company, the proxy form must be executed under its common seal and signed by its authorized person.
3. If this proxy form is signed under power of attorney then a certified copy of that power of attorney / authority must be deposited along with this proxy form.
4. Proxy form duly completed and signed, must be received at the registered office of the company at Unity Tower, Plot 8-C, Block-6, PECHS, Karachi at least 48 hours before the time of holding the meeting.
5. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.
6. In case of CDC account holders:
 - i) The Proxy Form shall be witnessed by two persons whose names, address and CNIC numbers shall be mentioned on the form
 - ii) Attested Copies of CNIC or Passport of the Beneficial Owners and the Proxy shall be furnished with the proxy form.
 - iii) The Proxy shall produce his/her original CNIC or Original passport at the time of meeting.

Affix
Correct
Postage

The Company Secretary
Agro Allianz Limited
Unity Tower, Plot 8-C, Block-6, PECHS, Karachi

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کمپنی سیکریٹری
ایگرو آلیانز لمیٹڈ
یونٹی ٹاور، پلاٹ C-8، بلاک-6، پی ای سی ایچ ایس، کراچی



Agro Allianz Limited

UNITY TOWER,

Plot # 8 C, Block-6, P.E.C.H.S., Karachi 75400, Pakistan

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