

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF AGHA STEEL INDUSTRIES LIMITED**

*Review Report on the Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019*

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Agha Steel Industries Limited (the Company) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 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. 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.

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, 2022.

*RHZco Reanda Haroon Zakaria & Co*  
Reanda Haroon Zakaria & Company  
Chartered Accountants

Place: Karachi  
Dated: *29 SEP 2022*  
UDIN: CR202210136tagnEO5cy

**Engagement Partner  
Muhammad Haroon**

# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (the Regulations)

Agha Steel Industries Limited (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: 06
  - b. Female: 01
2. The composition of the Board of Directors (the Board) and the meeting attended by them is as follows:

Category	Names
Independent / Non-Executive Directors	Mr. Akbar Pesnani Mr. Askari Asghar Agha Mr. Muhammad Asif**
Other Non-Executive Directors	Mrs. Shazia Iqbal Agha (Female Director) Mr. Amer Nazim Haji**
Executive Directors	Mr. Hussain Iqbal Agha Mr. Raza Iqbal Agha

## \*\*Changes in Board of Directors

Names of Outgoing Director	Names of Incoming Director
Mr. Iqbal Hussain Agha Passed away on 28th July, 2021	Mr. Amer Nazim Haji w.e.f. 04th September, 2021
Mr. Saleem Parekh Resigned w.e.f. 07th August, 2021	Mr. Muhammad Asif w.e.f. 04th September, 2021

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
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 the significant policies along with their date 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 the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (“the Act”) and these Regulations;
7. The meetings of the Board were presided over by the Chairperson and, in his absence, by a director elected by the Board for this purpose. 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 Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors’ Training program for the following;
  1. Mr. Akbar Pesnani
  2. Mr. Askari Asghar Agha
  3. Mr. Muhammad Asif
  4. Mr. Hussain Iqbal Agha
  5. Mr. Raza Iqbal Agha
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and the head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer (CEO) duly endorsed the financial statements before approval of the Board;
12. The Board had formed committees comprising of members given below:

Name of Committee	Name	Designation
Audit Committee	Mr. Askari Asghar Agha	Chairman
	Mr. Amer Nazim Haji	Member
	Mr. Muhammad Asif	Member
HR and Remuneration Committee	Mr. Akbar Pesnani	Chairman
	Mrs. Shazia Iqbal Agha	Member
	Mr. Raza Iqbal Agha	Member
Risk Management Committee	Mr. Akbar Pesnani	Chairman
	Mrs. Shazia Iqbal agha	Member
	Mr. Askari Asghar Agha	Member
	Mr. Hussain Iqbal Agha	Member

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committees for compliance;

1. The frequency of meetings of the Committees were as per following:

Name of Committee	Frequency of Meetings
Audit Committee	Quarterly
HR and Remuneration Committee	Annual
Risk Management Committee	Quarterly

14. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
15. 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 and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
16. 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;
17. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

**On Behalf of the Board,**



**Chairperson**



**Chief Executive Officer**

Dated: 29th September 2022