



WE DO IT

First Quarterly Report September 2022



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COMPANY OVERVIEW





Vision

To be a global leader in the flat steel industry, acknowledged by its customers for quality and service excellence.

Mission

To provide an environment of motivated employees focused on continuous improvement in product and quality, highest business and work ethics, add value to our customers and ensure sustained return on investment to our shareholders.

COMPANY INFORMATION

Board of Directors

Mr. Arif Habib, Chairman
Dr. Munir Ahmed, Chief Executive
Mr. Nasim Beg
Mr. Rashid Ali Khan
Mr. Samad A. Habib
Mr. Jawaid Iqbal
Mr. Kashif A. Habib
Ms. Tayyaba Rasheed
Mr. Arslan Iqbal

Audit Committee

Mr. Jawaid Iqbal – Chairman
Mr. Nasim Beg
Mr. Kashif A. Habib
Ms. Tayyaba Rasheed

Human Resource & Remuneration Committee

Mr. Rashid Ali Khan – Chairman
Mr. Arif Habib
Mr. Kashif A. Habib

Chief Financial Officer

Mr. Umair Noor Muhammad

Company Secretary

Mr. Manzoor Raza

Head of Internal Audit

Mr. Muhammad Shahid

Registered Office

1/F Arif Habib Centre, 23 – M. T. Khan Road,
Karachi – Pakistan – 74000
Tel: (+92 21) 32468317

Factory Address

DSU - 45, Pakistan Steel
Down Stream Industrial
Estate, Bin Qasim, Karachi – Pakistan.
Tel: (+92 21) 34740160

Auditors

A. F. Ferguson & Co.,
Chartered Accountants,
State Life Building No. 1-C,
I.I. Chundrigar Road, Karachi.

Share Registrar Department

CDC Share Registrar Services Limited
CDC House, 99-B, SMCHS,
Main Shahrah-e-Faisal, Block B, Karachi - 74400
Phone: 0800 – 23275
Fax: (+92 21) 34326053
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

Legal Advisor

Ahmed & Qazi
Khalid Anwer & Co.
Akhund Forbes
Mohsin Tayeb Aly & Co.
Lex Firmā
Khalid Jawed & Co.

Bankers / Lenders

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan (Aitemad)
National Bank of Pakistan
Pak China Investment Company Limited
Saudi Pak Industrial and Agricultural
Investment Company Limited
Silk Bank Limited
Sindh Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Website

www.aishasteel.com



Directors' Review Report

The Directors of Aisha Steel Mills Limited (ASML) present herewith Directors' Review Report together with condensed interim financial statements (un-audited) of the Company for the first quarter ended September 30, 2022.

Steel Market Review

The financial year 2022-23 commenced with several unprecedented events, both at the international as well as local level. The world economies started to slow down and adjusted to new realities. Industrial commodities in general, and steel in particular, lost shine and the prices declined substantially and continue to slide further. Several advanced economies fear onset of recession.

On the local front, in addition to political instability, declining rupee, high interest rates etc., parts of the country were inundated following the monsoon rains, causing extensive damage to the infrastructure and agriculture. Sindh province in particular, was hit hard and cut off from northern parts of the country for several weeks. Businesses reeling under high inflation stressed further.

The worst, however, appears to have passed. Nevertheless, it will take time for the business activities to pick up.

Operational Review

The total quantity sold during the Jul-Sep 2022 Qtr was 28,443 tons as compared to 88,834 sold during the corresponding period last year, showing a decrease of about 68%. The falling market and slowdown in the international market severely constrained export as well. Only 341 tons was exported during the period, compared to 16,158 tons last year.

The total quantity produced during the period was 40,778 tons compared to 104,653 tons in the corresponding period last year, showing a decrease of 61%. The production was curtailed due to slow offtake and buildup of finished goods inventory. In addition to slow offtake; high rate of mark-up and exchange loss have been the main reasons for weak financial results of the Company.

A brief summary of the financial results as on September 30, 2022 is as follows:

	Quarter ended	
	September 2022	September 2021
	Rs. In Millions	
Revenue	6,543	18,007
Gross profit	153	2,208
Finance Costs	(810)	(498)
Exchange Loss (Net)	(1,255)	(398)
(Loss) / Profit before tax	(2,016)	1,015
(Loss) / Profit after tax	(1,411)	738
(Loss) / earnings per share	(1.55)	0.94

Future Outlook:

The automotive industry is currently facing headwinds due to high car prices, financing cost, depreciating rupee and restriction on CKD imports. The exchange rate, however, is showing signs of stability and some import restrictions relaxed. The auto sector is expected to make modest recovery in the coming quarters. This is likely to generate demand for CRC. The re-construction activities, after the floods, have commenced. GI sales are showing some signs of improvement.

The steel and most of the related commodities prices in the international market are relatively stable and expected to sustain at this level in the near term. The company is expected to recover in the coming quarters. The company, however, has exposure in foreign currency hence stability of exchange rate and movement in HRC price can influence future profitability.


Acknowledgement

We would like to record our appreciation and gratitude to the Banks for the continuous support in the ongoing operations as well as in the expansion project. We also acknowledge the support of Regulators for their continued support.

For and on behalf of the Board



Dr. Munir Ahmed
Chief Executive



Arif Habib
Chairman

Karachi : October 27, 2022

FINANCIAL STATEMENTS



Condensed Interim Statement of Financial Position

AS AT SEPTEMBER 30, 2022

		(Unaudited) September 30, 2022	(Audited) June 30, 2022
	Note	Rupees '000	
ASSETS			
Non-current assets			
Property, plant and equipment	5	19,002,926	19,124,305
Intangible assets		52,935	53,915
Long-term advances		350	350
Long-term deposits		150,463	120,907
Deferred tax asset		1,379,122	736,056
		<u>20,585,796</u>	<u>20,035,533</u>
Current assets			
Inventories	6	22,768,823	16,607,460
Trade and other receivables	7	3,349,853	5,805,309
Loans, advances and prepayments	8	852,595	1,495,446
Tax refunds due from government - Sales tax		959,208	-
Taxation - payments less provision		2,916,141	2,653,075
Cash and bank balances	9	179,907	207,994
		<u>31,026,527</u>	<u>26,769,284</u>
Total assets		<u>51,612,323</u>	<u>46,804,817</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	10		
Ordinary shares		9,248,008	9,248,008
Cumulative preference shares		444,950	444,950
Difference on conversion of cumulative preference shares and dividends into ordinary shares		(1,762,456)	(1,762,456)
		<u>7,930,502</u>	<u>7,930,502</u>
Surplus on revaluation of property, plant and equipment		1,295,585	1,305,870
Capital reduction reserve		667,686	667,686
Unappropriated profit		2,730,441	4,131,495
		<u>12,624,214</u>	<u>14,035,553</u>
Liabilities			
Non-current liabilities			
Long-term finance - secured	11	4,459,150	4,831,450
Lease liabilities		114,620	121,662
Employee benefit obligations		163,328	146,809
		<u>4,737,098</u>	<u>5,099,921</u>
Current liabilities			
Trade and other payables	12	16,263,963	9,333,836
Accrued mark-up		679,679	523,635
Short-term borrowings	13	15,726,306	15,869,364
Sales tax payable		-	361,445
Unclaimed dividend		69,400	69,400
Current portion of deferred income - Government grant		1,158	1,158
Current maturity of long-term finance		1,476,893	1,476,893
Current maturity of lease liabilities		33,612	33,612
		<u>34,251,011</u>	<u>27,669,343</u>
Total liabilities		<u>38,988,109</u>	<u>32,769,264</u>
Contingencies and commitments	14		
Total equity and liabilities		<u>51,612,323</u>	<u>46,804,817</u>

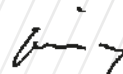
The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

FOR THE PERIOD ENDED SEPTEMBER 30, 2022 - (UNAUDITED)

		(Unaudited) September 30, 2022	(Unaudited) September 30, 2021
	Note	Rupees '000	
Revenue from contracts with customers	15	6,542,516	18,007,065
Cost of sales		(6,389,897)	(15,798,942)
Gross profit		152,619	2,208,123
Selling and distribution cost	16	(24,041)	(145,541)
Administrative expenses		(93,387)	(81,077)
Operating profit		35,191	1,981,505
Other expenses	17	(1,254,697)	(474,581)
Finance costs	18	(809,773)	(498,226)
Other income		13,007	6,067
(Loss) / Profit before taxation		(2,016,272)	1,014,765
Income tax credit / (expense)	19	604,934	(276,941)
(Loss) / Profit after taxation		(1,411,338)	737,824
Other comprehensive income		-	-
Total comprehensive (loss) / income		(1,411,338)	737,824
(Loss) / earnings per share		Rupees	
- Basic		(1.55)	0.94
- Diluted	20		0.76

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

Condensed Interim Statement of Changes in Equity

FOR THE PERIOD ENDED SEPTEMBER 30, 2022 - (UNAUDITED)

	Share capital			Reserves			Total
	Ordinary shares	Cumulative preference shares	Difference on conversion of cumulative preference shares into ordinary shares	Capital		Revenue	
				Surplus on revaluation of property, plant and equipment	Capital reduction reserve	Unappropriated profit / (accumulated loss)	
Rupees '000							
Balance as at July 1, 2021	7,716,843	445,335	(1,348,402)	1,404,689	667,686	5,580,433	14,466,584
Incremental depreciation net of deferred tax transferred	-	-	-	(10,287)	-	10,287	-
Cumulative preference shares of Rs. 10 each converted to 2.285 Ordinary Shares of Rs. 10 each during the period	880	(385)	(495)	-	-	-	-
Total comprehensive income for the period ended September 30, 2021							
- Profit for the period	-	-	-	-	-	737,824	737,824
- Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	-	737,824	737,824
Balance as at September 30, 2021	7,717,723	444,950	(1,348,897)	1,394,402	667,686	6,328,544	15,204,408
Balance as at July 1, 2022	9,248,008	444,950	(1,762,456)	1,305,870	667,686	4,131,495	14,035,553
Incremental depreciation net of deferred tax transferred	-	-	-	(10,284)	-	10,284	-
Total comprehensive income for the period ended September 30, 2022							
- Loss for the period	-	-	-	-	-	(1,411,338)	(1,411,338)
- Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	-	(1,411,338)	(1,411,338)
Balance as at September 30, 2022	9,248,008	444,950	(1,762,456)	1,295,586	667,686	2,730,441	12,624,214

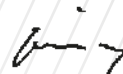
The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

Condensed Interim Statement Of Cash Flows

FOR THE PERIOD ENDED SEPTEMBER 30, 2022 - (UNAUDITED)

(Unaudited)
September 30,
2022

(Unaudited)
September 30,
2021

Rupees '000

CASH FLOWS FROM OPERATING ACTIVITIES

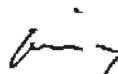
(Loss) / profit before taxation	(2,016,272)	1,014,765
Add / (less): Adjustment for non-cash charges and other items		
Depreciation and amortisation	278,461	227,965
Mark-up charges	725,494	487,711
Unwinding of long-term finance	41,611	9,239
Finance lease charges	2,006	1,276
Provision for staff retirement benefit	18,301	10,353
Exchange loss	1,254,697	398,200
Loss / (gain) on disposal of fixed assets	135	(697)
Return on PLS savings accounts	(13,007)	(5,339)
	<u>2,307,698</u>	<u>1,128,708</u>
Profit before working capital changes	<u>291,426</u>	<u>2,143,473</u>
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Inventories	(6,161,360)	(3,734,755)
Trade and other receivables	2,455,455	369,250
Loans, advances and prepayments	642,851	48,631
Tax refunds due from Government - Sales tax	(1,320,654)	(634,929)
	<u>(4,383,708)</u>	<u>(3,951,803)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	5,675,427	1,363,651
Net cash generated / (used) from operations	<u>1,583,145</u>	<u>(444,679)</u>
Income tax paid	(301,200)	(464,089)
Mark-up on loans paid	(569,450)	(360,719)
Staff retirement benefit paid	(1,782)	(4,155)
Increase in long-term deposits	(29,556)	(51,995)
Net cash generated / (used) from operating activities	<u>681,157</u>	<u>(1,325,637)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(157,652)	(47,326)
Return on PLS accounts	13,007	5,339
Sale proceeds from disposal of property, plant and equipment	1,416	2,459
Net cash used in investing activities	<u>(143,229)</u>	<u>(39,528)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term finance	(413,911)	(375,000)
Lease rental paid	(9,048)	(3,526)
Net cash used in financing activities	<u>(422,959)</u>	<u>(378,526)</u>
Net increase / (decrease) in cash and cash equivalents	<u>114,970</u>	<u>(1,743,691)</u>
Cash and cash equivalents at beginning of the period	(15,661,369)	(6,557,646)
Cash and cash equivalents at end of the period	<u>(15,546,399)</u>	<u>(8,301,337)</u>



Chief Financial Officer



Chief Executive



Director

Notes to and Forming Part of the Condensed Interim Financial Statements

FOR THE PERIOD ENDED SEPTEMBER 30, 2022 - (UNAUDITED)

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on May 30, 2005 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company's shares are listed on Pakistan Stock Exchange (PSX) since August 2012. The registered office of the Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi.

The Company has set up a cold rolling mill complex and a galvanization plant in the downstream Industrial Estate, Pakistan Steel, Bin Qasim, Karachi, to carry out its principal business of manufacturing and selling cold rolled coils and hot dipped galvanized coils.

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2022.

2.1 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period beginning on or after July 1, 2021. However, these do not have any significant impact on the Company's financial reporting.

b) Standards and amendments to approved accounting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2022. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2022.

Notes to and Forming Part of the Condensed Interim Financial Statements

FOR THE PERIOD ENDED SEPTEMBER 30, 2022 - (UNAUDITED)

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

However, management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in these condensed interim financial statements.

4.2 Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2022.

4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2022.

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
Rupees '000		

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets - note 5.1	16,690,680	16,952,995
Capital work in progress (at cost)	395,351	383,946
Major spare parts and stand-by equipment	1,916,895	1,787,364
	<u>19,002,926</u>	<u>19,124,305</u>

5.1 Additions to operating assets during the period are as follows:

	(Unaudited)			
	Additions (at cost)		Disposals (at net book value)	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Rupees '000				
Owned assets:				
Plant and machinery	11,679	82,686	-	-
Electrical equipment	1,766	118,069	-	-
Office equipment	3,122	5,361	136	-
Furniture and fixtures	-	339	-	-
Motor vehicles	114	203	-	327
Right of use assets:				
Motor vehicles	-	11,919	1,380	1,434
	<u>16,681</u>	<u>218,577</u>	<u>1,516</u>	<u>1,761</u>

Notes to and Forming Part of the Condensed Interim Financial Statements

FOR THE PERIOD ENDED SEPTEMBER 30, 2022 - (UNAUDITED)

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
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Rupees '000

6. INVENTORIES

Raw material [including in transit Rs. Nil (June 30, 2022: Rs. 8,334.82 million)]	13,937,569	10,580,168
Work-in-process	495,982	744,126
Finished goods [including coil end sheets Rs. 71.75 million (June 30, 2022: Rs. 62.83 million)]	6,677,027	3,674,450
	21,110,578	14,998,744
Stores	1,086,185	841,249
Spares	572,060	767,467
	1,658,245	1,608,716
	<u>22,768,823</u>	<u>16,607,460</u>

7. TRADE AND OTHER RECEIVABLES

Trade receivables - considered good:		
Not yet due	430,384	222,963
Other receivables:		
Receivable from Etimæad Engineering (Private) Limited	138,485	138,485
Margin on import letters of credit	2,111,287	4,770,750
Receivable from insurance company	668,212	668,212
Others	1,485	4,899
	2,919,469	5,582,346
	<u>3,349,853</u>	<u>5,805,309</u>

8. LOANS, ADVANCES AND PREPAYMENTS

- 8.1** These include deposit held with a bank amounting to Rs. 85.09 million (June 30, 2022: Rs. 78.11 million) in respect of bank guarantees issued to Regulatory Authorities against disputed duties and taxes, and to a customer in respect of performance of a contract.

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
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Rupees '000

9. CASH AND BANK BALANCES

With banks on		
- Current accounts	100,197	110,567
- PLS savings accounts - note 9.1	79,321	97,086
Cash in hand	389	341
	<u>179,907</u>	<u>207,994</u>

- 9.1** At September 30, 2022 the rates of mark up on PLS savings accounts range from 13.5% to 13.9% (June 30, 2022: 12% to 13.5%) per annum.

Notes to and Forming Part of the Condensed Interim Financial Statements

FOR THE PERIOD ENDED SEPTEMBER 30, 2022 - (UNAUDITED)

10. SHARE CAPITAL

Authorised share capital

(Unaudited) September 30, 2022	(Audited) June 30, 2022		(Unaudited) September 30, 2022	(Audited) June 30, 2022
(Number of shares)			Rupees '000	
1,100,000,000	1,100,000,000	Ordinary and Cumulative Preference Shares of Rs. 10 each	11,000,000	11,000,000

Issued, subscribed and paid-up capital

Ordinary shares			(Unaudited) September 30, 2022	(Audited) June 30, 2022
(Number of shares)			Rupees '000	
924,800,809	771,684,322	Ordinary Shares of Rs. 10 each - Opening	9,248,008	7,716,843
-	87,971	Cumulative Preference Shares (PSX Symbol - ASLCPS) of Rs. 10 each converted to 2.285 Ordinary Shares of Rs. 10 each during the year	-	880
-	79,489,042	Cumulative preference dividend on Cumulative Preference Shares (PSX Symbol - ASLPS) of Rs. 10 converted to 1 ordinary share of Rs. 10 each during the year	-	794,890
-	73,539,474	Cumulative preference dividend on Cumulative Preference Shares (PSX Symbol - ASLCPS) of Rs. 10 converted to 2.285 ordinary shares of Rs. 10 each during the year	-	735,395
924,800,809	924,800,809		9,248,008	9,248,008
Cumulative Preference Shares (PSX Symbol - ASLPS)				
2022	2022			
(Number of shares)				
44,357,057	44,357,057	Cumulative Preference Shares of Rs. 10 each	443,571	443,571
44,357,057	44,357,057		443,571	443,571
Cumulative Preference Shares (PSX Symbol - ASLPS)				
2022	2022			
(Number of shares)				
137,920	176,420	Cumulative Preference Shares of Rs. 10 each	1,379	1,764
-	(38,500)	Cumulative Preference Shares of Rs. 10 each converted to 2.285 Ordinary Shares of Rs. 10 each during the year	-	(385)
137,920	137,920		1,379	1,379
Total cumulative Preference Shares of Rs. 10 each				
(PSX Symbols - ASLCPS and ASLPS)			444,950	444,950

Notes to and Forming Part of the Condensed Interim Financial Statements

FOR THE PERIOD ENDED SEPTEMBER 30, 2022 - (UNAUDITED)

- 10.1** Cumulative dividend on Preference Shares (PSX Symbol - ASLPS) and Preference Shares (PSX Symbol - ASLCPS) amounting to Rs. 70.54 million (June 30, 2022: Rs. 52.16 million) and Rs. 0.21 million (June 30, 2022: Rs. 0.16 million) respectively are outstanding as at September 30, 2022.
- 10.2** Of these outstanding cumulative preferential dividends, the Board of Directors of the Company, in their meeting held on September 27, 2022 have proposed distribution of cumulative dividend on Cumulative Preference Shares ASLPS and ASLCPS for the year ended June 30, 2022 amounting to Rs. 52.2 million and Rs. 0.2 million respectively, which is subject to the approval of the members of the Company in their Annual General Meeting scheduled to be held on October 28, 2022, after approval of these quarterly financial statements.
- 10.3** These condensed interim financial statements do not include the effects of the afore-mentioned proposed dividends.

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
Rupees '000		

11. LONG-TERM FINANCE – secured

Loan under restructuring agreement - note 11.1	3,421,316	3,755,041
Loan for expansion project - note 11.2	2,448,567	2,454,162
Loan under refinance scheme - note 11.3	66,160	99,140
	<u>5,936,043</u>	<u>6,308,343</u>
Less: Current maturity of long-term finance	<u>(1,476,893)</u>	<u>(1,476,893)</u>
	<u>4,459,150</u>	<u>4,831,450</u>

- 11.1** The facility carries mark-up ranging from 6 months KIBOR plus 1% per annum to 6 months KIBOR plus 3.25% per annum on the outstanding amount excluding frozen mark-up. It is repayable in 10 unequal semi-annual installments from July 19, 2021 to January 19, 2025.
- 11.2** The facility carries mark up ranging between 6 months KIBOR plus 1.9% per annum to be determined on semi-annual basis to mark up at 6 months KIBOR prevailing one day before the first Musharaka contribution date, plus a margin of 1.9% per annum to be determined on semi-annual basis. It is repayable in 10 consecutive semi-annual installments in arrears from December 2021 to June 2026.
- 11.3** The facility carries mark-up at the rate of 3% per annum and is repayable in 8 equal quarterly installments from January 2021 to October 2022.

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
Rupees '000		

12. TRADE AND OTHER PAYABLES

Creditors and accrued liabilities	2,062,737	863,078
Bills payable	12,664,768	6,978,882
Contract liability	914,010	854,100
Security deposit from dealers	11,000	11,000
Withholding tax	31,198	46,526
Provisions	497,195	497,195
Workers' Profits Participation Fund	74,993	74,993
Workers' Welfare Fund	8,062	8,062
	<u>16,263,963</u>	<u>9,333,836</u>

Notes to and Forming Part of the Condensed Interim Financial Statements

FOR THE PERIOD ENDED SEPTEMBER 30, 2022 - (UNAUDITED)

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
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Rupees '000

13. SHORT-TERM BORROWINGS - secured

Short term finance facilities under:

- Running finance under mark-up arrangement	2,074,544	2,553,128
- Istisnā-cum-Wakālā arrangement	4,176,628	2,427,772
- Finance against Trust Receipts	9,475,134	10,888,464
	<u>15,726,306</u>	<u>15,869,364</u>

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There has been no significant change during the period in the contingencies reported in the annual financial statements for the year ended June 30, 2022.

14.2 Commitments

Commitments for capital expenditure outstanding as at September 30, 2022 amounted to Rs. 224.27 million (June 30, 2022: Rs. 1,176.61 million).

	(Unaudited)	
	September 30, 2022	September 30, 2021

Rupees '000

15. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local sale of goods - note 15.1	7,771,654	17,676,914
Sales tax	(1,125,538)	(2,573,471)
Rebates and discounts	(182,211)	(269,777)
Dealer commission	6,463,905	14,833,666
Exports	78,611	3,173,399
	<u>6,542,516</u>	<u>18,007,065</u>

15.1 This includes scrap sale of coil-end sheets net of sales tax amounting to Rs. 442.3 million (September 30, 2021: Rs. 780.4 million).

16. SELLING AND DISTRIBUTION COST

This includes freight charges on export sales amounting to Rs. 7.2 million (September 30, 2021: Rs. 131.78 million).

	(Unaudited)	
	September 30, 2022	September 30, 2021

Rupees '000

17. OTHER EXPENSES

Workers' Profits Participation Fund	-	56,436
Workers' Welfare Fund	-	19,945
Exchange loss - net	1,254,697	398,200
	<u>1,254,697</u>	<u>474,581</u>

Notes to and Forming Part of the Condensed Interim Financial Statements

FOR THE PERIOD ENDED SEPTEMBER 30, 2022 - (UNAUDITED)

		(Unaudited)	
		September 30, 2022	September 30, 2021
		Rupees '000	
18. FINANCE COSTS			
Mark-up expense:			
- long-term finance		166,445	222,112
- Impact of unwinding on long-term finance		41,611	9,239
- short-term borrowings		553,375	242,316
Finance lease charges		2,006	1,276
Bank and other charges		46,336	23,283
		809,773	498,226
19. INCOME TAX (CREDIT) / EXPENSE			
Current			
- for the period		38,132	223,025
- prior year		-	-
Deferred		(643,066)	53,916
		(604,934)	276,941

20. DILUTED EARNINGS PER SHARE

Diluted earnings per share has not been presented for period ended September 30, 2022 as it has anti-dilutive effect on the earnings per share.

21. TRANSACTIONS WITH RELATED PARTIES

Disclosure of transactions with related parties during the period are as follows:

			(Unaudited)	
			September 30, 2022	September 30, 2021
			Rupees '000	
Relationship	Name of company	Nature of transaction		
Associated companies				
	Arif Habib Corporation Limited	- Long-term loan repaid	14,734	14,734
		- Mark-up on finance facilities	5,613	4,136
		- Mark-up on finance facilities paid	8,056	6,455
		- Guarantee commission	326	1,104
		- Guarantee commission paid	325	1,051
	Power Cement Limited	- Purchase of construction material	463	-
		- Payment made against purchase of construction material	-	190
	Rotocast Engineering Co. (Private) Limited	- Rent and maintenance	2,173	4,194
		- Rent and maintenance paid	2,843	4,194
Key management personnel				
	Chief Executive Officer, Chief Financial Officer & Company Secretary	- Salaries and other employee benefits	6,661	6,873
	Chief Financial Officer & Company Secretary	- Post retirement benefits	179	157
	Non-Executive Director	- Meeting and other expenses	-	132

Notes to and Forming Part of the Condensed Interim Financial Statements

FOR THE PERIOD ENDED SEPTEMBER 30, 2022 - (UNAUDITED)

22. DATE OF AUTHORISATION FOR ISSUE

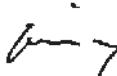
These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on October 27, 2022.



Chief Financial Officer



Chief Executive



Director