

NINE MONTHS REPORT | March 2021

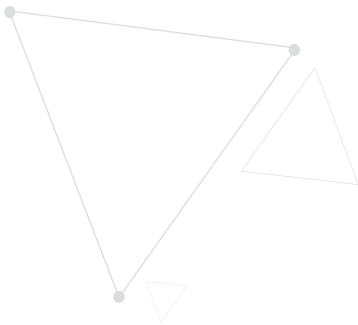


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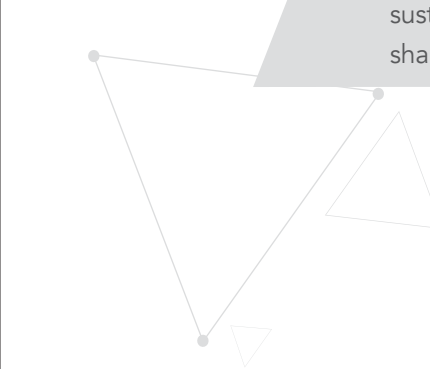


## Vision

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 Officer  
Mr. Nasim Beg  
Mr. Rashid Ali Khan  
Mr. Samad Habib  
Mr. Jawaid Iqbal  
Mr. Kashif Habib  
Ms. Tayyaba Rasheed  
Mr. Arslan Iqbal

## Audit Committee

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

## Human Resource & Remuneration Committee

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

## Chief Financial Officer

Umair Noor Muhammad

## Company Secretary

Mr. Manzoor Raza

## Head of Internal Audit

Mr. Muhammad Shahid

## Registered Office

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

## Plant Address

DSU - 45, Pakistan Steel Down Stream  
Industrial Estate, Bin Qasim,  
Karachi – Pakistan.  
Tel: (+92 21) 32468317

## 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, 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 Firma  
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) herewith present Directors' Review Report together with condensed interim financial statements (un-audited) of the Company for the July 2020-March 2021 period.

## Steel Market Review

The rising trend in HRC prices continued in the third quarter as well. The China FOB price increased from US\$ 700 present in December 2020, to US\$ 750 in the month of March, 2021 and still rising. Similar trend was observed in the USA and European markets. The HRC price prevailing in December were US\$1000 and Euro 660, respectively. The local market continued to recover after decline in COVID-19 cases. The auto and construction sector maintained positive momentum generating demand for both CRC and GI.

The anti-dumping duties imposed on China and Ukraine for five years expired on January 13, 2021. ASML has already filed sunset review at NTC for re-imposition of the same. The proceedings on the review are in progress. The antidumping duties, currently applicable, will remain intact till the conclusion of the sunset review investigation. If NTC concludes, which is the most likely scenario, the duties will be re-imposed on China and Ukraine for a period of additional five years. NTC has also commenced antidumping proceedings against South Korea, European Union, Taiwan and Vietnam on behalf of complaint filed by the local producers.

## Operational Review

The sales volume in the Jan 2021-March 2021 quarter was 99,396 tons compared to 107,370 tons achieved in the Oct-Dec 2020 quarter, showing a decrease of 7.4%. The production was 97,718 tons in the third quarter compared to 109,868 tons in the second, showing a decrease of 11%. In the period from Jul 2020-March 2021 period, the sales quantity achieved was 301,644 tons compared to 213,471 tons in the corresponding period last year, showing an increase of about 41%. The production for the period was 276,787 tons compared to 222,831 tons in the corresponding period last year showing an increase of about 24%. The capacity utilization for the period was 53% compared to 42% achieved last year.

The revenue generated for the Jul-March period was 40,754 million compared to 24,575 million achieved last year, showing an increase of about 66%.

The final proposal from Steel Plantech Company of Japan (SPCO) for the rehabilitation of CRSM was received in December 2020. The same is being reviewed by the insurance company and the response is expected within this week.

A brief summary of the financial results as on March 31, 2021 is as follows:

All figures in PKR Million	July 2020-March 2021 period	
	March 2021	March 2020
Revenue	40,754	24,575
Gross profit	8,352	1,999
Profit / (Loss) before tax	6,615	(883)
Profit / (Loss) after tax	4,752	(439)
EPS / (LPS) [Rupees]	6.11	(0.67)

**Future Outlook:**

The future outlook looks stable in the short term. However, the HRC prices are currently at levels seldom seen before and may start to correct in the near future. The local demand is expected to remain strong but market is concerned about abnormally high prices and keeping inventory under check. The management is taking measures to maintain optimal inventory and avoid over exposure.

**Acknowledgement**

We would like to record our appreciation and gratitude to our stakeholders, banks, financial institutions and business partners for the continuous support in the ongoing operations. We also acknowledge the support of relevant ministries and regulators for their continued support and guidance. We acknowledge the hard work put in by employees of the Company and look forward for their continued and active involvement.

For and on behalf of the Board



**Dr. Munir Ahmed**  
Chief Executive



**Arif Habib**  
Chairman

April 20, 2021



# Financial Statements



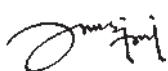


# Condensed Interim Statement of Financial Position

As At March 31, 2021

	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
Rupees '000			
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	19,494,442	19,007,339
Intangible assets		26,554	4,126
Long-term advances and deposits		70,547	55,923
Deferred taxation	6	1,050,215	2,158,956
		<u>20,641,758</u>	<u>21,226,344</u>
<b>Current assets</b>			
Stores and spares		973,303	678,756
Inventories	7	6,533,358	7,916,499
Trade receivables		388,531	240,806
Advances, deposits and short-term prepayments		873,046	991,666
Other receivables		1,102,140	1,007,922
Tax refunds due from Government - Sales tax		-	1,224,696
Taxation - payments less provisions		1,158,960	1,118,241
Cash and bank balances	8	160,966	182,561
		<u>11,190,304</u>	<u>13,361,147</u>
		<u>31,832,062</u>	<u>34,587,491</u>
<b>Total assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	9		
Ordinary shares		7,716,843	7,655,293
Cumulative preference shares		445,335	472,272
Difference on conversion of cumulative preference shares into ordinary shares		(1,348,402)	(1,313,789)
		<u>6,813,776</u>	<u>6,813,776</u>
Accumulated profit / (loss)		3,949,443	(829,857)
Capital reduction reserve		667,686	667,686
Surplus on revaluation of fixed assets		1,418,256	1,445,832
		<u>12,849,161</u>	<u>8,097,437</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term finance	10	6,432,989	9,324,998
Lease liabilities		35,538	35,159
Staff retirement benefit		116,266	97,601
Deferred grant	10	8,551	9,996
		<u>6,593,344</u>	<u>9,467,754</u>
<b>Current liabilities</b>			
Trade and other payables	11	6,146,095	6,370,727
Accrued mark-up		418,797	654,856
Short-term borrowings	12	4,342,067	9,946,416
Sales tax payable		266,579	-
Current maturity of long-term finance	10	1,192,794	26,074
Current maturity of long-term lease liability		23,225	24,227
		<u>12,389,557</u>	<u>17,022,300</u>
		<u>18,982,901</u>	<u>26,490,054</u>
<b>Total liabilities</b>			
<b>Contingencies and commitments</b>			
	13		
		<u>31,832,062</u>	<u>34,587,491</u>
<b>Total equity and liabilities</b>			

The annexed notes 1 to 18 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 March 31, 2021 - (Unaudited)

	Note	Quarter ended		Nine months ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Rupees '000					
Net revenue from contracts with customers	14	15,336,609	7,024,279	40,753,631	24,575,334
Cost of sales		(11,561,432)	(6,284,346)	(32,401,380)	(22,576,231)
<b>Gross profit</b>		<b>3,775,177</b>	<b>739,933</b>	<b>8,352,251</b>	<b>1,999,103</b>
Selling and distribution cost		(106,116)	(9,240)	(149,396)	(31,666)
Administrative expenses		(82,087)	(78,120)	(234,464)	(243,483)
Other expenses		(239,042)	-	(499,171)	-
Other income		21,000	5,155	55,914	35,142
<b>Operating profit</b>		<b>3,368,932</b>	<b>657,728</b>	<b>7,525,134</b>	<b>1,759,096</b>
Finance cost	15	(206,069)	(1,002,275)	(910,254)	(2,642,244)
<b>Profit / (loss) before taxation</b>		<b>3,162,863</b>	<b>(344,547)</b>	<b>6,614,880</b>	<b>(883,148)</b>
Taxation		(931,333)	191,222	(1,863,156)	444,519
<b>Profit / (loss) after taxation</b>		<b>2,231,530</b>	<b>(153,325)</b>	<b>4,751,724</b>	<b>(438,629)</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income / (loss)</b>		<b>2,231,530</b>	<b>(153,325)</b>	<b>4,751,724</b>	<b>(438,629)</b>

Rupees '000

	16				
<b>Earnings / (loss) per share</b>					
- Basic		2.90	(0.22)	6.11	(0.67)
- Diluted		2.34	-	4.95	-

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



**Chief Financial Officer**



**Chief Executive**

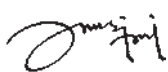


**Director**

# Condensed Interim Statement of Cash Flows

## For The Period Ended March 31, 2021 - (Unaudited)

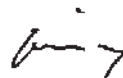
	March 31, 2021	March 31, 2020
	Rupees '000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	6,614,880	(883,148)
<b>Add / (less): Adjustment for non-cash charges and other items</b>		
Depreciation and amortisation	637,703	608,257
Mark-up charges	1,158,931	2,338,699
Unwinding of long-term finance	144,856	771
Finance lease charges	5,351	3,824
Provision for staff retirement benefit	25,777	20,767
Exchange (gain) / loss	(435,975)	162,169
Gain on disposal of fixed assets	(320)	(2,614)
Return on PLS savings accounts	(27,061)	(13,064)
	1,509,262	3,118,809
Profit before working capital changes	8,124,142	2,235,661
<b>Effect on cash flow due to working capital changes decrease / (increase) in current assets</b>		
Stores and spares	(294,548)	(79,446)
Inventories	1,383,141	688,426
Trade debts	(147,725)	495,978
Advances, deposits and prepayments	118,620	345,712
Other receivables	(94,218)	(5,197)
Tax refunds due from Government - Sales tax	1,491,275	38,488
	2,456,545	1,483,961
<b>Increase in current liabilities</b>		
Trade and other payables	211,343	6,700,582
Net cash generated from operations	10,792,030	10,420,204
Income tax paid	(795,135)	(100,708)
Mark-up on loans paid	(1,394,996)	(2,548,600)
Staff retirement benefit paid	(7,112)	(4,738)
Increase / (decrease) in long-term loans and advances	10	(1,151)
Decrease in long-term deposits	(14,634)	(6,165)
Net cash generated from operating activities	8,580,163	7,758,842
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,123,263)	(804,296)
Return on PLS accounts	27,061	13,065
Sale proceeds from disposal of property, plant and equipment	387	6,632
Net cash used in investing activities	(1,119,842)	(784,599)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term finance	-	(502,732)
Short-term borrowings obtained	-	2,547,000
Long-term loan (paid) / obtained - net	(1,871,591)	122,872
(Decrease) / increase in liabilities against assets subject to finance leases	(5,974)	4,096
Net cash (used in) / generated from financing activities	(1,877,565)	2,171,236
<b>Net increase in cash and cash equivalents</b>	5,582,756	9,145,479
Cash and cash equivalents at beginning of the period	(9,763,857)	(13,903,330)
<b>Cash and cash equivalents at end of the period</b>	(4,181,101)	(4,757,851)



Chief Financial Officer



Chief Executive



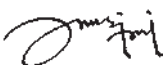
Director

# Condensed Interim Statement of Changes in Equity

For The Period Ended March 31, 2021 - (Unaudited)

	SHARE CAPITAL		RESERVES		TOTAL
			Capital	Revenue	
	Surplus on revaluation of fixed assets	Capital reduction reserve	(Accumulated loss) / Unappropriated profit		
	Rupees '000				
<b>Balance as at July 1, 2019</b>	6,813,776	1,511,560	667,686	(246,194)	8,746,828
Incremental depreciation net of deferred tax transferred	-	(29,601)	-	29,601	-
- Loss for the period ended March 31, 2020	-	-	-	(438,629)	(438,629)
- Other comprehensive income for the period ended March 31, 2020	-	-	-	-	-
<b>Total comprehensive loss for the period ended March 31, 2020</b>	-	-	-	(438,629)	(438,629)
<b>Balance as at March 31, 2020</b>	6,813,776	1,481,959	667,686	(655,222)	8,308,199
<b>Balance as at July 1, 2020</b>	6,813,776	1,445,832	667,686	(829,857)	8,097,437
Incremental depreciation net of deferred tax transferred	-	(27,576)	-	27,576	-
- Profit for the period ended March 31, 2021	-	-	-	4,751,724	4,751,724
- Other comprehensive income for the period ended March 31, 2021	-	-	-	-	-
<b>Total comprehensive income for the period ended March 31, 2021</b>	-	-	-	4,751,724	4,751,724
<b>Balance as at March 31, 2021</b>	6,813,776	1,418,256	667,686	3,949,443	12,849,161


The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

# Notes to the Condensed Interim Financial Statements

For The Period Ended March 31, 2021 - (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. 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
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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, 2020.

### 2.1 Changes in accounting standards, interpretations and pronouncements

#### a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period beginning July 1, 2020. However, these do not have any significant impact on the Company's financial reporting.

#### b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 01, 2020 are considered not to be relevant to the Company's financial statements and hence have not been detailed here.

### 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, 2020.

### 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, 2020.

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, 2020.

	March 31, 2021	June 30, 2020
Rupees '000		

### 5. PROPERTY, PLANT AND EQUIPMENT

Operating assets - note 5.1	17,664,866	17,809,753
Capital work in progress (at cost)	7,999	623
Major spare parts and stand-by equipment	1,821,577	1,196,963
	19,494,442	19,007,339

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

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Rupees '000				
<b>Owned:</b>				
Plant and machinery	397,410	210,004	-	-
Office equipment	14,175	6,315	84	100
Electrical equipment	77,737	7,111	-	-
Vehicles	165	10,400	-	18
<b>Right of use assets:</b>				
Leased vehicles	1,781	-	-	-
	491,268	233,830	84	118

## 6. DEFERRED TAXATION

The Company's tax losses amount of Rs. 12.05 billion (June 30, 2020: Rs. 13.53 billion) as at March 31, 2021. The management carries periodic assessment to assess the benefit of these losses as the Company would be able to set off the carried forward losses against the profits earned in future years. Based on management assessment, the Company has recognised deferred tax asset on losses amounting to Rs. 3.49 billion (June 30, 2020: Rs. 3.92 billion) including an amount of Rs. 3.40 billion (June 30, 2020: Rs. 3.32 billion) on timing difference on account of unabsorbed tax depreciation, amortisation and initial allowance of Rs. 11.73 billion (June 30, 2020: Rs. 11.45 billion). The amount of this benefit has been recognised in view of expected profits as per the financial projections of the Company for future years. The projection of future taxable profits is most sensitive to certain key assumptions such as capacity utilisation, gross margin percentage, inflation and KIBOR rates. Any significant change in the key assumptions may have an effect on the realisability of the deferred tax asset.

	March 31, 2021	June 30, 2020
	Rupees '000	

## 7. INVENTORIES

Raw material [including in transit Rs. 3,484.50 million (June 30, 2020: Rs. 1,479.8 million)]	5,346,488	4,137,373
Work in process	390,629	511,976
Finished goods [including coil end sheets Rs. 25.46 million (June 30, 2020: Rs. 41.64 million)]	711,121	3,187,972
Packing and other materials	85,120	79,178
	<u>6,533,358</u>	<u>7,916,499</u>

## 8. CASH AND BANK BALANCES

With banks in		
- Current accounts	21,689	110,588
- PLS savings accounts - note 8.1	138,999	71,619
Cash in hand	278	354
	<u>160,966</u>	<u>182,561</u>

**8.1** At March 31, 2021 the rates of mark-up on PLS savings accounts range from 4% to 6.5% (June 30, 2020: 5.15% to 11.25%) per annum.

## 9. SHARE CAPITAL

### 9.1 Authorised share capital

	March 31, 2021	June 30, 2020		March 31, 2021	June 30, 2020
	(Number of shares)			Rupees '000	
	<u>1,100,000,000</u>	<u>1,100,000,000</u>	Ordinary and Cumulative Preference Shares of Rs. 10 each	<u>11,000,000</u>	<u>11,000,000</u>

**9.2 Issued, subscribed and paid-up capital - Ordinary Shares**

March 31, 2021	June, 30 2020		March 31, 2021	June, 30 2020
(Number of shares)			Rupees '000	
<u>771,684,322</u>	<u>765,529,303</u>	Ordinary shares of Rs. 10 each	<u>7,716,843</u>	<u>7,655,293</u>

**9.3** Dividend in respect of preference shares is only payable when Company has accumulated profits. Therefore, cumulative dividend on Preference Shares (PSX Symbol - ASLPS) and Preference Shares (PSX Symbol - ASLCPS) amounting to Rs. 783 million (June 30, 2020: Rs. 715 million) and Rs. 308 million (June 30, 2020: Rs. 305 million) respectively, is not accounted for in these condensed interim financial statements.

	March 31, 2021	June 30, 2020
	Rupees '000	

**10. LONG TERM FINANCE**

Islamic	1,251,482	1,251,482
Commercial	<u>6,382,852</u>	<u>8,109,586</u>
	<u>7,634,334</u>	<u>9,361,068</u>

**11. TRADE AND OTHER PAYABLES**

These include bills payable of Rs. 3,992.40 million (June 30, 2020: Rs. 5,244.36 million) against import of raw material.

Of these, bills payable amounting to Rs. 364.07 million (June 30, 2020: Rs. 67.09 million) pertains to islamic facilities.

	March 31, 2021	June 30, 2020
	Rupees '000	

**12. SHORT TERM BORROWINGS**

Islamic	1,132,829	1,446,781
Commercial	<u>3,209,238</u>	<u>8,499,635</u>
	<u>4,342,067</u>	<u>9,946,416</u>

**13. CONTINGENCIES AND COMMITMENTS****13.1 Contingencies**

**13.1.1** There has been no significant change during the period in the contingencies reported in the annual financial statements for the year ended June 30, 2020.

**13.2 Commitments**

**13.2.1** Commitments for capital expenditure outstanding as at March 31, 2021 amounted to Rs. 124.90 million (June 30, 2020: Rs. 753.59 million).

**13.2.2** Commitments for rentals under ijarah arrangements amounted to Rs. 0.01 million (June 30, 2020: Rs. 0.24 million) payable within one year.



	March 31, 2021	March 31, 2020
	Rupees '000	

#### 14. NET REVENUE FROM CONTRACTS WITH CUSTOMERS

Local - note 14.1	46,331,992	29,265,747
Export	<u>1,758,952</u>	<u>83,477</u>
Gross revenue from contracts with customers	48,090,944	29,349,224
Less: Sales tax	(6,741,811)	(4,215,323)
Rebates and discounts	(117,665)	(239,451)
Dealer commission	<u>(477,837)</u>	<u>(319,116)</u>
	<u>40,753,631</u>	<u>24,575,334</u>

**14.1** This includes scrap sales of coil-end sheets net of sales tax amounting to Rs. 1,424.39 million (March 31, 2020: Rs. 1,041.86 million).

	March 31, 2021	March 31, 2020
	Rupees '000	

#### 15. FINANCE COST

Mark-up expense:		
- long-term finance	703,120	816,763
- Impact of unwinding on long-term finance	144,856	771
- short-term borrowings	411,004	1,498,536
Finance lease charges	5,351	3,824
Exchange gain	(435,975)	162,169
Bank and other charges	81,898	160,181
	<u>910,254</u>	<u>2,642,244</u>

#### 16. EARNINGS / (LOSS) PER SHARE

##### 16.1 BASIC EARNINGS / (LOSS) PER SHARE

Profit / (loss) after taxation attributable to ordinary shareholders	4,751,724	(438,629)
Adjustment for cumulative preference share dividend	(70,773)	(75,446)
Profit / (loss) after taxation for calculation of basic earnings / (loss) per share	<u>4,680,951</u>	<u>(514,075)</u>
Weighted average number of ordinary shares outstanding at the end of period (in thousand)	<u>766,495</u>	<u>765,529</u>
Basic earnings / (loss) per share (Rupees)	<u>6.11</u>	<u>(0.67)</u>

##### 16.2 DILUTED EARNINGS PER SHARE

Profit after taxation attributable to ordinary shareholders	<u>4,751,724</u>
Weighted average number of ordinary shares outstanding at the end of period (in thousand)	<u>766,495</u>
Adjustment for conversion of convertible preference shares	193,557
Weighted average number of ordinary shares at the end of period for diluted earnings per share (in thousand)	<u>960,052</u>
Diluted earnings per share (Rupees)	<u>4.95</u>

The effect of dividend of Cumulative Preference Shares (ASLPS and ASLPCS) is not accounted for in calculation of weighted average number of potential ordinary shares.

Diluted loss per share has not been presented for periods ended March 31, 2020, as it has an anti-dilutive effect on loss per share.

## 17. TRANSACTIONS WITH RELATED PARTIES

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

			(Un-audited) March 31, 2021	(Un-audited) March 31, 2020
Rupees '000				
Relationship	Name of company	Nature of transaction		
Associated companies	Arif Habib Corporation Limited	- Finance facility utilised	1,630,000	1,715,000
		- Repayment of finance facility utilised	1,630,000	1,411,956
		- Mark-up on finance facilities	16,211	45,148
		- Mark-up on finance facilities paid	28,473	72,048
		- Guarantee commission	3,469	3,988
		- Guarantee commission paid	3,376	3,677
	Arif Habib Equity (Pvt.) Limited	- Finance facility utilised	-	839,000
		- Repayment of finance facility utilised	-	25,000
		- Mark-up on finance facilities	206	51,813
		- Mark-up on finance facilities paid	27,318	18,742
	Power Cement Limited	- Purchase of construction material	528	369
		- Payment made against Purchase of construction material	673	217
	Rotocast Engineering Co. (Pvt.) Limited	- Finance facility utilised	-	1,166,000
		- Repayment of finance facility utilised	1,980,000	-
		- Mark-up on finance facilities	103,394	99,238
- Mark-up on finance facilities paid		126,951	54,364	
- Rent and maintenance		7,193	6,769	
Sachal Energy Development (Private) Limited	- Rent and maintenance paid	7,193	5,379	
	- Finance facility utilised	-	300,000	
	- Repayment of finance facility utilised	-	300,000	
	- Mark-up on finance facilities	-	22,577	
Mr. Arif Habib	- Mark-up on finance facilities paid	-	22,566	
	- Finance facility utilised	-	3,003,000	
	- Repayment made against finance facility utilised	-	2,758,000	
	- Mark-up on finance facility	90	170,437	
CEO, CFO & Company Secretary	- Mark-up on finance facility paid	8,156	400,000	
	- Salaries and other employee benefits	16,706	16,024	
	- Post retirement benefits	425	414	
CFO & Company Secretary	- Meeting and other expenses	515	710	
	- Meeting and other expenses			
Non-Executive Director				

Other related parties

Key management compensation

**18. 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 April 20, 2021.

**Chief Financial Officer****Chief Executive****Director**



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