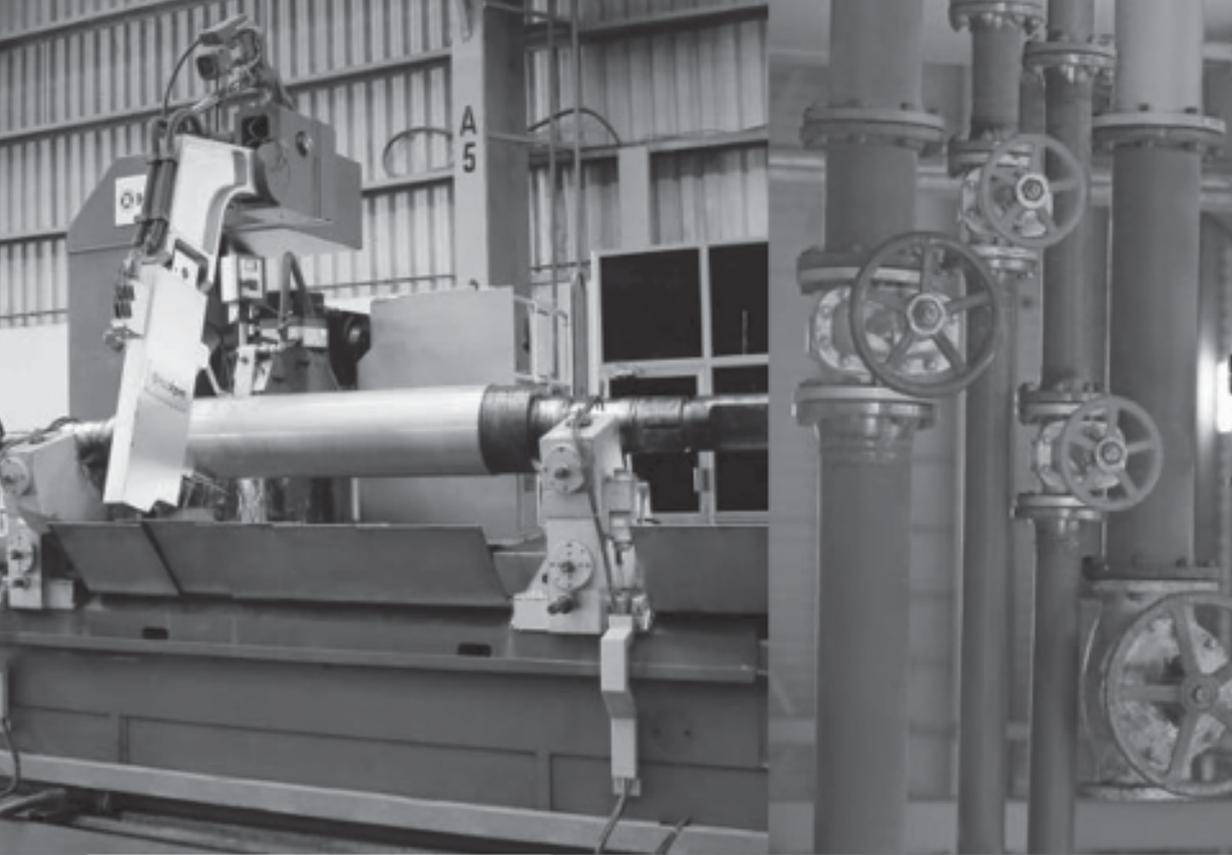


Nine Months Report
March 2019

Aspiring New Heights





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Vision

To be a world class manufacturer of Flat Steel

Mission

To become an efficient producer of Flat Steel while serving interests of all stakeholders





Company Information

Board of Directors

Mr. Arif Habib, Chairman
Dr. Munir Ahmed, Chief Executive Officer
Mr. Nasim Beg
Mr. Rashid Ali Khan
Mr. Muhammad Ejaz
Mr. Javed Iqbal
Mr. Kashif A. Habib
Ms. Tayyaba Rasheed
Mr. Ahsan Ashraf

Audit Committee

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

Human Resource & Remuneration Committee

Mr. Rashid Ali Khan – Chairman
Mr. Arif Habib – Member
Mr. Muhammad Ejaz – Member
Mr. Javed Iqbal – Member

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: (021) 32470217

Plant Address

DSU - 45, Pakistan Steel Down Stream
Industrial Estate, Bin Qasim, Karachi – Pakistan.
Tel: (021) 34740160

Auditors

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

Share Registrar Department

Central Depository Company of Pakistan,
CDC House, 99-B, SMCBS, Shahrah-e-Faisal, Karachi.
Phone: 92-21-111-111-500

Legal Advisor

Ahmed & Qazi
Khalid Anwer & Co.
Akhund Forbes
Mohsin TayebAly & 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

Directors' Review Report

The Directors of Aisha Steel Mills Limited (ASML) present herewith Directors' Review Report together with condensed interim financial statements (unaudited) of the Company for the nine months and quarter ended March 31, 2019.

Steel Market Review

The trade war between China and America appears to be moving in the direction that may lead to an amicable solution. The international steel market reacted positively with cautious optimism. The HRC prices recovered some ground and FOB China prices increased from US\$ 475 to US\$ 535 in the January-March quarter. The local market, however, remained under pressure on account of slowdown in business activities and further devaluation of rupee against dollar. The local manufacturers were able to pass on only partial impact of devaluation to the customers.

Operational Review

The sales quantity achieved in the nine months period is 134,747 tons compared to 168,618 tons in the corresponding period last year showing a decrease of about 20%. The total production for the period was 144,460 tons compared to 157,305 tons, showing a decrease of about 8%. The revenue generated for the period was PKR 13,542 million, compared to PKR 14,351 million achieved in the corresponding period in 2017-18, showing a decrease of 6%.

The Company posted before tax loss of PKR 651 million during the period compared to a profit of PKR 1,628 million in corresponding period of 2017-18.

A brief summary of the financial results as on March 31, 2019 is as follows:

All figures in PKR Million	Nine months ended	
	March 2019	March 2018
Net Sales	13,542	14,351
Gross Profit	880	2,655
(Loss) / Profit before tax	(651)	1,628
(Loss) / Profit after tax	(151)	1,106

Future Outlook

The international market is anticipating amicable resolution to the ongoing trade war between China and America. This will positively influence the steel market as well. The prices are expected to rise in the near term.

The Expansion Project

The galvanizing line has been commissioned and undergoing trial production. The batch annealing furnaces are being commissioned in phases. The new pickling line is also in the commissioning stage. The erection of the rolling mill is complete and cold commissioning has commenced. The trial production is expected by May 2019.

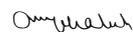
Acknowledgement

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 the Regulators for their continued support. We appreciate the extra efforts put in by the company employees to reach higher capacity utilization.

For and on behalf of the Board



Dr. Munir Ahmed
Chief Executive



Arif Habib
Chairman

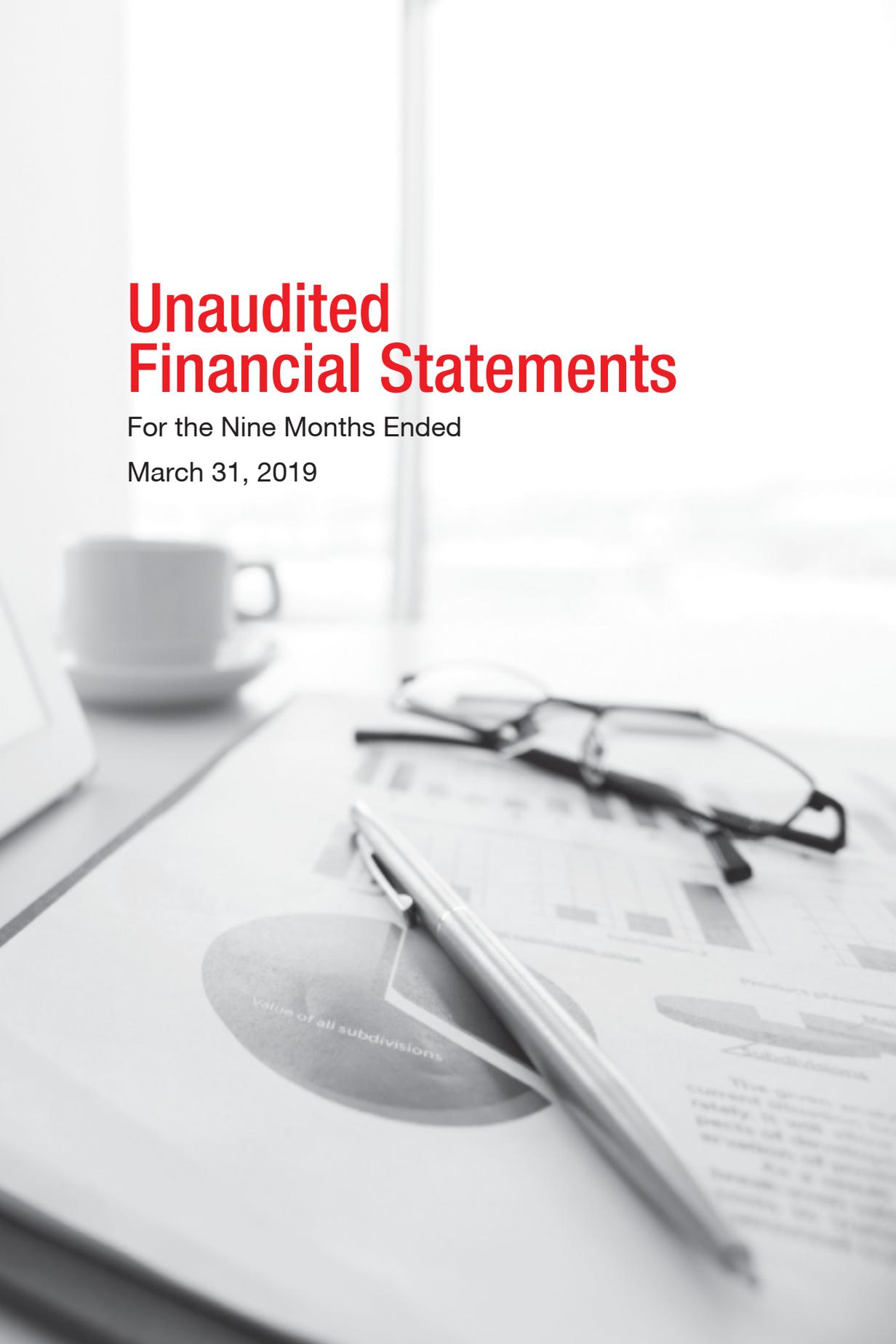
April 24, 2019



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Unaudited Financial Statements

For the Nine Months Ended
March 31, 2019



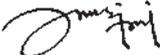


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

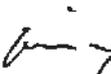
AS AT MARCH 31, 2019

	Note	(Unaudited) March 31, 2019	(Audited) June 30, 2018
(Rupees in thousands)			
ASSETS			
Non-current assets			
Property, plant and equipment	5	18,968,408	13,373,822
Intangibles		6,241	7,412
Long-term loans and advances		7,107	4,697
Long-term deposits		48,555	47,426
Deferred tax	6	1,177,015	932,904
		<u>20,207,326</u>	<u>14,366,261</u>
Current assets			
Stores and spares		229,017	112,006
Stock-in-trade		8,456,363	4,312,261
Trade debts		178,434	105,243
Advances, deposits and prepayments		452,518	405,930
Other receivables		154,372	145,834
Tax refunds due from Government - Sales tax		1,178,157	247,539
Taxation - payments less provision		1,068,267	685,149
Cash and bank balances		226,660	45,565
		<u>11,943,788</u>	<u>6,059,527</u>
Total assets		<u>32,151,114</u>	<u>20,425,788</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	7		
Ordinary shares		7,655,293	8,322,979
Cumulative preference shares		472,272	472,272
Difference on conversion of cumulative preference shares into ordinary shares		(1,313,789)	(1,313,789)
		<u>6,813,776</u>	<u>7,481,462</u>
Accumulated profit / (loss)		2,829	(548,080)
Surplus on revaluation of fixed assets		1,523,101	1,557,724
Total equity		<u>8,339,706</u>	<u>8,491,106</u>
LIABILITIES			
Non-current liabilities			
Long-term finance		6,928,340	4,848,164
Liabilities against assets subject to finance leases		37,174	33,836
Staff retirements benefit		63,014	51,536
		<u>7,028,528</u>	<u>4,933,536</u>
Current liabilities			
Trade and other payables		1,085,526	1,209,923
Accrued mark-up		727,545	238,452
Short-term borrowings	8	14,462,353	5,045,107
Current maturity of long-term finance		500,000	500,000
Current maturity of liabilities against assets subject to finance leases		7,456	7,664
		<u>16,782,880</u>	<u>7,001,146</u>
Total liabilities		<u>23,811,408</u>	<u>11,934,682</u>
Contingencies and commitments			
	9		
Total equity and liabilities		<u>32,151,114</u>	<u>20,425,788</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

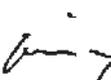
FOR THE PERIOD ENDED MARCH 31, 2019 - (UNAUDITED)

	Note	Quarter ended		Nine months ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		← (Rupees in thousands) →			
Revenue	10	5,941,531	4,841,180	13,541,965	14,351,495
Cost of sales		(5,700,093)	(4,028,858)	(12,661,924)	(11,696,605)
Gross profit		241,438	812,322	880,041	2,654,890
Selling and distribution cost		(5,900)	(5,263)	(17,035)	(13,611)
Administrative expenses		(65,248)	(54,598)	(193,680)	(143,977)
Other expenses		-	(34,517)	-	(121,867)
Other income		9,716	13,625	26,870	30,410
Profit from operations		180,006	731,569	696,196	2,405,845
Finance costs		(488,005)	(282,490)	(1,346,783)	(778,179)
(Loss) / profit before taxation		(307,999)	449,079	(650,587)	1,627,666
Taxation	11	208,015	(144,293)	499,187	(521,481)
(Loss) / profit for the period		(99,984)	304,786	(151,400)	1,106,185
Other comprehensive income		-	-	-	-
Total comprehensive (loss) / income for the period		(99,984)	304,786	(151,400)	1,106,185
		← Rupees →			
Basic (loss) / earnings per share - Rupees	12	(0.17)	0.38	(0.28)	1.36
Diluted earnings per share - Rupees	12		0.37		1.33

The annexed notes 1 to 14 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, 2019 - (UNAUDITED)

	March 31, 2019	March 31, 2018
	(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(650,587)	1,627,666
Add / (less): Adjustment for non-cash charges and other items		
Depreciation and amortisation	370,405	318,152
Mark-up charges	1,040,952	480,035
Unwinding of long-term finance	52,526	75,697
Finance lease charges	1,686	1,137
Provision for staff retirement benefit	15,514	12,337
Exchange loss	246,573	178,579
Gain on disposal of fixed assets	2,684	1,445
Return on PLS savings accounts	(7,040)	(10,541)
	<u>1,723,300</u>	<u>1,056,841</u>
Profit before working capital changes	<u>1,072,713</u>	<u>2,684,507</u>
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(117,012)	(20,709)
Stock-in-trade	(4,144,102)	(313,692)
Trade debts	(73,190)	127,397
Advances, deposits and prepayments	(46,588)	163,901
Other receivables	(8,538)	(9,559)
Tax refunds due from Government - Sales tax	(930,618)	77,371
	<u>(5,320,048)</u>	<u>24,709</u>
Decrease in current liabilities		
Trade and other payables	(370,970)	(3,105,945)
Net cash used in operations	<u>(4,618,305)</u>	<u>(396,729)</u>
Income tax paid	(128,043)	(382,888)
Mark-up on loans paid	(551,859)	(472,792)
Staff retirement benefit paid	(4,036)	(5,681)
Increase in long-term loans and advances	(2,410)	(1,841)
(Increase) / decrease in long-term deposits	(1,129)	944
Net cash used in operating activities	<u>(5,305,782)</u>	<u>(1,258,987)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,928,003)	(1,746,500)
Acquisition of Intangible assets	(147)	-
Return on PLS accounts	7,040	10,541
Sale proceeds from disposal of property, plant and equipment	3,360	4,126
Net cash used in investing activities	<u>(5,917,750)</u>	<u>(1,731,833)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term finance	(501,130)	(250,000)
Short-term borrowings obtained	4,237,000	-
Long-term loan obtained - net	2,487,066	-
Proceeds from rights issue - net	-	147,545
Increase in liabilities against assets subject to finance leases	1,445	23,415
Net cash generated from / (used in) financing activities	<u>6,224,381</u>	<u>(79,040)</u>
Net decrease in cash and cash equivalents	<u>(4,999,151)</u>	<u>(3,069,860)</u>
Cash and cash equivalents at beginning of the period	<u>(4,824,542)</u>	<u>(1,573,523)</u>
Cash and cash equivalents at end of the period	<u>(9,823,693)</u>	<u>(4,643,384)</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive

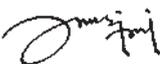
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

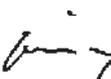
FOR THE PERIOD ENDED MARCH 31, 2019 - (UNAUDITED)

	SHARE CAPITAL	RESERVES		SUBSCRIPTION MONEY AGAINST RIGHT ISSUE	TOTAL	
		Capital				Revenue
		Share premium	Surplus on revaluation of fixed assets			Accumulated (loss)/profit
← (Rupees in thousands) →						
Balance as at July 1, 2017 - (Audited)	5,157,301	-	1,224,627	(1,858,071)	2,176,616	6,700,473
Incremental depreciation net of deferred tax transferred	-	-	(20,222)	20,222	-	-
Total comprehensive income for the nine months ended March 31, 2018						
- Profit for the nine months ended March 31, 2018	-	-	-	1,106,185	-	1,106,185
- Other comprehensive income for the nine months ended March 31, 2018	-	-	-	-	-	-
	-	-	-	1,106,185	-	1,106,185
Gross subscription money received	-	-	-	-	155,128	155,128
Issuance costs	-	-	-	-	(7,583)	(7,583)
	-	-	-	-	147,545	147,545
Issuance of right shares	1,465,787	858,374	-	-	(2,324,161)	-
Share Premium	858,374	(858,374)	-	-	-	-
Balance as at March 31, 2018 - (Unaudited)	7,481,462	-	1,204,405	(731,664)	-	7,954,203
Balance as at July 1, 2018 - (Audited)	7,481,462	-	1,557,724	(548,080)	-	8,491,106
Incremental depreciation net of deferred tax transferred	-	-	(34,623)	34,623	-	-
Share capital reduced - note 7.3	(667,686)	-	-	667,686	-	-
Total comprehensive loss for the nine months ended March 31, 2019						
- Loss for the nine months ended March 31, 2019	-	-	-	(151,400)	-	(151,400)
- Other comprehensive income for the nine months ended March 31, 2019	-	-	-	-	-	-
	-	-	-	(151,400)	-	(151,400)
Balance as at March 31, 2019 - (Unaudited)	6,813,776	-	1,523,101	2,829	-	8,339,706

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2019 - (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 in the downstream Industrial Estate, Pakistan Steel, Bin Qasim, Karachi, to carry out its principal business of manufacturing and selling flat rolled steel in coils and sheets.

The Company is undertaking an expansion project to increase its current production capacity of Cold Rolled Coils (CRC) from 220,000 metric tonnes to 450,000 metric tonnes and installing production line of Galvanized Iron (GI) of 250,000 metric tonnes.

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 the 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 annual financial statements as at and for the year ended June 30, 2018.

2.1 CRITICAL ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standards do not have any significant impact on these condensed interim financial statements of the Company.

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

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after January 1, 2018, but are considered not to be relevant or have any significant effect on the Company's reporting and are therefore, not disclosed in these condensed interim financial statements.

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

The following new standard will be effective for the periods beginning January 1, 2019 and may have an impact on the financial statements of the Company.

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

Further, IFRS 9 'Financial instruments' (previously applicable from annual periods beginning on or after July 01, 2018). This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. However, SECP through SRO 229(I)/2019 dated February 14, 2019 has deferred the application of IFRS 9 till June 30, 2019.

The management is in the process of assessing the impact of changes laid down by the above standard on its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation 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, 2018.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

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 financial statements as at and for the year ended June 30, 2018.

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, 2018.



	Note	(Unaudited) March 31, 2019	(Audited) June 30, 2018
(Rupees in thousands)			
5. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	5.1	10,467,966	10,505,571
Capital work in progress - at cost	5.3	7,591,034	1,996,649
Major spare parts and stand-by equipment		909,408	871,602
		<u>18,968,408</u>	<u>13,373,822</u>
Additions (at cost)			
		(Unaudited) March 31, 2019	(Unaudited) March 31, 2018
(Rupees in thousands)			
5.1	Additions to operating assets during the period are as follows:		
Owned			
Plant and machinery		278,602	171,848
Building and other civil works on leasehold land		1,467	2,559
Electrical equipments		17,078	6,981
Office equipments		7,536	4,642
Vehicles		-	5,154
Furniture and fixtures		1,826	-
Held under finance lease			
Motor vehicles		32,051	23,454
		<u>338,560</u>	<u>214,638</u>
5.2	Disposals during the period include vehicles and office equipments having written down value amounting to Rs. 1,446,433 (2018: Rs. 2,016,068) and Rs. 127,198 (2018: Rs. 46,751) respectively.		
		(Unaudited) March 31, 2019	(Audited) June 30, 2018
(Rupees in thousands)			
5.3	Capital work in progress		
Plant and machinery		4,313,842	894,311
Civil works and prefabricated building		2,459,672	304,540
Advance to suppliers		73,023	705,975
Other		744,497	91,823
		<u>7,591,034</u>	<u>1,996,649</u>
5.4	This includes Rs. 7.585 billion (June 30, 2018: Rs. 1.99 billion) for installation of galvanized coils production line and for increasing current production capacity.		
6. DEFERRED TAX			
The Company has an aggregate amount of Rs. 8.90 billion (June 30, 2018: Rs. 8.98 billion) in respect of tax losses as at March 31, 2019. The management carries periodic assessment to assess the benefit of these losses as the Company would be able to set off the profit earned in future years against these carried forward losses. Based on the assessment, management has recognised deferred tax debit balance on losses amounting to Rs. 2.49 billion (June 30, 2018: Rs. 2.60 billion) including an amount of Rs. 2.13 billion (June 30, 2018: Rs. 2.25 billion) on unabsorbed tax depreciation, amortisation and initial allowance of Rs. 7.59 billion (June 30, 2018: Rs. 7.77 billion). The amount of this benefit has been determined based on the financial projections of the Company for future years. The determination of future taxable profit 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.			

7. SHARE CAPITAL**7.1 Issued, subscribed and paid-up capital**

(Unaudited) March 31, 2019	(Audited) June 30, 2018		(Unaudited) March 31, 2019	(Audited) June 30, 2018
(Number of shares)			(Rupees in thousands)	
832,297,886	685,603,943	Ordinary Shares of Rs. 10 each	8,322,979	6,856,039
-	146,578,616	Shares issued as right shares	-	1,465,786
		Cumulative Preference Shares converted into ordinary shares of Rs. 10 each:		
-	20,500	- PSX Symbol - ASLPS	-	205
-	94,827	- PSX Symbol - ASLCPS	-	949
<u>(66,768,583)</u>	-	Reduction in share capital- note 7.3	<u>(667,686)</u>	-
<u>765,529,303</u>	<u>832,297,886</u>		<u>7,655,293</u>	<u>8,322,979</u>

7.2 The cumulative dividend on Preference Shares (PSX Symbol - ASLPS) and Preference Shares (PSX Symbol - ASLCPS) amounting to Rs. 656.71 million (June 30, 2018: Rs. 619.54 million) and Rs. 300.67 million (June 30, 2018: Rs. 298.17 million) respectively, is not accounted for in these condensed interim financial statements. As at March 31, 2019, the Company has unappropriated profit of Rs. 2.83 million. As per the terms of issue of preference shares (PSX Symbols - ASLPS & ASLCPS), the cumulative dividend on preference shares shall become due and will take effect on the basis of unappropriated profit available as at June 30, 2019.

7.3 Pursuant to Share Purchase Agreement executed on March 31, 2016 between the Arif Habib Group [consisting of Mr. Arif Habib, Arif Habib Corporation Limited and Arif Habib Equity (Private) Limited] and Metal One Corporation (Japan) (the Seller), it had been agreed that subject to the satisfaction of certain conditions precedent, Mr. Arif Habib individually will acquire all the Ordinary Shares i.e. 66.77 million shares of the Seller in the Company at a price of Rs. 0.5 per share with the intention of writing off and surrendering all the acquired shares of the Seller to the Company, at no cost to the Company and in accordance with Section 96 of the repealed Companies Ordinance, 1984 by way of a court approved scheme of reduction of capital, in order to enhance shareholder value for the remaining shareholders. In this respect, the petition under section 96 of the repealed Companies Ordinance, 1984 was filed before the High Court of Sindh on December 29, 2016 for reduction of share capital of the Company. The Honourable High Court of Sindh in its order dated June 25, 2018 allowed the petition and minutes passed in Annual General Meeting of the Company held on October 27, 2016 for reduction of paid-up capital. As required by section 93 of the Companies Act, 2017, the Company filed the application for registration of order of reduction and consequently, the SECP through its letter dated July 13, 2018 has acknowledged the registration of the High Court order for reduction of share capital. The reduction in capital is effective from the date of acknowledgement.

	(Unaudited) March 31, 2019	(Audited) June 30, 2018
	(Rupees in thousands)	
8. SHORT-TERM BORROWINGS		
Secured:		
Short-term running finance - note 8.1	10,050,353	4,870,107
Unsecured:		
Short-term finance facility	<u>4,412,000</u>	175,000
	<u>14,462,353</u>	<u>5,045,107</u>



8.1 The lender wise balance of short term loan and running finance facilities obtained by the Company are as follows:

	(Unaudited) March 31, 2019	(Audited) June 30, 2018
	(Rupees in thousands)	
Habib Metropolitan Bank Limited	1,924,384	822,086
National Bank of Pakistan	1,718,171	643,225
Habib Bank Limited	1,006,705	-
Dubai Islamic Bank Limited	1,000,000	-
Askari Bank Limited	576,682	689,460
Bank Islami Pakistan Limited	573,755	524,082
Summit Bank Limited	364,949	429,634
MCB Islamic Bank Limited	499,121	405,844
Sindh Bank Limited	497,830	-
Bank Al-Falah Limited	354,770	-
The Bank of Punjab	789,485	367,073
MCB Bank Limited	44,501	297,567
JS Bank Limited	700,000	691,136
	<u>10,050,353</u>	<u>4,870,107</u>

9. CONTINGENCIES AND COMMITMENT

9.1 Contingencies

9.1.1 There has been no change in status of contingencies reported in the financial statements for the year ended June 30, 2018.

9.2 Commitments

9.2.1 Commitments for capital expenditure outstanding as at March 31, 2019 amounted to Rs. 571.58 million (June 30, 2018: Rs. 554.3 million).

9.2.2 Commitments outstanding for expansion project of galvanized coils production line as at March 31, 2019 amounted to Rs. 682.42 million (June 30, 2018: Rs. 3.42 billion).

9.2.3 Commitments for rentals under ijarah arrangements amounted to Rs. 1.49 million (June 30, 2018: Rs. 3 million) payable as follows:

	(Unaudited) March 31, 2019	(Audited) June 30, 2018
	(Rupees in thousands)	
Not later than 1 year	864	1,235
Later than 1 year but not later than 5 years	623	1,735
	<u>1,487</u>	<u>2,970</u>

10. REVENUE

	(Unaudited) March 31, 2019	(Unaudited) March 31, 2018
	(Rupees in thousands)	
Gross Revenue	16,015,786	16,967,153
Less: Sales tax	(2,303,399)	(2,449,859)
Dealer Commission	(170,422)	(165,799)
Net Revenue	<u>13,541,965</u>	<u>14,351,495</u>

11. This includes tax credit under section 65B of the Income Tax Ordinance, 2001 on investment in plant and machinery.

12. EARNINGS PER SHARE		(Unaudited) March 31, 2019	(Unaudited) March 31, 2018
12.1 Basic Earnings Per Share		(Rupees in thousands)	
(Loss) / profit after taxation attributable to ordinary shareholders		<u>(151,400)</u>	<u>1,106,185</u>
Adjustment for cumulative preference share dividend		(39,670)	(43,922)
Profit after taxation for calculation of basic earnings pershare		<u>(191,070)</u>	<u>1,062,263</u>
Weighted average number of ordinary shares outstanding at the end of period (in thousands)		<u>678,918</u>	<u>781,799</u>
Basic (loss) / earnings per share - Rupees		<u>(0.28)</u>	<u>1.36</u>
12.2	Diluted earnings per share has not been presented for period ended March 31, 2019 as it has anti-dilutive effect on earnings per share.		

13. TRANSACTIONS WITH RELATED PARTIES

Transactions entered into with related parties during the period are as follows:

Relationship	Name of company	Nature of transaction	(Unaudited) March 31, 2019	(Unaudited) March 31, 2018
			(Rupees in thousands)	
Associated companies				
	Arif Habib Corporation Limited	- Finance facility utilised	1,927,000	250,000
		- Repayment of finance facility utilised	1,018,956	250,000
		- Markup on finance facilities	75,698	-
		- Markup on finance facilities paid	47,433	19,902
		- Guarantee commission	2,757	-
		- Guarantee commission paid	2,766	1,130
	Arif Habib Equity (Pvt.) Limited	- Finance facility utilised	410,000	-
		- Repayment of finance facility utilised	410,000	-
		- Markup on finance facilities	4,635	-
	Power Cement Limited	- Purchase of construction material	54	451
		- Payment received against sale of asset	1,970	-
		- Payment made against Purchase of construction material	113	-
	Rotocast Engineering Co. (Private) Limited	- Rent and maintenance	4,808	6,629
		- Rent and maintenance paid	4,808	-
	Javedan Corporation Limited	- Expenses against sponsorship	500	-
		- Payment against sponsorship expenses	1,000	-
Other related parties				
	Mr. Arif Habib	- Finance facility utilised	3,680,000	-
		- Repayment made against finance facility utilised	370,000	-
		- Markup on finance facility	198,879	-
	Silk Bank Limited	- Bank charges paid	59	11,886
		- Repayment of long term finance facility utilised	28,435	-
		- Markup on finance facility	20,424	-
		- Markup on finance facility paid	21,385	15,070
Key management compensation				
	CEO, CFO & Company Secretary	- Salaries and other employee benefits	12,378	10,976
	CFO & Company Secretary	- Post retirement benefits	376	328
	Non-Executive Director	- Meeting and other expenses	630	96



14. DATE OF AUTHORISATION FOR ISSUE

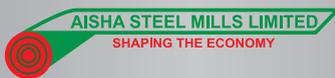
These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on April 24, 2019.

Chief Financial Officer

Chief Executive

Director

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