



First Quarter Report  
September 2019

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We  
see the  
future  
in steel





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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. Jawaid Iqbal  
Mr. Kashif Habib  
Ms. Tayyaba Rasheed  
Mr. Ahsan Ashraf

## Audit Committee

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

## Human Resource & Remuneration Committee

Mr. Rashid Ali Khan - Chairman  
Mr. Arif Habib - Member  
Mr. Muhammad Ejaz - Member  
Mr. Jawaid Iqbal - Member

## Chief Financial Officer

Mr. 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) 34740160

## Auditor

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 Advisors

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

## 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, 2019.

## Steel Market Review

The declining trend in the international prices continued in the July-September quarter of the financial year 2019-2020. The on-going trade war between America and China further escalated into a full blown crises. The implications of the same are affecting most of the world economies. The HRC prices dropped from around US\$ 500 in July to around US\$ 440, FOB main port China. Similar trend was observed in all major markets including EU, USA, Japan, India and Russia. The iron ore and hard coking coal prices also declined from US\$ 120 and US\$ 190 to US\$ 95 and US\$ 135, FOB Australia, respectively, during the July-September quarter, 2019. The decline in prices has slowed down since and the bottom may be nearing.

The local demand remained depressed throughout the period. The macro-economic adjustments have curtailed demand leading to cut back in industrial output. The auto sector was hit hard in particular leading to slow off take of CRC, the main raw material for the sector. Both the leading players had to cut down production and adjust the prices downwards.

The imports, during the period, continued and around 29,000 tons of CRC and around 27,000 tons GI was imported from various countries. This quantity, when compared to 48,706 tons CRC and 38,012 tons GI imported in corresponding period of last year was much lower. The antidumping duty case moved against Russia and Canada was finally decided in our favor. On September 20th, 2019, provisional antidumping duty, at a rate of 13.94%, was imposed on Russia as well as Canada.

Recently, we have seen a spike in imports from South Korea. The situation is being carefully monitored. If need be, antidumping case will be moved against them as well.

## Operational Review

The sales quantity achieved in the July-September period 2019 period was 52,868 tons compared to 30,764 tons for the corresponding period in last year, showing an increase of about 72%. The total production for the period was 70,469 tons compared to 33,148 tons, showing an increase of 113%. The capacity after completion of the expansion plan has increased to 700,000 tons per annum, compared to previous maximum of 220,000 tons. The utilization level after the expansion stands at 40% compared to 60% recorded for the corresponding period of last year on 220,000 tons per annum basis. However, when compared to the budgeted figures for the period, the production and sales achieved are only 54% and 42% respectively. The overall slowdown in the steel consumption, particularly in the auto industry adversely affected our sales. The production was curtailed when finished goods inventory reached around 35,000 tons.

The revenue generated during the period was PKR 6,160 million, compared to PKR 3,091 million achieved in the corresponding period in 2018-19, showing an increase of about 99%.

The Company posted after tax loss of PKR 204 million in the July-September period of the current financial year compared to profit of PKR 121 million in corresponding period in 2018-19.

A brief summary of the financial results as on September 30, 2019 is as follows:

All figures in PKR Million	Quarter Ended	
	September 30, 2019	September 30, 2018
Net Sales	6,160	3,091
Gross Profit	553	499
(Loss) / Profit before tax	(240)	156
(Loss) / Profit after tax	(204)	121



## Future Outlook

The market is still depressed on account of overall slowdown in the economy. The auto sector, the main end users of CRC, is operating at 50% capacity and sales are down from 20% to 60% depending on make and price range. The white goods industry is also feeling the crunch. The construction industry, which uses fair amount of GI, is also suffering from newly enforced policy reforms. The latter, rupees devaluation, high discount rates and uncertain political situation will keep the economy under stress. However, clear signs are emerging that the downward trend is slowing down and stability is anticipated in the near future. We are confident that the production and sales in the second quarter will show improvement in comparison with the first.

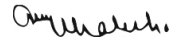
## Acknowledgement

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. We look forward for continued and active involvement by employees after successful completion of expansion project.

For and on behalf of the Board



Dr. Munir Ahmed  
Chief Executive



Mr. Arif Habib  
Chairman

Karachi : October 29, 2019



# Condensed Interim Statement of Financial Position

As at September 30, 2019

(Un-audited)  
September 30,  
2019

(Audited)  
June 30,  
2019

Rupees '000

## ASSETS

### Non-current assets

Property, plant and equipment	5	20,386,140	20,133,384
Intangibles		5,401	5,826
Long-term loans and advances		6,825	6,974
Long-term deposits		83,886	76,574
Deferred tax	6	1,379,985	1,343,955
		<u>21,862,237</u>	<u>21,566,713</u>

### Current assets

Stores and spares		453,130	379,561
Stock-in-trade		11,429,153	6,919,983
Trade debts		187,370	598,537
Advances, deposits and prepayments		619,459	937,592
Other receivables		147,863	144,500
Tax refunds due from Government - Sales tax		1,034,657	883,010
Taxation - payments less provision		1,142,103	1,092,365
Cash and bank balances		47,686	208,648
		<u>15,061,421</u>	<u>11,164,196</u>

### Total assets

36,923,658 32,730,909

## EQUITY AND LIABILITIES

### Share capital and reserves

Share capital	7		
Ordinary shares		7,655,293	7,655,293
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>6,813,776</u>
Accumulated loss		(438,648)	(246,194)
Capital reduction reserve		667,686	667,686
Surplus on revaluation of fixed assets		1,500,019	1,511,560
		<u>8,542,833</u>	<u>8,746,828</u>

## LIABILITIES

### Non-current liabilities

Long-term finance		6,982,958	7,171,280
Liabilities against assets subject to finance leases		34,538	37,212
Staff retirements benefit		70,228	64,493
		<u>7,087,724</u>	<u>7,272,985</u>

### Current liabilities

Trade and other payables		5,653,263	1,233,907
Accrued mark-up		912,773	854,036
Short-term borrowings	8	14,215,889	14,111,977
Current maturity of long-term finance		500,000	500,000
Current maturity of liabilities against assets subject to finance leases		11,176	11,176
		<u>21,293,101</u>	<u>16,711,096</u>

### Total liabilities

28,380,825 23,984,081

### Contingencies and commitments

### Total equity and liabilities

36,923,658 32,730,909

The annexed notes 1 to 13 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 September 30, 2019 - (Un-audited)

		September 30, 2019	September 30, 2018
Rupees '000			
Revenue	10	6,160,186	3,090,754
Cost of sales		(5,607,465)	(2,592,065)
Gross profit		552,721	498,689
Selling and distribution cost		(11,382)	(5,121)
Administrative expenses		(79,173)	(62,424)
Other expenses		-	(11,793)
Other income		16,365	2,668
Profit from operations		478,531	422,019
Finance costs		(718,556)	(265,896)
(Loss) / profit before taxation		(240,025)	156,123
Taxation		36,030	(35,401)
(Loss) / profit for the period		(203,995)	120,722
Other comprehensive income		-	-
Total comprehensive (loss) / income for the period		(203,995)	120,722
Basic (loss) / earnings per share - Rupees	11	(0.29)	0.14

The annexed notes 1 to 13 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, 2019 - (Un-audited)

September 30,  
2019

September 30,  
2018

Rupees '000

## CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) / profit before taxation	(240,025)	156,123
<b>Add / (less): Adjustment for non-cash charges and other items</b>		
Depreciation and amortisation	199,545	121,823
Mark-up charges	758,578	232,358
Unwinding of long-term finance	6,586	21,481
Finance lease charges	911	550
Provision for staff retirement benefit	6,923	5,171
Exchange (gain) / loss	(74,968)	10,203
Gain on disposal of fixed assets	(1)	(173)
Return on PLS savings accounts	(4,190)	(1,745)
	893,384	389,668
Profit before working capital changes	653,359	545,791
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spares	(73,570)	(20,839)
Stock-in-trade	(4,509,170)	(2,248,877)
Trade debts	411,168	(330,664)
Advances, deposits and prepayments	318,133	(5,516)
Other receivables	(3,363)	(13,578)
Tax refunds due from Government - Sales tax	(151,647)	(268,763)
	(4,008,449)	(2,888,237)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	4,494,324	(372,800)
Net cash generated from / (used in) operations	1,139,234	(2,715,246)
Income tax paid	(49,739)	(36,218)
Mark-up on loans paid	(699,841)	(241,080)
Staff retirement benefit paid	(1,188)	(667)
Decrease / (increase) in long-term loans and advances	149	(527)
(Increase) / decrease in long-term deposits	(7,312)	1,301
Net cash generated from / (used in) operating activities	381,303	(2,992,437)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(452,039)	(1,770,081)
Return on PLS accounts	4,190	1,745
Sale proceeds from disposal of property, plant and equipment	95	424
Net cash used in investing activities	(447,754)	(1,767,912)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term finance	(249,932)	(251,130)
Short-term borrowings obtained	4,058,001	2,825,000
Long-term loan obtained - net	55,093	888,117
Decrease in liabilities against assets subject to finance leases	(3,584)	(1,580)
Net cash generated from financing activities	3,859,578	3,460,407
Net increase / (decrease) in cash and cash equivalents	3,793,127	(1,299,942)
Cash and cash equivalents at beginning of the period	(13,903,330)	(4,824,542)
Cash and cash equivalents at end of the period	(10,110,203)	(6,124,484)

The annexed notes 1 to 13 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, 2019 - (Un-audited)

	SHARE CAPITAL	RESERVES			Total
		Capital	Revenue		
		Surplus on revaluation of fixed assets	Capital reduction reserve	Accumulated loss	
Rupees '000					
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	-	(11,541)	-	11,541	-
Share capital reduced - note 7.3	(667,687)	-	667,687	-	-
<b>Total comprehensive income for the period ended September 30, 2018</b>					
- Profit for the period ended September 30, 2018	-	-	-	120,722	120,722
- Other comprehensive income for the period ended September 30, 2018	-	-	-	-	-
	-	-		120,722	120,722
Balance as at September 30, 2018 - (Un-audited)	6,813,775	1,546,183	667,687	(415,817)	8,611,828
Balance as at July 1, 2019 - (Audited)	6,813,776	1,511,560	667,686	(246,194)	8,746,828
Incremental depreciation net of deferred tax transferred	-	(11,541)	-	11,541	-
<b>Total comprehensive loss for the period ended September 30, 2019</b>					
- Loss for the period ended September 30, 2019	-	-	-	(203,995)	(203,995)
- Other comprehensive income for the period ended September 30, 2019	-	-	-	-	-
	-	-	-	(203,995)	(203,995)
Balance as at September 30, 2019 - (Un-audited)	6,813,776	1,500,019	667,686	(438,648)	8,542,833

The annexed notes 1 to 13 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 September 30, 2019 - [Un-audited]

## 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 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, 2019.

### 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 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.

The changes laid down by the standard 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

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2019 are considered not to be relevant to the Company's financial statements and hence have not been detailed here.



# Notes to and Forming Part of the Condensed Interim Financial Statements

For The Period Ended September 30, 2019 - (Un-audited)

## 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, 2019.

## 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, 2019.

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, 2019.

	(Un-audited) September 30, 2019	(Audited) June 30, 2019
Rupees '000		

## 5. PROPERTY, PLANT AND EQUIPMENT

Operating assets	5.1	19,063,011	19,184,659
Major spare parts and stand-by equipment		<u>1,323,129</u>	<u>948,725</u>
		<u>20,386,140</u>	<u>20,133,384</u>

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

#### Owned

Plant and machinery	67,340	8,316,340
Building and other civil works on leasehold land	-	731,857
Electrical equipments	2,166	87,125
Office equipments	1,837	20,297
Furniture and fixtures	-	1,868
Motor Vehicles	-	49

#### Held under finance lease

Motor vehicles	6,225	33,441
	<u>77,568</u>	<u>9,190,977</u>

### 5.2 Disposals during the period include office equipments having written down value amounting to Rs. 0.09 million (June 30, 2019: Rs. 0.17 million).



# Notes to and Forming Part of the Condensed Interim Financial Statements

For The Period Ended September 30, 2019 - [Un-audited]

## 6. DEFERRED TAX

The Company has an aggregate amount of Rs. 11.60 billion (June 30, 2019: Rs. 11.59 billion) in respect of tax losses as at September 30, 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 recognized deferred tax debit balance on losses amounting to Rs. 3.36 billion (June 30, 2019: Rs. 3.36 billion) including an amount of Rs. 2.86 billion (June 30, 2019: Rs. 2.99 billion) on unabsorbed tax depreciation, amortisation and initial allowance of Rs. 9.87 billion (June 30, 2019: Rs. 10.31 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

(Un-audited) September 30, 2019	(Audited) June 30, 2019		(Un-audited) September 30, 2019	(Audited) June 30, 2019
(Number of shares)			Rupees '000	
765,529,303	832,297,886	Opening Ordinary Shares of Rs. 10 each	7,655,293	8,322,979
-	(66,768,583)	Reduction in share capital - note 7.3	-	(667,686)
765,529,303	765,529,303		7,655,293	7,655,293

7.2 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. 689.65 million (June 30, 2019: Rs. 656 million) and Rs. 302.72 million (June 30, 2019: Rs. 301 million) respectively, is not accounted for in these condensed interim financial statements.

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 was 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 shareholders 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 has 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.



# Notes to and Forming Part of the Condensed Interim Financial Statements

For The Period Ended September 30, 2019 - (Un-audited)

	(Un-audited) September 30, 2019	(Audited) June 30, 2019
Rupees '000		
<b>8. SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Short-term running finance - note 8.1	10,157,889	14,111,977
<b>Unsecured</b>		
Short-term finance facility	4,058,000	-
	14,215,889	14,111,977

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

National Bank of Pakistan	2,555,631	1,832,735
Habib Metropolitan Bank Limited	1,702,780	5,233,233
Habib Bank Limited	1,139,363	1,402,487
Dubai Islamic Bank Limited	1,000,000	1,000,000
The Bank of Punjab	787,863	780,538
JS Bank Limited	680,739	680,739
Bank Islami Pakistan Limited	573,837	570,254
Sindh Bank Limited	500,071	500,071
Bank Alfalah Limited	439,171	-
MCB Islamic Bank Limited	289,836	-
Summit Bank Limited	242,445	466,853
Askari Bank Limited	98,493	779,170
United Bank Limited	95,275	348,899
MCB Bank Limited	52,385	516,998
	10,157,889	14,111,977

## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

There has been no change in status of contingencies reported in the financial statements for the year ended June 30, 2019.

### 9.2 Commitments

9.2.1 Commitments for capital expenditure outstanding as at September 30, 2019 amounted to Rs. 215.06 million (June 30, 2019: Rs. 295.69 million).

9.2.2 Commitments for rentals under ijarah arrangements amounted to Rs. 0.73 million (June 30, 2019: Rs. 1.2 million) payable as follows:

	(Un-audited) September 30, 2019	(Audited) June 30, 2019
Rupees '000		
Not later than 1 year	645	864
Later than 1 year but not later than 5 years	81	407
	726	1,271



# Notes to and Forming Part of the Condensed Interim Financial Statements

For The Period Ended September 30, 2019 - (Un-audited)

	(Un-audited) September 30, 2019	(Un-audited) September 30, 2018
Rupees '000		
<b>10. REVENUE</b>		
Gross revenue	7,318,237	3,653,743
Less: Sales tax	(1,041,274)	(526,168)
Dealer commission and discounts	(116,777)	(36,821)
Net Revenue	6,160,186	3,090,754
<b>11. EARNINGS PER SHARE</b>		
<b>11.1 Basic Earnings Per Share</b>		
(Loss) / profit after taxation attributable to ordinary shareholders	(203,995)	120,722
Adjustment for cumulative preference share dividend	(18,679)	(12,129)
(Loss) / profit after taxation for calculation of basic (loss) / earnings per share	(222,674)	108,593
Weighted average number of ordinary shares outstanding at the end of period (in thousands)	765,529	765,529
Basic (loss) / earnings per share - Rupees	(0.29)	0.14
<b>11.2</b>		
Diluted earnings per share has not been presented for period ended September 30, 2019 as it has anti-dilutive effect on earnings per share.		





# Notes to and Forming Part of the Condensed Interim Financial Statements

For The Period Ended September 30, 2019 - (Un-audited)

## 12. TRANSACTIONS WITH RELATED PARTIES

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

			(Un-audited) September 30, 2019	(Un-audited) September 30, 2018
			Rupees '000	
Relationship	Name of Company	Nature of transaction		
Associated companies	Arif Habib Corporation Limited	- Finance facility utilised	1,060,000	825,000
		- Repayment of finance facility utilised	724,478	10,038
		- Mark-up on finance facilities	25,070	19,679
		- Mark-up on finance facilities paid	33,432	6,745
		- Guarantee commission	877	877
		- Guarantee commission paid	987	869
	Power Cement Limited	- Payment made against Purchase of construction material	-	56
	Rotocast Engineering Co. (Private) Limited	- Finance facility utilised	680,000	-
		- Mark-up on finance facilities	19,897	-
		- Rent and maintenance	2,361	2,218
		- Rent and maintenance paid	2,361	2,218
	Sachal Energy Development (Private) Limited	- Finance facility utilised	300,000	-
		- Mark-up on finance facilities	9,798	-
Javedan Corporation Limited	- Expenses against sponsorship	-	500	
	- Payment against sponsorship expenses	-	1,000	
Other related parties	Mr. Arif Habib	- Finance facility utilised	2,733,000	2,200,000
		- Repayment made against finance facility utilised	-	200,000
		- Mark-up on finance facility	96,583	25,874
		- Mark-up on finance facility paid	110,000	-
Key management compensation	CEO, CFO & Company Secretary	- Salaries and other employee benefits	4,735	3,991
	CFO & Company Secretary	- Post retirement benefits	135	109
	Non-Executive Director	- Meeting and other expenses	143	122

## 13. 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 29, 2019.



Chief Financial Officer



Chief Executive



Director



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