

Joint Venture of:



Arif Habib

*Metal One*

UNIVERSAL METAL CORPORATION



# Striving to LEAD

The Steel Industry

**Aisha Steel**

Quarterly Report  
March 31, 2016



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### Financial Statements



## Company Information

### Board of Directors

Mr. Arif Habib, Chairman  
 Mr. Shinpei Asada  
 Mr. Hasib Rehman  
 Mr. Nasim Beg  
 Mr. Kashif A.Habib  
 Mr. Muhammad Ejaz  
 Mr. Ahsan Ashraf  
 Mr. Bilal Asghar  
 Dr. Munir Ahmed, Chief Executive Officer

### Audit Committee

Mr. Kashif A.Habib - Chairman  
 Mr. Hasib Rehman - Member  
 Mr. Nasim Beg - Member  
 Mr. Bilal Asghar - Member

### CFO & Company Secretary

Mr. Tahir Iqbal

### Registered Address

Arif Habib Centre, 23 - M.T. Khan Road,  
 Karachi - Pakistan.  
 Tel: (92-21) 32470217 / Fax (92-21) 32468316

website: [www.aishasteel.com](http://www.aishasteel.com)

### Plant Address

DSU - 45, Pakistan Steel  
 Down Stream Industrial Estate,  
 Bin Qasim, Karachi - Pakistan.  
 Tel: (92-21) 34740160-7 / Fax (92-21) 34740156

### 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, SMCHS, Shabrae Faisal, Karachi.  
 Phone: 92-21-111-111-500

### Legal Advisor

- Mr. Ajmal Awan (Sattar & Sattar Advocates)  
 - Bawaney & Partners

### Bankers

Allied Bank Ltd.  
 Askari Bank Ltd.  
 Bank Alfalah Ltd.  
 Bank Islami Pakistan Ltd.  
 Faysal Bank Ltd.  
 JS Bank Ltd.  
 Habib Metropolitan Bank Ltd.  
 Habib Bank Ltd.  
 MCB Bank Ltd.  
 National Bank of Pakistan  
 NIB Bank Ltd.  
 Pak China Investment Company Ltd.  
 Saudi Pak Ind. & Agr. Inv. Co. Ltd.  
 Silk Bank Ltd.  
 Summit Bank Ltd.  
 Sindh Bank Ltd.  
 Standard Chartered Bank (Pakistan) Ltd.  
 The Bank of Khyber  
 The Bank of Punjab

# 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 third quarter ended March 31, 2016.**

## Steel Market Review

The unprecedented decline in HRC prices, that lasted for over two years finally bottomed out and started exhibiting upward trend from January 2016. The CRC followed and prices increased in the international as well as the local markets. Due to the stagnant of market price and slowdown of China's local demand, number of Chinese mills stopped or cut their production levels. This led to a price hike of exporting prices, especially after the Chinese New Year. International prices are also rising beyond expectations. The spread between HRC and CRC has increased to about 70 US\$, a value considered standard worldwide. The difference between HRC and CRC prices, in the preceding months had dropped to US\$ 30, clearly pointing to "dumping" into the Pakistani market. Your company filed a case in National Tariff Commission (NTC) for the imposition of antidumping duty. In January 2016, NTC, after due diligence imposed an antidumping duty in the range of 8 to 19% on various manufacturers of China and Ukraine.

The increase in prices and the imposition of antidumping duty on CRC has slowed down imports from China. However, imports from Russia and other countries are on the rise. During the period under review the average monthly import quantity was around 15000 tons compared to about 25000 tons in the previous year. This supported the sales and margins of locally produced CRC.

## Operational Review

The average production for the quarter in review was 19450 tons/month, which is 60% higher compared to corresponding period last year. The plant utilization improved substantially reaching 100% of the installed capacity. The quality of CRC has also increased substantially reaching 97% prime compared to 75% in the corresponding period.

The increased productivity has optimized variable, fixed and finance related costs.

The rising trend in the international market and the much improved performance on the floor level has improved the bottom line. The company in the third quarter has posted an after tax profit of Rs. 70 million compared to a loss of Rs. 314 million in the corresponding period last year.



A brief summary of the financial results for the quarter ended March 31, 2016 is as follows:

All figures in PKR Million	Quarter ended March 2016	Quarter ended March 2015
Net Sales	2,937.60	2,657.61
Gross Profit/(Loss)	404.31	(28.68)
Profit/(Loss) before tax	119.63	(443.25)
Profit/(Loss) after tax	70.37	(314.06)

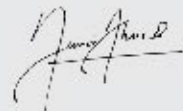
#### Future Outlook:

Fourth quarter of the current financial year is expected to be much better than the third, giving hope that the financial year will be closed in black, a first in the history of the Company. This looks possible due to 100% capacity utilization of the plant and favourable market conditions.

#### Acknowledgement:

We would like to record our appreciation to the Bankers, National Tariff Commission (NTC) and Regulators for their patronage and look forward to their continued support. We acknowledge and 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

Karachi  
April 28, 2016



Tokyo	9,498	-52	2009	-0.54%
Hong Kong	22,771	316		1.41%
Sydney	4,739	33		0.69%
GlobalDow	1,965	30		1.53%
India	17,022	236		1.41%

Dec	2005	Feb
1,356	104	1.98%
813	84	2.25%
301	138	2.44%
37	0	0.71%
Currency Rates		
10-yr T-bond	3.37	0.00
Euro / \$1US	1.50	0.0112
\$1US / Yen	89.09	0.2800
Pound / \$1US	1.66	0.0128





# Un-audited Financial Statements

For the Quarter Ended March 31, 2016

# Balance Sheet

As at March 31, 2016

	Note	(Un-audited) March 31 2016 ( Rupees in thousand )	(Audited) June 30 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property plant and equipment	5	9,809,098	9,995,626
Intangible assets		11,738	13,267
Long term loans and advances		3,370	2,958
Long term deposits and prepayments		46,443	47,799
Deferred tax	6	1,298,924	1,109,909
		<u>11,169,573</u>	<u>11,169,559</u>
<b>Current assets</b>			
Stores and spares		153,129	163,383
Stock in trade	7	2,086,473	2,433,460
Trade debts - considered good		101,988	76,261
Advances, deposits and prepayments		324,699	309,342
Other receivables		158,417	227,670
Tax refunds due from Government - Sales tax		428,278	493,301
Taxation - payments less provision		213,868	331,613
Cash and bank balances		67,931	132,273
		<u>3,534,783</u>	<u>4,167,303</u>
<b>Total assets</b>		<u><u>14,704,356</u></u>	<u><u>15,336,862</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	8		
Ordinary shares		2,712,837	2,711,327
Cumulative preference shares		2,444,464	2,445,974
		<u>5,157,301</u>	<u>5,157,301</u>
Accumulated losses		(3,215,093)	(2,737,365)
		<u>1,942,208</u>	<u>2,419,936</u>
<b>Surplus on revaluation of fixed assets</b>		383,682	390,812
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term finance	9	5,346,089	5,597,138
Liabilities against assets subject to finance lease		6,498	7,516
Staff retirements benefits		24,692	22,962
		<u>5,377,279</u>	<u>5,627,616</u>
<b>Current liabilities</b>			
Trade and other payables		2,566,806	2,744,429
Accrued mark-up		121,915	264,857
Short-term borrowings	10	3,809,143	3,876,224
Current maturity of long-term loan		500,000	10,000
Current maturity of liabilities against assets subject to finance leases		3,323	2,988
		<u>7,001,187</u>	<u>6,898,498</u>
<b>Total liabilities</b>		<u>12,378,466</u>	<u>12,526,114</u>
<b>Contingencies and commitments</b>	11		
<b>Total equity and liabilities</b>		<u><u>14,704,356</u></u>	<u><u>15,336,862</u></u>

The annexed notes 1 to 15 form an integral part of these financial statements

  
Chief Executive

  
Director

# Profit and Loss Account

For the Period ended March 31, 2016 - (UNAUDITED)

	Note	Quarter ended		Nine months ended	
		March 31 2016	March 31 2015	March 31 2016	March 31 2015
		(Rupees in thousand)			
Revenue	12	2,937,600	2,657,612	7,575,761	6,669,762
Cost of Sales		(2,534,290)	(2,686,295)	(7,159,396)	(6,692,887)
Gross profit / (loss)		403,310	(28,683)	416,365	(23,125)
Selling and distribution expenses		(3,312)	(9,779)	(14,757)	(25,225)
Administrative expenses		(37,904)	(31,500)	(107,063)	(93,623)
Other income		13,288	171	14,778	4,744
Profit / (Loss) from operations		375,382	(69,791)	309,323	(137,229)
Finance costs		(255,749)	(373,463)	(906,623)	(1,254,004)
Profit / (Loss) before taxation		119,633	(443,254)	(597,300)	(1,391,233)
Taxation		(49,263)	129,188	113,600	424,476
Income / (Loss) for the period		70,370	(314,066)	(483,700)	(966,757)
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the period		70,370	(314,066)	(483,700)	(966,757)
Basic earning / (loss) per share - (Rupees)	13	0.04	(1.16)	(2.47)	(3.94)

The annexed notes 1 to 15 form an integral part of these financial statements

  
Chief Executive

  
Director

# Cash Flow Statement

For the Period ended March 31, 2016 - (UNAUDITED)

	March 31 2016	March 31 2015
	(Rupees in thousand)	
<b>CASH USED IN OPERATING ACTIVITIES</b>		
Loss before taxation	(597,300)	(1,391,235)
<b>Add / (Less): Adjustment for non-cash and other items</b>		
Depreciation & amortization	265,848	268,501
Finance lease charges	635	755
Provision for staff retirement benefits	1,731	8,064
Interest on loan	797,603	1,133,176
Exchange loss	77,871	108,318
Loss / (Gain) on disposal of fixed assets	658	542
Return on PLS savings deposits	(2,192)	(4,360)
	<u>1,142,154</u>	<u>1,514,995</u>
Profit before working capital changes	544,854	123,761
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / Decrease in current assets		
Stores and spares	10,254	(7,747)
Stock-in-trade	346,987	786,808
Trade debts	(25,727)	137,962
Advances, deposits and prepayments	(15,357)	(211,712)
Other receivables	69,254	250,522
Tax refunds due from Government - Sales tax	65,023	48,995
	<u>450,435</u>	<u>1,004,827</u>
Increase in Current Liabilities		
Trade and other payables	(254,757)	(2,592,007)
Cash (used in) / generated from operations	<u>740,532</u>	<u>(1,463,418)</u>
Income tax refunded / (paid) - net	41,173	69,715
Mark-up on loans paid	(940,546)	(971,753)
Return received on deposits	-	4,360
Staff retirement benefits paid	-	(3,079)
(Increase) / decrease in long term employee loans	(413)	435
(Increase) / decrease in long-term deposits and prepayments	1,355	(162)
Net cash used in operating activities	<u>(157,899)</u>	<u>(2,363,902)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(83,977)	(128,879)
Acquisition of Intangible assets	(235)	(1,034)
Return from term deposits & saving accounts	2,192	-
Sale proceeds on disposal of property, plant and equipment	5,026	5,188
Net cash used in investing activities	<u>(76,994)</u>	<u>(124,725)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	-	898,440
Sponsors' loan obtained	-	277,381
Right issue subscription money received	-	306,354
Increase / (decrease) in long term loan	238,951	(10,000)
Increase in short term borrowings	474,600	1,252,249
Increase / (decrease) in liabilities against assets subject to finance leases	(1,319)	829
Net cash flow from financing activities	<u>712,232</u>	<u>2,725,253</u>
Net decrease in cash and cash equivalents	<u>477,339</u>	<u>236,626</u>
Cash and cash equivalents at the beginning of the period	<u>(2,593,750)</u>	<u>(3,072,182)</u>
Cash and cash equivalents at the end of the period	<u>(2,116,411)</u>	<u>(2,835,556)</u>

The annexed notes 1 to 15 form an integral part of these financial statements

  
Chief Executive

  
Director

# Statement of Changes in Equity

For the Period ended March 31, 2016 - (UNAUDITED)

	Share Capital	Accumulated loss	Total
	← (Rupees in thousand) →		
Balance as at July 1, 2015	5,157,301	(2,737,364)	2,419,937
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	5,971	5,971
Total comprehensive loss for the period ended March 31, 2016			
- Loss for the period ended March 31, 2016	-	(483,700)	(483,700)
- Other comprehensive income for the period ended March 31, 2016	-	-	-
	-	(483,700)	(483,700)
Balance as at March 31, 2016	<u>5,157,301</u>	<u>(3,215,093)</u>	<u>1,942,208</u>
Balance as at July 1, 2014	3,438,201	(1,532,979)	1,905,222
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	6,550	6,550
Right Shares issued	898,440	-	898,440
Right issue subscription money received	543,279	-	543,279
Total comprehensive loss for the period ended March 31, 2015			
- Loss for the period ended March 31, 2015	-	(966,757)	(966,757)
- Other comprehensive income for the period ended March 31, 2015	-	-	-
	-	(966,757)	(966,757)
Balance as at March 31, 2015	<u>4,879,920</u>	<u>(2,493,186)</u>	<u>2,386,734</u>

The annexed notes 1 to 15 form an integral part of these financial statements

  
Chief Executive

  
Director



# Notes to and forming part of the Financial Statements

For the Period ended March 31, 2016 - (UNAUDITED)

## 1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on May 30, 2005 as a public limited company under the Companies Ordinance, 1984. The Company's shares are listed on the Pakistan Stock Exchange (PSE) 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 cold rolled steel in coils and sheets. The Company started trial production from July 2012 and declared October 1, 2012 as its Commercial Operations Date.

## 2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the period ended March 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2015.

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

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

Following amendments to existing standards and interpretations have been published and are mandatory for accounting periods beginning on or after January 1, 2015 and are considered to be relevant to the Company's operations.

IFRS 10, 'Consolidated financial statement' replaces all of the guidance on control and consolidation in IAS 27, 'Consolidation and separate financial statement', and SIC-12, 'Consolidation - special purpose entities'. IAS 27 is renamed 'Separate financial statement', it continue to be a standard dealing solely with separate financial statements. IFRS 10 has the potential to affect all reporting entities (investors) that control one or more investees under the revised definition of control. The standard may not have impact on future consolidated financial statement of the Company.



# Notes to and forming part of the Financial Statements

For the Period ended March 31, 2016 - (UNAUDITED)

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangement, associates, structured entities and other off balance sheet vehicles. The standard will affect the disclosures in the financial statements of the Company.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirement for use across IFRSs. The requirement do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard will affect the determination of fair value and its related disclosures in the financial statements of the Company.

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

Except as stated above, the new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2015 are considered not to be relevant for Company's financial statements and hence have not been detailed here.

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

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2016 are considered not to be relevant for Company's financial statements and hence have not been detailed here.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2015.

### 4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments 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.

# Notes to and forming part of the Financial Statements

For the Period ended March 31, 2016 - (UNAUDITED)

Judgements and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to financial statements as at and for the year ended June 30, 2015.

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, 2015.

	(Unaudited) March, 31 2016	(Audited) June, 30 2015
	(Rupees in thousand)	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets	8,335,543	8,582,863
Capital work in progress - at cost	1,122,312	1,104,194
Major spare parts and stand-by equipment	351,242	308,569
	<u>9,809,098</u>	<u>9,995,626</u>

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

	Additions (at cost)	
	March 31, 2016	March 31, 2015
	(Rupees in thousand)	
<b>Owned</b>		
Building and other civil work on leasehold land	4,167	85,826
Plant and machinery	9,169	57,124
Electrical installations	-	1,000
Vehicles	4,057	-
Office Equipment	4,037	1,565
Furniture and fittings	64	1,441
<b>Assets held under finance leases</b>		
Motor vehicles	1,693	10,482
	<u>23,187</u>	<u>157,438</u>

5.2 Disposals of property, plant and equipment during the period are as follows:

	Disposals (at NBV)	
	March 31, 2016	March 31, 2015
	(Rupees in thousand)	
<b>Owned</b>		
Plant and machinery	2,431	-
Vehicles	3,990	-
Office Equipment	-	251
<b>Assets held under finance leases</b>		
Motor vehicles	-	5,478
	<u>6,421</u>	<u>5,729</u>

# Notes to and forming part of the Financial Statements

For the Period ended March 31, 2016 - (UNAUDITED)

## 6. DEFERRED TAXATION

The Company has an aggregate amount of Rs 9.65 billion (June 30, 2015: Rs 9.14 billion) in respect of tax losses as at March 31, 2016. 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 carry forward losses. Based on the assessment management has recognised deferred tax debit balance on losses amounting to Rs 2.89 billion (June 30, 2015: Rs 2.74 billion) including an amount of Rs 1.84 billion (June 30, 2015: Rs 1.75 billion) on unabsorbed tax depreciation and initial allowance of Rs 6.14 billion (June 30, 2015: Rs 5.82 billion). The amount of this benefit has been determined based on the projected financial statement 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. STOCK IN TRADE

As at March 31, 2016 stock in trade has been written down by Rs. 0.6 million (June 30, 2015: Nil) to arrive at its net realisable value.

## 8. SHARE CAPITAL

8.1 During the period, the Company has allotted 378,013 ordinary shares against conversion of 378,013 preference shares of the Company in accordance with the terms of the issue of preference shares.

8.2 Dividend in respect of preference shares is only payable when Company has accumulated profits. Therefore, cumulative dividend on Preference Shares (ASLPS) and Preference Shares (ASLCPS) amounting to Rs 495.69 million (June 30, 2015: Rs. 440.08 million) and Rs. 176.48 million (June 30, 2015: Rs. 45.61 million) respectively is not accounted for in these condensed interim financial statements.

## 9. LONG-TERM FINANCE

	(Unaudited) March 31, 2016	(Audited) June 30, 2015
	(Rupees in thousand)	
Balance as at July 1, 2015	5,607,138	5,483,867
Principal paid during the year	(10,000)	-
Impact of unwinding - Finance Cost	248,951	123,271
	<u>5,846,089</u>	<u>5,607,138</u>
Less: Current maturity shown under current liabilities	(500,000)	(10,000)
	<u>5,346,089</u>	<u>5,597,138</u>

# Notes to and forming part of the Financial Statements

For the Period ended March 31, 2016 - (UNAUDITED)

## 10. SHORT-TERM BORROWINGS

- 10.1 During the period, the Company obtained an additional finance facility on markup basis from International Complex Projects Limited (a related party) with a maximum limit of Rs. 750 million. It has been obtained to finance the Company's working capital needs and for any other business as may be mutually agreed between the parties. The rate of markup on such facility is 3 months KIBOR plus 2% and is unsecured. It is payable within thirty business days of notice of demand, duly served by the lender.
- 10.2 The lender wise balance of short term loan and running finance facilities obtained by the Company are as follows:

	(Unaudited) March 31, 2016	(Audited) June 30, 2015
	(Rupees in thousand)	
National Bank of Pakistan	851,636	556,145
International Complex Projects Limited	750,000	-
Allied Bank Limited	649,925	649,959
Bank Islami Pakistan Limited	574,815	274,897
Sindh Bank Limited	-	988,312
Arif Habib Corporation Limited	459,417	250,102
The Bank of Punjab	107,966	121,147
Summit Bank Limited	415,384	881,718
Habib Metropolitan Bank Limited	-	135,646
Sponsor's Loan (Mr. Haseeb Rehman)	-	18,298
	<u>3,809,143</u>	<u>3,876,224</u>

## 11. CONTINGENCIES AND COMMITMENT

### 11.1 Contingencies

- 11.1.1 Otherwise as disclosed in 11.1.2, there has been no change in status of contingencies reported in the financial statements for the year ended June 30, 2015.
- 11.1.2 Invoices as disclosed in note 22.1.2 to the financial statements for the year ended June 30, 2015 have been verified by the technical team. They have ascertained that services mentioned on the said invoices have not been delivered, therefore, contingency amounting to Rs. 16.55 million does not exist as at March 31, 2016.

### 11.2 Commitments

- 11.2.1 Commitments for capital expenditure outstanding as at March 31, 2016 amounted to Rs 31.13 million (June 30, 2015: Rs 19.53 million).



# Notes to and forming part of the Financial Statements

For the Period ended March 31, 2016 - (UNAUDITED)

- 11.2.2 Commitments for rentals under ijarah arrangements amounted to Rs 16.25 million (June 30, 2015: Rs 9.34 million) payable as follows:

	(Unaudited) March 31, 2016 (Rupees in thousand)	(Audited) June 30, 2015
Not later than 1 year	6,437	4,041
Later than 1 year but not later than 5 years	9,815	5,300
	<u>16,252</u>	<u>9,341</u>

	March 31, 2016 (Rupees in thousand)	March 31, 2015
<b>12. REVENUE</b>		
Gross Revenue	8,953,548	7,883,027
Less: Sales tax	(1,278,746)	(1,119,624)
Dealer Commission	(99,041)	(93,641)
	<u>7,575,761</u>	<u>6,669,762</u>

	March 31, 2016 (Rupees in thousand)	March 31, 2015
<b>13. BASIC EARNINGS PER SHARE</b>		
Loss after taxation attributable to ordinary shareholders	(483,700)	(966,757)
Adjustment for cumulative preference share dividend	(186,480)	(101,196)
Loss after taxation for calculation of basic earnings per share	<u>(670,180)</u>	<u>(1,067,953)</u>

Weighted average number of ordinary shares outstanding at the end of period (in thousand)

Ordinary shares in issue	<u>271,228</u>	<u>271,060</u>
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Rupees

Basic earnings per share - (loss)	<u>(2.47)</u>	<u>(3.94)</u>
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- 13.1 A diluted earnings per share has not been presented as it has anti-dilutive effect on the earnings per share.

# Notes to and forming part of the Financial Statements

For the Period ended March 31, 2016 - (UNAUDITED)

## 14. TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transaction	March 31,	March 31,
		2016	2015
		(Rupees in thousand)	
Associated companies:	- Purchase of raw material	2,414,878	533,136
	- Right shares subscription money received	-	543,279
	- Right shares issued	-	828,570
	- Bank Charges	35	-
	- Finance facilities utilised	4,592,152	5,012,035
	- Repayment of finance facilities utilised	3,246,762	4,224,433
	- Markup on finance facilities paid	61,388	149,054
	- Guarantee commission paid	-	625
	- Sponsor's loan obtained	-	277,381
	- Sponsor's loan repaid	18,298	35,353
Other related parties:	- Rent and maintenance expense	1,541	4,649
	- Commission on sales	5,643	20,207
Key management compensation	- Salaries and other short-term employee benefits	9,843	7,729
	- Post retirement benefits	203	179

## 15. 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 28, 2016.

  
Chief Executive

  
Director







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