



Passion for Future

Frist Quarter Report
September 2017

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Moving ahead
passion with



VISION To be a world class
manufacturer of
Cold Rolled Steel

MISSION

To become an efficient producer of
Cold Rolled 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. Muhammad Ejaz
Mr. Kashif A. Habib
Mr. Javed Iqbal
Mr. Hasib Rehman
Mr. Bilal Asghar
Mr. Ahsan Ashraf

Audit Committee

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

Human Resource & Remuneration Committee

Mr. Arif Habib – Chairman
Mr. Hasib Rehman – Member
Mr. Muhammad Ejaz – Member
Mr. Javed Iqbal – Member

Chief Financial Officer

Umair Noor Muhammad

Company Secretary

Mr. Manzoor Raza

Registered Office

Arif Habib Centre, 23 – M. T. Khan Road,
Karachi – Pakistan.

Plant Address

DSU - 45, Pakistan Steel Down Stream Industrial
Estate, Bin Qasim, Karachi – Pakistan.

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, Shahrah e Faisal, Karachi.
Phone: 92-21-111-111-500

Legal Advisor

Ahmed & Qazi
Bawaney & Partners
Khalid Anwer & Co.

Bankers / Lenders

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

Website

www.aishasteel.com

Director's 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 first quarter ended September 30, 2017.

Steel Market Review

The international steel market exhibited rising trend in the July-Sept quarter of the current financial year, 2017-18. The HRC prices increased from US\$ 470 to about US\$ 550 FOB China. The local market also followed the rising trend and prices increased accordingly. The international as well as the local market is expected to remain stable in the next quarter. Anti-Dumping duty imposed on CRC imported from China and Ukraine remains in force.

Operational Review

The sales quantity achieved, in the July-Sept quarter was 53,503 tons compared to 48,738 tons for the corresponding period last year, an increase of about 10%. The total production for the period was 44,863 tons compared to 43,692 tons, showing an increase of 2.68%. The capacity utilization was 82% and 79%, respectively. The revenue generated during the quarter was Rs. 4,239 million, compared to Rs. 2,547 million achieved in 2016-17, showing an increase of 66.4%.

Higher selling prices achieved in the local market improved the bottom line. The company posted an after tax profit of Rs. 309 million in the first quarter of the current financial year compared to Rs. 85 million in 2016-17.

A brief summary of the financial results as on September 30, 2017 is as follows:

All figures in PKR Million	Quarter ended	
	Sep 2017	Sep 2016
Net Sales	4,239	2,547
Gross Profit	746	322
Profit before tax	459	56
Profit after tax	309	85

Future Outlook:

The Chinese government has started to enforce environmental policies to contain pollution, particularly in steel producing provinces. The government is systematically eliminating obsolete capacities with poor environment controls and also enforcing capacity cuts to contain emission levels. This has created supply tightness and HRC prices remain strong. However, production cuts lead to reduction in demand of steel raw material like iron ore, coking coal etc., thereby exerting downwards pressure. The market is expected to settle down after a clear view emerges on the degree of production cuts and the level of environment regulations imposed by the Chinese

government on long term basis. As China produces more than 50% of world steel requirement, any policy change there has international ramifications in general and Pakistan market in particular.

The Expansion Project

The expansion plan, approved by the board at a cost of Rs. 5.4 billion, to increase production capacity to 700,000 MT per annum including 450,000 MT CRC and 250,000 MT Galvanized coils is well underway. L/C's for PEB and all equipments including, CRM, PPPL, BAF and CGL have been established and civil works commenced. The completion time, Insha'Allah, for the complete project starting from 1st Oct 2017 is 18 months. The CGL, PPPL lines, however, are expected to be completed within 13 months. The BAF and CRM will be commissioned within 15 and 18 months, respectively.

Improvements in Existing Set up

The existing facilities are also being streamlined to improve quality and productivity. A new roll grinder has been acquired from M/S Herkules, Germany to improve thin gauge CRC quality. The grinder is expected to be commissioned by December 2017. An electrostatic oiler has been added to the finishing line to improve corrosion protection by improving uniformity of oil layer on both sides of the sheet surface and optimize consumption.

A new 25 ton capacity overhead crane has been added in the dispatch bay to handle additional volumes. Two new cranes will be added this year to improve material flow in the Batch Annealing and CRSM bays. A new 25 ton fork lifter has been added to ease movement of HRC and CRC coils. The acid reservoir capacity has been doubled and HRC storage area being improved to handle additional volumes.

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 appreciate the extra efforts put in by the company employees to reach higher capacity utilization.

For and on behalf of the Board

Karachi:
October 25, 2017

Dr. Munir Ahmed
Chief Executive

Arif Habib
Chairman



Accounts

Unaudited Financial Statements

For the Quarter Ended
September 30, 2017

Condensed Interim Balance Sheet

As At September 30, 2017

(Unaudited)
September 30,
2017

(Audited)
June 30,
2017

	Note		Rupees '000
ASSETS			
Non-current assets			
Property, plant and equipment	5	10,626,973	10,542,575
Intangible assets		8,710	9,143
Long term loans and advances		3,761	2,673
Long term deposits and prepayments		47,720	46,349
Deferred tax	6	1,280,374	1,358,102
		<u>11,967,538</u>	<u>11,958,842</u>
Current assets			
Stores and spares		103,226	96,298
Stock in trade		5,401,217	3,715,962
Trade debts		187,894	152,075
Advances, deposits and prepayments		626,012	525,675
Other receivables		143,231	139,761
Tax refunds due from Government - Sales tax		157,082	299,762
Taxation - payments less provision		633,992	434,098
Cash and bank balances		361,206	861,392
		<u>7,613,860</u>	<u>6,225,023</u>
Total assets		<u>19,581,398</u>	<u>18,183,865</u>
EQUITY AND LIABILITIES			
Equity			
Share Capital	7		
Ordinary shares (ASL)		8,322,031	6,856,039
Cumulative preference shares (ASLPS)		443,571	443,776
Cumulative preference shares (ASLCPS)		29,116	29,116
		<u>8,794,718</u>	<u>7,328,931</u>
Difference on conversion of ASLCPS to ASL		(2,171,630)	(2,171,630)
		<u>6,623,088</u>	<u>5,157,301</u>
Share premium		858,374	-
Subscription money against rights issue		-	2,176,616
		<u>7,481,462</u>	<u>7,333,917</u>
Accumulated losses		(1,540,775)	(1,858,071)
		<u>5,940,687</u>	<u>5,475,846</u>
Surplus on revaluation of fixed assets		<u>1,217,223</u>	<u>1,224,627</u>
Non-current liabilities			
Long-term finance		4,812,844	5,032,184
Liabilities against assets subject to finance leases		16,402	4,477
Staff retirement benefit		44,092	40,876
		<u>4,873,338</u>	<u>5,077,537</u>
Current liabilities			
Trade and other payables		3,670,070	3,561,377
Accrued mark-up		124,742	157,925
Short-term borrowings	8	3,248,986	2,434,916
Current maturity of long-term finance		500,000	250,000
Current maturity of liabilities against assets subject to finance leases		6,352	1,637
		<u>7,550,150</u>	<u>6,405,855</u>
Total liabilities		<u>12,423,488</u>	<u>11,483,392</u>
Contingencies and commitments	9		
Total equity and liabilities		<u>19,581,398</u>	<u>18,183,865</u>

The annexed notes 1 to 13 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Condensed Interim Profit And Loss Account

For The Period Ended September 30, 2017

	Note	(Unaudited) September 30, 2017	(Unaudited) September 30, 2016
Rupees '000			
Revenue	10	4,238,592	2,547,066
Cost of Sales		(3,492,917)	(2,225,077)
Gross profit		745,675	321,989
Selling and distribution cost		(4,292)	(6,722)
Administrative expenses		(44,611)	(35,341)
Other expenses		(34,985)	-
Other income		8,716	2,241
Profit from operations		670,503	282,167
Finance cost		(211,103)	(226,507)
Profit before taxation		459,400	55,660
Taxation		(150,172)	29,658
Profit for the period		309,228	85,318
Other comprehensive income		-	-
Total comprehensive income for the period		309,228	85,318
Basic earnings per share - Rupee	11	0.37	0.11
Diluted earnings per share - Rupee	11	0.36	

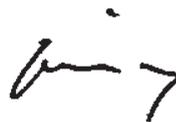
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Chief Executive



Chief Financial Officer



Director

Condensed Interim Cash Flow Statement

For The Period Ended September 30, 2017

	(Unaudited) September 30, 2017	(Unaudited) September 30, 2016
	Rupees '000	
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit before taxation	459,400	55,659
Add / (Less): Adjustment for non-cash charges and other items		
Depreciation and amortization	105,589	99,169
Finance lease charges	449	136
Provision for staff retirement benefit	4,004	3,300
Unwinding of long term finance	30,660	51,386
Mark-up charges	143,221	157,525
Exchange loss / (gain)	2,599	(5,232)
Gain on disposal of fixed assets	(144)	-
Return on PLS savings accounts	(4,656)	(925)
	<u>281,722</u>	<u>305,359</u>
Profit before working capital changes	741,122	361,018
Effect on cash flow due to working capital changes		
(Increase) / Decrease in current assets		
Stores and spares	(6,928)	7,997
Stock-in-trade	(1,685,255)	(730,374)
Trade debts	(35,819)	(7,628)
Advances, deposits and prepayments	(100,337)	(170,944)
Other receivables	(3,470)	(50,083)
Tax refunds due from Government - Sales tax	142,680	51,389
	<u>(1,689,129)</u>	<u>(899,643)</u>
Increase in Current Liabilities		
Trade and other payables	106,094	63,574
Cash used in operations	(841,913)	(475,051)
Income tax (paid) / refund received	(271,675)	115,874
Mark-up on loans paid	(176,404)	(203,535)
Staff retirement benefit paid	(788)	(1,022)
(Increase) / Decrease in long-term loans and advances	(1,088)	204
Increase in long-term deposits and prepayments	(1,371)	(625)
Net cash used in operating activities	(1,293,239)	(564,155)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(190,750)	(55,441)
Return from PLS savings accounts	4,656	925
Sale proceeds on disposal of property, plant and equipment	1,340	-
Net cash used in investing activities	(184,754)	(54,516)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term finance	-	(250,000)
Increase in short term borrowings	-	847,913
Increase / (Decrease) in liabilities against assets subject to finance leases	16,191	(895)
Subscription money received net of issuance costs	147,545	-
Net cash generated from financing activities	163,736	597,018
Net decrease in cash and cash equivalents	(1,314,257)	(21,653)
Cash and cash equivalents at the beginning of the period	(1,573,523)	(2,536,405)
Cash and cash equivalents at the end of the period	(2,887,780)	(2,558,058)

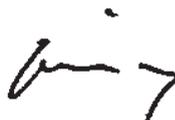
The annexed notes 1 to 13 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Condensed Interim Statement Of Changes In Equity

For The Period Ended September 30, 2017

	Share Capital	Share premium	Accumulated loss	Subscription Money Against Rights Issue	Total
	Rupees '000				
Balance as at July 1, 2016 - (Audited)	5,157,301	-	(2,883,779)	-	2,273,522
Profit for the quarter ended Sep 30, 2016	-	-	85,318	-	85,318
Incremental depreciation	-	-	3,038	-	3,038
Balance as at September 30, 2016 - (Unaudited)	5,157,301	-	(2,795,423)	-	2,361,878
Balance as at July 1, 2017 - (Audited)	5,157,301	-	(1,858,071)	2,176,616	5,475,846
Profit for the period ended September 30, 2017	-	-	309,228	-	309,228
Incremental depreciation	-	-	8,068	-	8,068
Gross subscription money received	-	-	-	155,127	155,127
Issuance costs	-	-	-	(7,582)	(7,582)
Net subscription money	-	-	-	147,545	147,545
Allotment of right shares	1,465,787	858,374	-	(2,324,161)	-
Balance as at September 30, 2017 - (Unaudited)	6,623,088	858,374	(1,540,775)	-	5,940,687

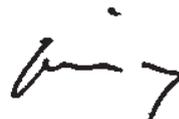
The annexed notes 1 to 13 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Notes To And Forming Part Of The Condensed Interim Financial Statements

For The Period Ended September 30, 2017 (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 cold rolled steel in coils and sheets. The Company started trial production from July 2012 and declared October 01, 2012 as its Commercial Operations Date.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular no. CLD/CCD/PR(II)/2017 dated October 04, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP), companies the financial year of which closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, approved accounting standards comprise International Accounting Standard 34 - "Interim Financial Reporting", and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the repealed Companies Ordinance, 1984 prevail.

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, 2017.

2.1 Changes in accounting standards, interpretations and pronouncements

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

IAS 1, 'Presentation of financial statements' aims to improve presentation and disclosure in financial reports by emphasising the importance of understandability, comparability and clarity in presentation.

The amendments provide clarification on number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- Other Comprehensive Income (OCI) - arising from investments accounted for under the equity method - the share of the OCI arising from equity - accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of comprehensive income.

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

There are other 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.

Notes To And Forming Part Of The Condensed Interim Financial Statements

For The Period Ended September 30, 2017 (Unaudited)

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

IAS 7, 'Statement of cash flows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved.

In addition to the foregoing, the Companies Act 2017 which is not effective on these financial statements, has added certain disclosure requirements which will be applicable in future.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for 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, 2017.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements 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.

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 annual financial statements as at and for the year ended June 30, 2017.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended June 30, 2017.

5. PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) September 30, 2017	(Audited) June 30, 2017
	—————	—————
	Rupees '000	
Operating assets	9,982,504	10,009,887
Capital work in progress - at cost	19,329	12,721
Major spare parts and stand-by equipment	625,140	519,967
	<u>10,626,973</u>	<u>10,542,575</u>

Notes To And Forming Part Of The Condensed Interim Financial Statements

For The Period Ended September 30, 2017 (Unaudited)

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

Owned

Building and other civil work on leasehold land
Plant and machinery
Electrical equipments
Vehicles
Office Equipment
Furniture and fixtures

Assets held under finance leases

Vehicles

Additions (at cost)	
(Unaudited) September 30, 2017	(Audited) June 30, 2017
Rupees '000	
2,209	12,964
63,678	129,950
195	973
1,851	-
2,607	5,926
-	63
9,497	1,708
80,037	151,584

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

Owned

Office Equipment
Computers and mobiles
Vehicles

Assets held under finance leases

Vehicles

Disposals (at WDV)	
(Unaudited) September 30, 2017	(Audited) June 30, 2017
Rupees '000	
-	232
1	-
1,851	2,524
412	-
2,264	2,756

6. DEFERRED TAX

The Company has an aggregate amount of Rs. 8.32 billion (June 30, 2017: Rs. 9 billion) in respect of tax losses as at September 30, 2017. 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. 2.54 billion (June 30, 2017: Rs. 2.70 billion) including an amount of Rs. 2.19 billion (June 30, 2017: Rs. 2.16 billion) on unabsorbed tax depreciation and initial allowance of Rs. 7.31 billion (June 30, 2016: Rs. 7.19 billion). The amount of this benefit has been determined based on the projected financial statements 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 During the period, the Company has allotted 20,500 ordinary shares (ASL) against conversion of 20,500 Preference Shares (ASLPS) in ratio of 1:1 and NIL Preference Shares (ASLCPS) in ratio of 2.28:1 of the Company in accordance with the terms of the issue of preference shares.

7.2 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. 577.52 million (June 30, 2017: Rs. 567.05 million) and Rs. 296.30 million (June 30, 2017: Rs. 295.64 million) respectively is not accounted for in these condensed interim financial statements.

Notes To And Forming Part Of The Condensed Interim Financial Statements

For The Period Ended September 30, 2017 (Unaudited)

- 7.3 The Board of Directors of the Company in their meeting held on April 29, 2017 approved the issue of 20% Right Shares in terms of Ordinary Shares at exercise price of Rs. 16 per share for the purpose of expansion of total production capacity of 700,000 metric tonnes per annum consisting of 450,000 metric tonnes Cold Rolled Coils and 250,000 metric tonnes of Galvanized Coils. These right shares are offered to Company's existing ordinary and preference shareholders. Total amount raised through the rights issue is Rs. 2.345 billion comprising of Rs. 0.879 billion and Rs. 1.466 billion in respect of share premium and Ordinary Shares respectively. During the period 146,578,616 ordinary shares have been allotted.

Issuance costs of Rs. 21.098 million incurred in relation to above 20% right issue has been netted with the subscription money and has been accordingly accounted for as a deduction from share premium on allotment of shares. The net amount of subscription money against rights issue after deduction of issuance costs is Rs. 2.32 billion.

8. SHORT-TERM BORROWINGS

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

	(Unaudited) September 30, 2017	(Audited) June 30, 2017
	Rupees '000	
National Bank of Pakistan	1,236,299	1,142,216
Bank Islami Pakistan Limited	-	576,869
The Bank of Punjab	-	1,441
Summit Bank Limited	65,160	319,075
Habib Metropolitan Bank Limited	803,365	332,096
Sindh Bank Limited	448,798	13,677
MCB Bank Limited	50,289	49,542
JS Bank Limited	296,920	-
Bank Al-Falah Limited	348,155	-
	<u>3,248,986</u>	<u>2,434,916</u>

9. CONTINGENCIES AND COMMITMENT

9.1 Contingencies

- 9.1.1 There has been no change in status of contingencies reported in the annual financial statements for the year ended June 30, 2017.

9.2 Commitments

- 9.2.1 Commitments for capital expenditure outstanding as at September 30, 2017 amounted to Rs. 5.425 billion (June 30, 2017: Rs. 24.2 million).

- 9.2.2 Commitments for rentals under ijarah arrangements amounted to Rs 4.96 million (June 30, 2017: Rs 8.9 million) payable as follows:

Not later than 1 year	1,607	2,645
Later than 1 year but not later than 5 years	3,349	6,213
	<u>4,956</u>	<u>8,858</u>

Notes To And Forming Part Of The Condensed Interim Financial Statements

For The Period Ended September 30, 2017 (Unaudited)

	(Unaudited) September 30, 2017	(Unaudited) September 30, 2016
	Rupees '000	
10. REVENUE		
Gross Revenue	5,014,231	3,013,837
Less : Sales tax	(726,704)	(436,594)
Dealers commission	(48,935)	(30,177)
	<u>4,238,592</u>	<u>2,547,066</u>
11. EARNINGS PER SHARE		
11.1 Basic Earnings Per Share		
Profit after taxation attributable to ordinary shareholders	309,228	85,318
Adjustment for cumulative preference share dividend	(10,890)	(55,612)
Profit after taxation for calculation of basic earnings per share	<u>298,338</u>	<u>29,706</u>
Weighted average number of ordinary shares outstanding at the end of period (in thousands)	<u>814,661</u>	<u>279,309</u>
Basic earnings per share - Rupee	<u>0.37</u>	<u>0.11</u>
11.2 Diluted Earnings Per Share		
Profit after taxation attributable to ordinary shareholders	<u>309,228</u>	
Weighted average number of ordinary shares outstanding at the end of period (in thousands)	814,661	
Adjustment for conversion of convertible preference shares	51,019	
Weighted average number of ordinary shares outstanding at the end of period (in thousands)	<u>865,680</u>	
Diluted earnings per share - Rupee	<u>0.36</u>	
The effect of dividend of Cumulative Preference Shares (ASLPS and ASLCPS) is not accounted for in calculation of weighted average number of potential ordinary shares.		
11.3 Diluted earnings per share has not been presented for period ended September 30, 2016 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, 2017 (Unaudited)

12. TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of Transaction	(Unaudited)	(Unaudited)
		September 30, 2017	September 30, 2016
		Rupees '000	
Associated Undertakings	- Payment made for Construction materials	469	-
	- Reimbursement of expenses	20	-
	- Purchase for raw material	2,228,957	1,716,286
	- Payment of raw material	1,528,398	1,321,060
	- Finance facility utilized	-	411,000
	- Repayment of finance facility utilized	-	515,038
	- Markup on finance facility	9,672	24,293
	- Markup on finance facility paid	14,926	-
	- Guarantee Commission	662	420
	- Bank Charges Paid	5,008	-
	- Cancellation of Cumulative Preference Shares	-	101,375
	- Ordinary Shares issued against Cumulative Preference Shares	-	231,642
	Key management personnel	- Finance facility utilized	-
- Salaries and other benefits		3,864	3,685
- Staff retirement benefit		106	77

13. DATE OF AUTHORISATION FOR ISSUE

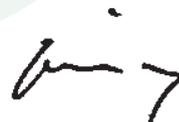
These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on October 25, 2017.



Chief Executive



Chief Financial Officer



Director



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