

# **Results for the Quarter and Nine months ended 31 March 2019**



**AMRELI STEELS**  
Building for Life

# Key Highlights – Nine months

Nine months ended March 2019

Gross profit margin  
9.83%

Operating profit margin  
5.41%

Net profit margin  
1.19%

Earning per share  
0.75

Nine months ended March 2018

Gross profit margin  
19.75%

Operating profit margin  
14.04%

Net profit margin  
9.18%

Earning per share  
3.36

# Key Highlights - Quarter

Quarter ended March 2019

Gross profit margin  
4.92%

Operating profit margin  
0.41%

Net loss margin  
4.57%

Loss per share  
0.99

Quarter ended March 2018

Gross profit margin  
21.20%

Operating profit margin  
15.75%

Net profit margin  
10.21%

Earning per share  
1.59

# Profit or Loss Statement

	Nine months ended 31 March 2019	Nine months ended 31 March 2018	Quarter ended 31 March 2019	Quarter ended 31 March 2018
	-----Rupees '000'-----			
Sales	18,723,109	10,865,882	6,405,881	4,628,016
Cost Of Sales	(16,882,764)	(8,719,896)	(6,090,860)	(3,646,767)
<b>Gross Profit</b>	<b>1,840,345</b>	<b>2,145,986</b>	<b>315,021</b>	<b>981,249</b>
Distribution Cost	(438,690)	(228,186)	(153,764)	(92,351)
Administrative Cost	(371,455)	(298,289)	(134,773)	(113,842)
Other Charges	(21,792)	(96,287)	23,688	(47,029)
Other Opr. Income	5,191	1,843	(24,207)	1,224
<b>Operating Profit</b>	<b>1,013,599</b>	<b>1,525,067</b>	<b>25,965</b>	<b>729,251</b>
Finance Cost	(860,091)	(324,035)	(370,453)	(117,283)
<b>Profit / (loss) Before Tax</b>	<b>153,508</b>	<b>1,201,032</b>	<b>(344,488)</b>	<b>611,968</b>
Taxation	70,065	(203,880)	51,728	(139,226)
<b>Profit / (loss) After Tax</b>	<b>223,573</b>	<b>997,152</b>	<b>(292,760)</b>	<b>472,742</b>

# Vertical Analysis

	Nine months ended 31 March 2019	Nine months ended 31 March 2018	Quarter ended 31 March 2019	Quarter ended 31 March 2018
Sales	100.00%	100.00%	100.00%	100.00%
Less: Cost Of Sales	90.17%	80.25%	95.08%	78.80%
Gross Profit	9.83%	19.75%	4.92%	21.20%
Distribution Cost	2.34%	2.10%	2.40%	2.00%
Administrative Cost	1.98%	2.75%	2.10%	2.46%
Other Charges	0.12%	0.89%	-0.37%	1.02%
Other Opr. Income	0.03%	0.02%	-0.38%	0.03%
Operating Profit	5.41%	14.04%	0.41%	15.75%
Finance Cost	4.59%	2.98%	5.78%	2.53%
Profit / (loss) Before Tax	0.82%	11.05%	-5.38%	13.22%
Taxation	0.37%	1.88%	0.81%	3.01%
Profit / (loss) After Tax	1.19%	9.18%	-4.57%	10.21%

# Quantity and Price Variance (9M YoY)

	31 March 2019	31 March 2018	Variance		Amount (Rs.)
<b>SALES</b>					
Quantity (MT)	192,448	129,435	63,013	83,948	5,289,824,711
Price	97,289	83,948	13,341	192,448	2,567,401,720
Net sales variance					7,857,226,432
<b>COST OF SALES</b>					
Quantity (MT)	192,448	129,435	63,013	(67,369)	(4,245,096,846)
Price	(87,726)	(67,369)	(20,358)	192,448	(3,917,771,025)
Net COGS variance					(8,162,867,872)
Net changes in gross profit					(305,641,441)
<b>GROSS PROFIT</b>					
Quantity (MT)	192,448	129,435	63,013	16,580	1,044,727,864
Price	9,563	16,580	(7,017)	192,448	(1,350,369,305)
Net GP variance					(305,641,441)

# Reconciliation of Profit After Tax (9M YOY)

Impact	Quantity and Price Variance	Amount in Rupees	Remarks
Increase	Gross Profit	(305,641,441)	As explained in above slide.
Increase	Distribution cost	(210,503,950)	Mainly increased due to advertisement, cartage and salaries expense.
Increase	Administrative expenditure	(73,166,278)	Mainly increased due to salaries (increment and bonus), Entertainment exp., Depreciation, Computer consumables and R&M.
Decrease	Other charges	74,494,774	Decrease in WPPF, WWF due to Lower profit as compared to corresponding period.
Increase	Other operating income	3,348,817	Mainly increased due to increased scrap material sales.
Increase	Finance costs	(536,056,324)	Increase in Short-term and long term borrowings last year.
Decrease	Taxation	273,945,734	Decreased due to adjustment of tax credit under S. 65B, C and E. and also due to adjustment of 65B credit C/F last year. Deferred tax liability is decreased due to DTA booked on minimum tax liability related to current 9 months and on current taxable loss.
	Net Variance	(773,578,668)	
	Net profit after tax nine month FY19 Less nine months FY18	(773,578,668)	
	Amount to be reconciled	-	

# Quantity and Price Variance (2<sup>nd</sup> Qtr. Vs 3<sup>rd</sup> Qtr.)

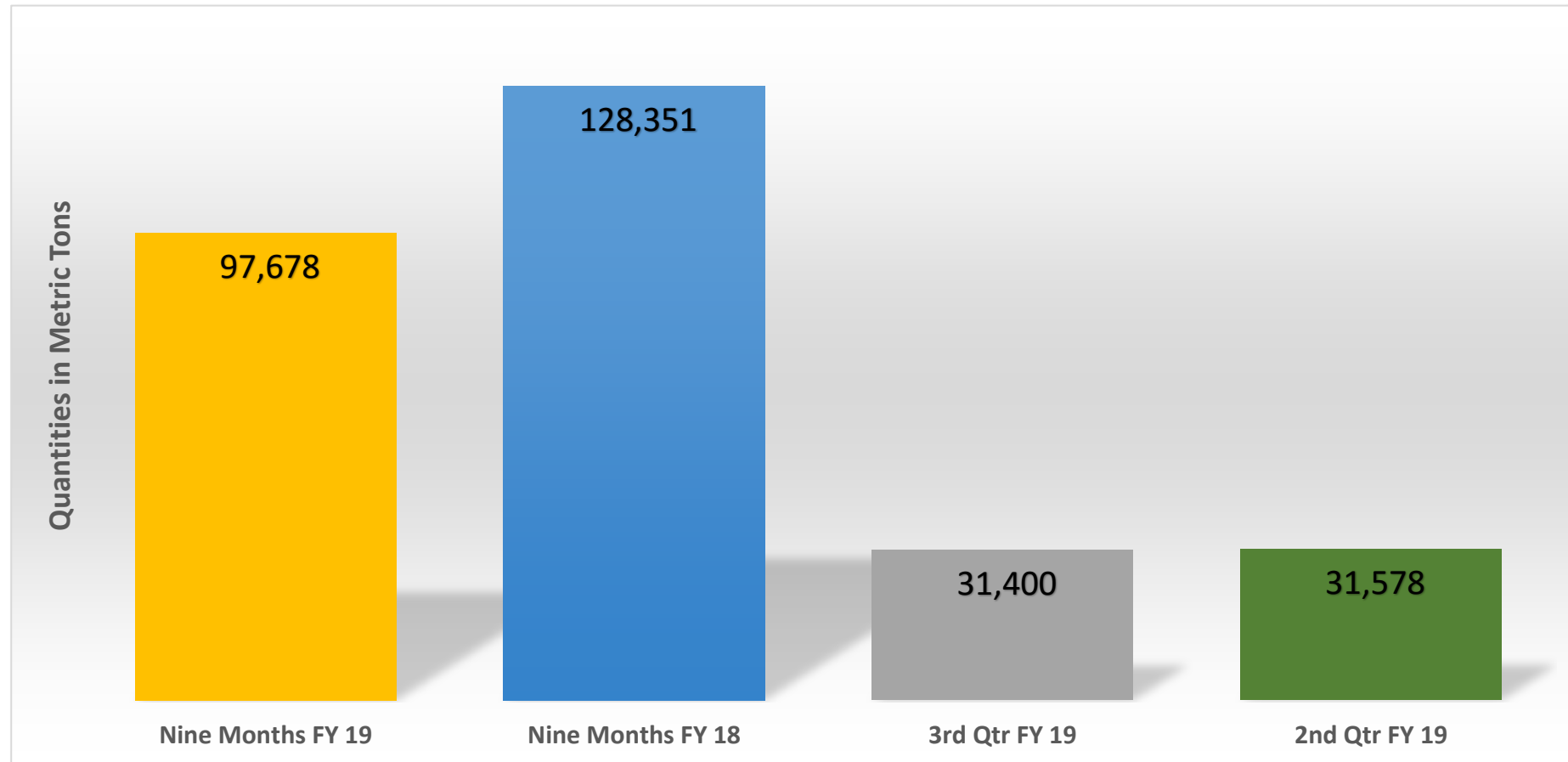
	31 March 2019	31 Dec 2018	Variance		Amount (Rs.)
<b>SALES</b>					
Quantity (MT)	66,779	65,325	1,454	97,893	142,298,438
Price	95,927	97,893	(1,966)	66,779	(131,283,248)
Net sales variance					11,015,190
<b>COST OF SALES</b>					
Quantity (MT)	66,779	65,325	1,454	(88,446)	(128,565,618)
Price	(91,210)	(88,446)	(2,764)	66,779	(184,579,025)
Net COGS variance					(313,144,643)
Net changes in gross profit					(302,129,452)
<b>GROSS PROFIT</b>					
Quantity (MT)	66,779	65,325	1,454	9,447	13,732,820
Price	4,717	9,447	(4,730)	66,779	(315,862,273)
Net GP variance					(302,129,452)



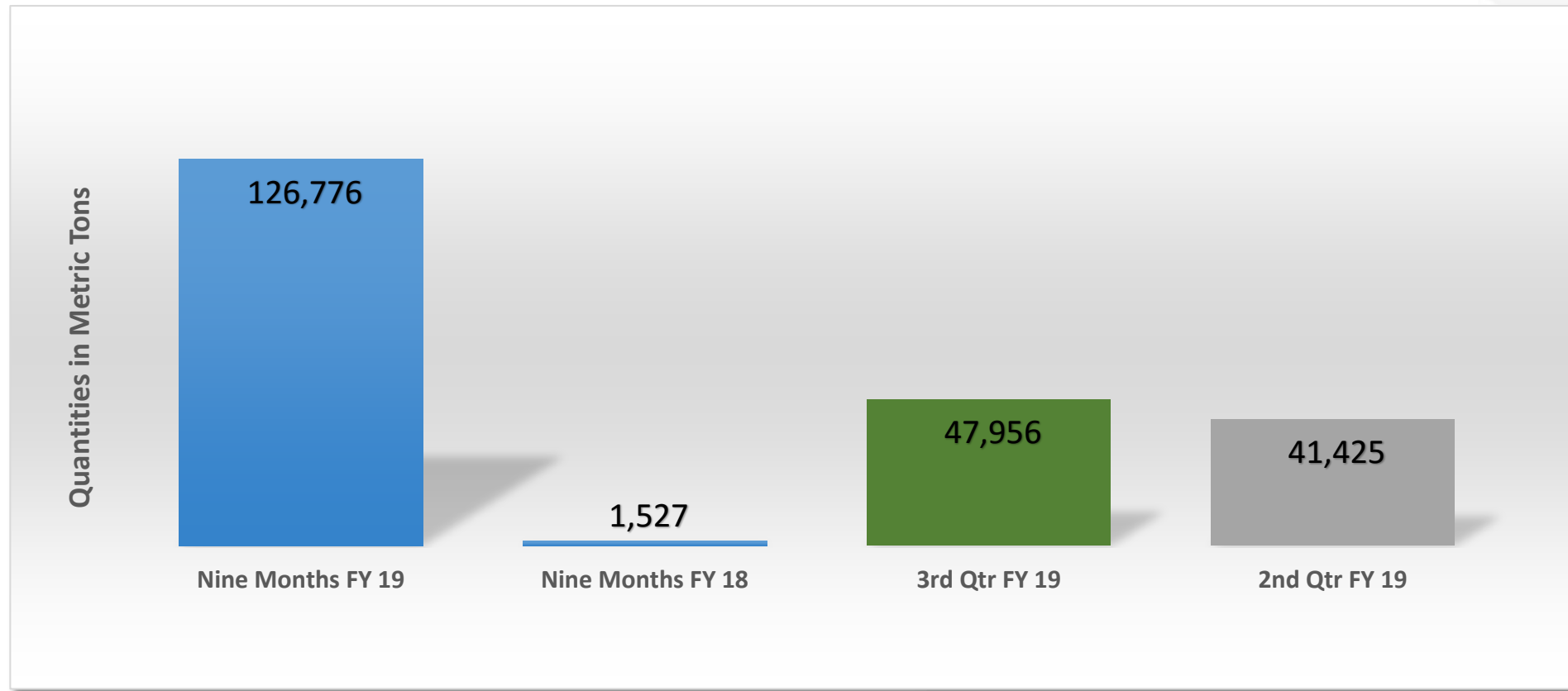
# Reconciliation of Profit After Tax (2<sup>nd</sup> Qtr. Vs 3<sup>rd</sup> Qtr.)

Impact	Quantity and Price Variance	Amount in Rupees	Remarks
Decrease	Gross Profit	(302,129,452)	As explained in above slide.
Increase	Distribution cost	(24,804,243)	Mainly Increased due to advertisement, cartage and bundling charges.
Increase	Administrative expenditure	(7,300,486)	Mainly increases due to provision of bad debts and legal and professional charges.
Decrease	Other charges	32,881,557	Decrease in WPPF, WWF due to Lower profit in 3rd Quarter as compared to 2nd Quarter.
Decrease	Other operating income	(31,076,736)	Decreased due to reversal of bad debts recorded in 2nd Quarter.
Increase	Finance costs	(89,426,119)	Increase in Short-term borrowings and long-term borrowings
Decrease	Taxation	21,350,647	Primarily decreased in deferred tax liability due to DTA booked on minimum tax liability of current period and on current taxable loss.
Net variance		(400,504,833)	
Net profit after tax 3 <sup>rd</sup> quarter FY19 less 2 <sup>nd</sup> quarter FY19		(400,504,833)	
Amount to be reconciled		-	

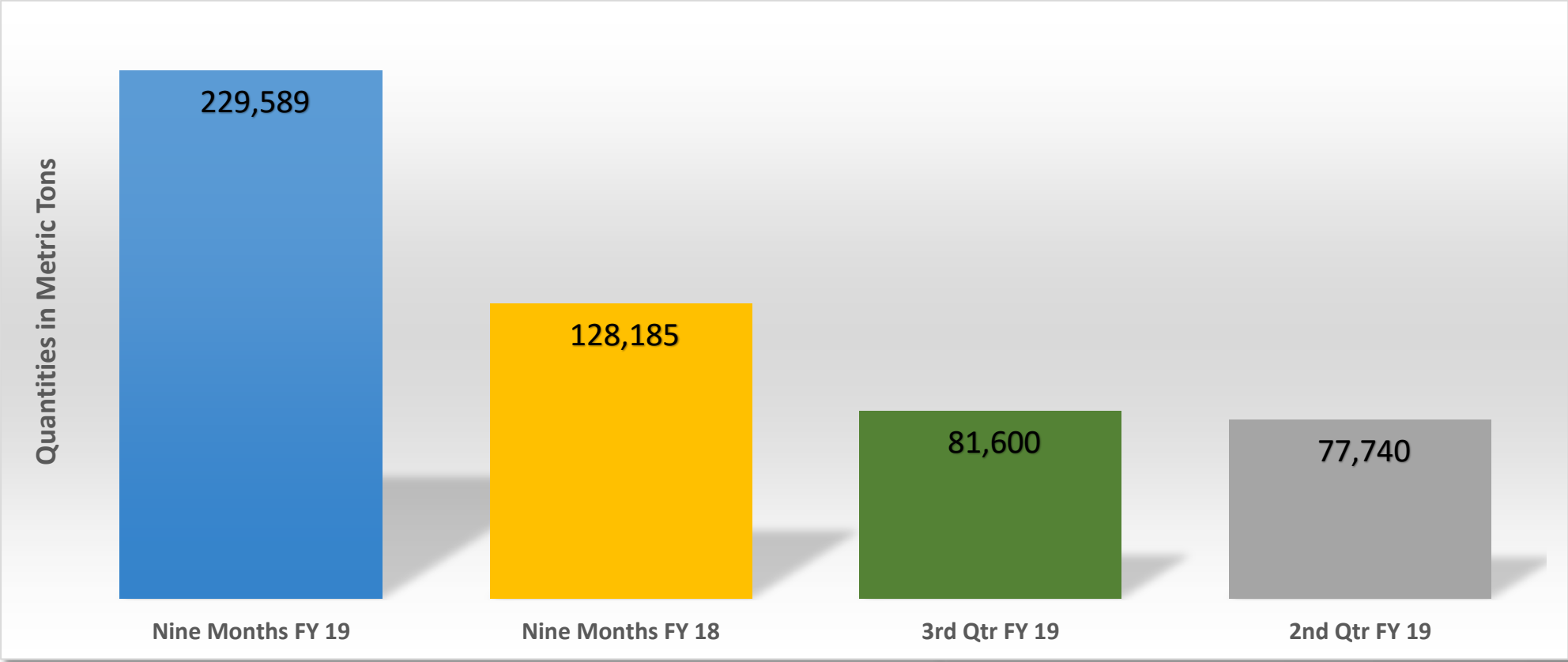
# Production Quantities – Sher Shah Rolling Mill



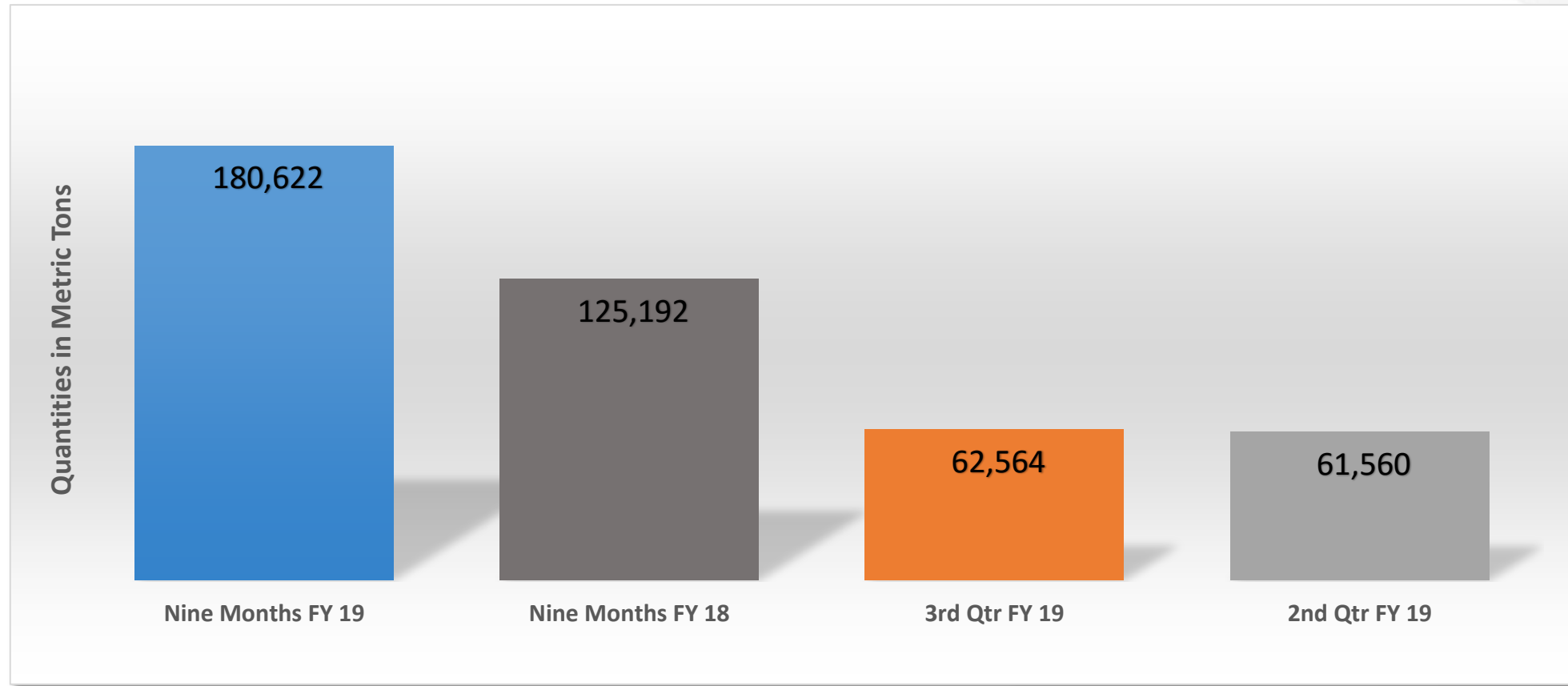
# Production Quantities – Dhabeji Rolling Mill



# Production Quantities – Steel Melt Shop



# Sales Quantities – Prime Rebars



# Sales Quantities – Prime Rebars

Description	Nine months ended 31 March 2019	Nine months ended 31 March 2018	Quarter ended 31 March 2019	Quarter ended 31 December 2018
ASL Rebar -SRM	92,652	125,192	31,115	33,233
ASL Rebar - DRM	87,970	-	31,449	28,327
<b>Total Rebars</b>	<b>180,622</b>	<b>125,192</b>	<b>62,564</b>	<b>61,560</b>

Thank You

