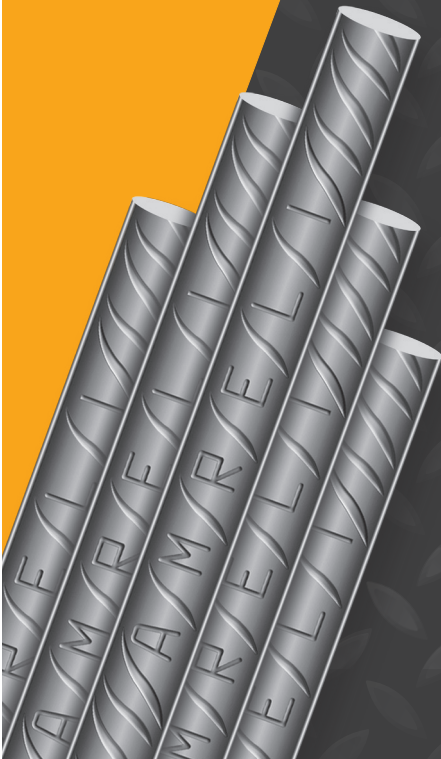


**AMRELI STEELS LIMITED**

**REPORT FOR THE QUARTER  
& NINE MONTHS ENDED**

31 MARCH 2016



**AMRELI STEELS**  
Building for Life

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## COMPANY INFORMATION

### Board of Directors

Mr. Abbas Akberali	Chairman & Chief Executive Officer
Mr. Shayan Akberali	Managing Director
Mr. Badar Kazmi	Independent Director
Mr. Zafar Ahmed Taji	Independent Director
Mr. Mirza Qamar Beg	Independent Director
Ms. Kinza Shayan	Non-Executive Director
Ms. Mariam Akberali	Non-Executive Director

### Audit Committee

Mr. Badar Kazmi	Chairman
Mr. Mirza Qamar Beg	Member
Ms. Kinza Shayan	Member

### Human Resource and Remuneration Committee

Mr. Zafar Ahmed Taji	Chairman
Mr. Badar Kazmi	Member
Mr. Shayan Akberali	Member
Ms. Mariam Akberali	Member

### Chief Financial Officer

Mr. Fazal Ahmed

### Company Secretary

Mr. Adnan Abdul Ghaffar

### Head of Internal Audit

Mr. Fraz Ahmed

### Auditors

Ernst & Young Ford Rhodes Sidat Hyder & Co.  
Chartered Accountants

### Legal Advisor

Mr. Shamim Javaid Shamsi  
A-102, Samina Avenue, Shadman No.2  
North Karachi, Karachi

### **Share Registrar**

THK Associates (Pvt.) Limited  
2nd Floor, State Life Building-3  
Dr. Ziauddin Ahmed Road Karachi

### **Bankers**

Al-Baraka Bank (Pakistan) Limited	Askari Bank Limited
Bank Al Habib Limited	Bank Al-Falah Limited
Bank Islami Pakistan Limited	Dubai Islamic Bank Pakistan Limited
Habib Bank Limited	Habib Metropolitan Bank Limited
MCB Bank Limited	Meezan Bank Limited
NIB Bank Limited	Soneri Bank Limited
Standard Chartered Bank Pakistan Limited	Summit Bank Limited
The Bank of Khyber	The Bank of Punjab
United Bank Limited	

### **Registered Office**

A-18, S.I.T.E., Karachi, Pakistan  
Tel: +92-21-32587232-9  
Fax: + 92-21-32587240, 38798328  
UAN: 111-267-354  
Email: [www.amrelisteels.com](http://www.amrelisteels.com)

### **Rolling Mill**

D-89, Shershah Road  
S.I.T.E., Karachi  
Tel: +92-21-32581150

### **Melt Shop**

Industrial Land  
Deh Ghara, Tapo Ghara  
Taluka Mirpur Sakro, District Thatta, Sindh

## DIRECTORS' REVIEW REPORT FOR THE NINE MONTHS ENDED MARCH 31, 2016

The directors of your company are pleased to present their review on the financial and operational performance of the Company for the nine months ended March 31, 2016.

### FINANCIAL AND OPERATIONAL HIGHLIGHTS

The profitability of your company continued its upward trend registering a strong growth of 59% in profit after tax in nine months as compared to the same period last financial year. The prime reason for this increase was a significant decrease in raw material import prices and a substantial reduction of Rs. 264 million in financial costs. The trend of growth in profitability was maintained despite drop in sales by Rs. 2,210 million in the period under review as compared to the same period last financial year. The decline in sales is attributable to unfair competition from artificially cheap imported rebars.

The key financial highlights of the company are as follows –

	<b>Nine months ended March 31, 2016 (Rs. in millions)</b>	<b>Nine months ended March 31, 2015 (Rs. in millions)</b>
Net Sales	8,374	10,585
Gross Profit	1,933	1,694
Operating profit	1,410	1,288
Profit before tax	1,137	751
Profit after taxation	922	580
Earnings per share - basic and diluted (Rs.)	3.61	2.60

### EXPANSION AT DHABEJI

Expansion at Dhabeji is progressing well. Detailed designing of equipment with general arrangement drawings and loading for civil foundation and utility requirements are planned to be completed by the end of April 2016. The Company is well on track to accomplish these tasks as per plan.

### FUTURE OUTLOOK

The government recently increased the regulatory duty by 15% on a number of items including steel rebars, which shall remain effective until June 30, 2016. This is expected to check import of steel bars from China which augers well for the local manufacturers.

The company remains focused on supplying quality rebars, improving efficiencies and reducing costs to provide sustained returns on investment to its shareholders.

April 22, 2016

For & On behalf of the Board of Directors



**Abbas Akberali**  
Chairman

## CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2016

		31 March 2016 (Un-audited)	30 June 2015 (Audited)
<b>ASSETS</b>	Note	----- (Rupees) -----	
<b>NON-CURRENT ASSETS</b>			
<b>Fixed assets</b>			
Property, plant and equipment	4	7,921,043,689	7,504,204,035
Intangibles		<u>20,631,658</u>	<u>24,345,354</u>
		7,941,675,347	7,528,549,389
Long-term investments		15,289,370	15,289,370
Long-term deposits		<u>130,272,976</u>	<u>129,836,820</u>
		<u>8,087,237,693</u>	<u>7,673,675,579</u>
<b>CURRENT ASSETS</b>			
Stores and spares		510,719,979	505,225,542
Stock-in-trade	5	2,792,642,633	2,274,851,694
Trade debts	6	1,634,115,284	1,158,043,407
Loans and advances		275,437,841	87,459,799
Trade deposits and short-term prepayments		47,660,424	48,682,824
Short-term investments	7	300,000,000	-
Other receivables		235,885,320	333,461,363
Taxation – net		92,934,948	101,179,328
Cash and bank balances		<u>28,017,862</u>	<u>79,722,352</u>
		<u>5,917,414,291</u>	<u>4,588,626,309</u>
<b>TOTAL ASSETS</b>		<u><b>14,004,651,984</b></u>	<u><b>12,262,301,888</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		2,970,114,270	2,227,585,700
Reserves		<u>5,497,133,003</u>	<u>1,724,698,161</u>
		<u>8,467,247,273</u>	<u>3,952,283,861</u>
Surplus on revaluation of property, plant and equipment	8	1,862,326,865	1,918,871,901
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing		606,409,620	1,150,186,280
Deferred taxation	9	990,660,461	929,901,180
Deferred liability		71,853,573	67,160,595
Other financial liabilities		-	7,909,428
		<u>1,668,923,654</u>	<u>2,155,157,483</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		508,709,459	989,389,837
Interest / markup accrued		31,762,561	82,714,774
Short-term borrowings		891,438,584	2,211,793,603
Current portion of long-term financing		<u>574,243,588</u>	<u>952,090,429</u>
		<u>2,006,154,192</u>	<u>4,235,988,643</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	10	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>14,004,651,984</b></u>	<u><b>12,262,301,888</b></u>

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

  
Chief Executive

  
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016  
(UN-AUDITED)**

	For the Nine months ended		For the Quarter-ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	----- (Rupees) -----		----- (Rupees) -----	
	<b>Note</b>			
Sales	<b>8,374,200,197</b>	10,584,568,001	<b>2,921,156,060</b>	3,525,708,412
Cost of sales	<b>(6,441,429,448)</b>	(8,890,732,348)	<b>(2,266,556,077)</b>	(2,736,079,098)
<b>Gross profit</b>	<b>1,932,770,749</b>	1,693,835,653	<b>654,599,983</b>	789,629,314
Distribution costs	<b>(254,113,218)</b>	(220,693,794)	<b>(98,838,336)</b>	(50,272,936)
Administrative expenses	<b>(201,032,598)</b>	(145,382,696)	<b>(53,126,399)</b>	(45,866,992)
Other expenses	<b>(119,768,627)</b>	(60,808,877)	<b>(54,711,917)</b>	(40,904,979)
Other income	<b>10,138,000</b>	21,390,361	<b>6,376,591</b>	20,219,959
Trading income	<b>41,770,698</b>	-	<b>41,770,698</b>	-
<b>Operating profit</b>	<b>1,409,765,004</b>	1,288,340,647	<b>496,070,620</b>	672,804,366
Finance costs	<b>(272,692,256)</b>	(537,309,212)	<b>(52,066,071)</b>	(163,299,019)
<b>Profit before taxation</b>	<b>1,137,072,748</b>	751,031,435	<b>444,004,549</b>	509,505,347
Taxation	<b>(215,043,312)</b>	(170,826,471)	<b>(71,638,491)</b>	(100,225,512)
<b>Net profit for the period</b>	<b>922,029,436</b>	580,204,964	<b>372,366,058</b>	409,279,835
<b>Earnings per share – basic and diluted</b>	<b>Rs. 3.61</b>	Rs.2.60	<b>Rs. 1.25</b>	Rs.1.84

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

  
**Chief Executive**

  
**Director**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016  
(UN-AUDITED)**

	For the Nine months ended		For the Quarter-ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	----- (Rupees) -----		----- (Rupees) -----	
<b>Net profit for the period</b>	<b>922,029,436</b>	<b>580,204,964</b>	<b>372,366,058</b>	<b>409,279,835</b>
Other comprehensive loss	-	(8,707,061)	-	-
<b>Total comprehensive income for the period</b>	<b>922,029,436</b>	<b>571,497,903</b>	<b>372,366,058</b>	<b>409,279,835</b>

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



**Chief Executive**



**Director**



**CONDENSED INTERIM STATEMENT OF CASH FLOW  
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016  
(UN-AUDITED)**

	31 March 2016	31 March 2015
	----- ( Rupees ) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	1,137,072,748	751,031,435
<b>Adjustments for:</b>		
Depreciation	238,983,877	221,455,930
Amortization	3,713,699	244,068
Provision/(reversal ) for doubtful trade debts	2,868,626	(16,078,234)
Provision for gratuity	10,068,543	10,889,738
Loss/ (gain) on disposal of operating assets	2,596,935	(62,967)
Finance costs	272,692,256	537,309,212
Profit on investments and bank accounts	(8,885,179)	(1,004,564)
	<u>522,038,757</u>	<u>752,753,183</u>
	1,659,111,505	1,503,784,618
<b>(Increase) / decrease in current assets:</b>		
Stores and spare parts	(5,494,438)	(78,184,460)
Stock-in-trade	(517,790,939)	(807,024,074)
Trade debts	(478,940,503)	(340,459,222)
Loans and advances	(187,978,041)	(47,968,003)
Trade deposits and short-term prepayments	1,022,400	79,237,572
Other receivables	97,576,042	(193,524,828)
	<u>(1,091,605,479)</u>	<u>(1,387,923,015)</u>
<b>(Decrease) / Increase in current liability:</b>		
Trade and other payables	(232,177,683)	40,216,713
	<u>335,328,343</u>	<u>156,078,316)</u>
Income taxes paid	(146,039,654)	(42,026,546)
Finance costs paid	(327,169,942)	(540,155,951)
Gratuity paid	(5,375,565)	(942,196)
Long-term deposits – net	(436,156)	2,667,252
<b>Net cash used in operating activities</b>	<u>(143,692,974)</u>	<u>(424,379,125)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(662,996,452)	(140,671,957)
Proceeds from disposal of operating assets	5,310,480	62,967
Finance income received	8,885,179	1,004,564
<b>Net cash used in investing activities</b>	<u>(648,800,793)</u>	<u>(139,604,426)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease rentals paid	-	(109,182,194)
Repayment of short-term borrowings	(1,568,857,714)	916,222,979
Repayment of long-term financing	(921,623,501)	(268,835,441)
Proceeds against issuance of shares	3,531,270,492	-
<b>Net cash generated from financing activities</b>	<u>1,040,789,277</u>	<u>538,205,344</u>
<b>Net increase in cash and cash equivalents</b>	<u>248,295,510</u>	<u>(25,778,207)</u>
<b>Cash and cash equivalents at the beginning of the period</b>	79,722,352	63,469,830
<b>Cash and cash equivalents at the end of the period</b>	<u>328,017,862</u>	<u>37,691,623</u>
<b>Cash and cash equivalents comprise of the following:</b>		
- Cash and bank balances	28,017,862	37,691,623
- Short-term Investments	300,000,000	-
	<u>328,017,862</u>	<u>37,691,623</u>

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

  
Chief Executive

  
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016  
(UN-AUDITED)**

	Reserves						Total equity
	Capital reserve	Revenue reserves				Total reserves	
		Share premium	Cash flow hedge	Actuarial gain/ (loss) on gratuity fund	Unappropriated profit		
Issued, subscribed and paid-up capital							
(Rupees )							
<b>Balance as at 1 July 2014</b>	2,227,585,700	-	(1,721,702)	(5,215,359)	658,376,947	651,439,886	2,879,025,586
Net profit for the period	-	-	-	-	580,204,964	580,204,964	580,204,964
Other comprehensive income/ (loss)	-	-	(3,196,446)	(5,510,615)	-	(8,707,061)	(8,707,061)
Total comprehensive income	-	-	(3,196,446)	(5,510,615)	580,204,964	571,497,903	571,497,903
Transferred to unappropriated profit on account of incremental depreciation during the period	-	-	-	-	71,154,789	71,154,789	71,154,789
<b>Balance as at 31 March 2015</b>	<u>2,227,585,700</u>	<u>-</u>	<u>(4,918,148)</u>	<u>(10,725,974)</u>	<u>1,309,736,700</u>	<u>1,294,092,578</u>	<u>3,521,678,278</u>
<b>Balance as at 1 July 2015</b>	2,227,585,700	-	(5,118,447)	(10,250,319)	1,740,066,927	1,724,698,161	3,952,283,861
Net profit for the period	-	-	-	-	922,029,436	922,029,436	922,029,436
Other comprehensive income/ (loss)	-	-	5,118,447	-	-	5,118,447	5,118,447
Total comprehensive income	-	-	-	-	922,029,436	927,147,883	927,147,883
Issuance of shares	742,528,570	3,044,367,138	-	-	-	3,044,367,139	3,786,895,709
Shares issue cost	-	(255,625,216)	-	-	-	(255,625,216)	(255,625,216)
	742,528,570	2,788,742,922	-	-	-	2,788,741,923	3,531,270,493
Transferred to unappropriated profit on account of:							
- incremental depreciation during the period	-	-	-	-	50,822,135	50,822,135	50,822,135
- Disposal of fixed assets during the year	-	-	-	-	5,722,901	5,722,901	5,722,901
	-	-	-	-	56,545,036	56,545,036	56,545,036
<b>Balance as at 31 March 2016</b>	<u>2,970,114,270</u>	<u>2,788,741,922</u>	<u>-</u>	<u>(10,250,319)</u>	<u>2,718,641,399</u>	<u>5,497,133,003</u>	<u>8,467,247,273</u>

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

  
**Chief Executive**

  
**Director**

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016 (UN-AUDITED)

## 1. THE COMPANY AND ITS OPERATIONS

- 1.1 Amreli Steels Limited (the Company) was incorporated in 1975 under the Companies Act, 1913 (now the Companies Ordinance, 1984) as a private limited company and converted into a public unquoted company in 2009. The Company is mainly engaged in manufacture and sale of steel bars and billets. The registered office of the Company is situated at Plot No. A-18, S.I.T.E., Karachi.
- 1.2 During the period, the Company has made an Initial Public Offering (IPO) through issuance of 74,252,857 ordinary shares of Rs. 10 each at a price of Rs. 51 per share including share premium of Rs. 41 per share amounting to Rs. 3,044,367,138. On December 01, 2015, the Pakistan Stock Exchange has approved the Company's application for formal listing and quotation of shares.

## 2. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements are required to be presented to the shareholders under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) – 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.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2015.

## 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2015 except as follows:

The Company has adopted the following standards which became effective for the current period:

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosures of Interests in Other Entities
- IFRS 13 – Fair Value Measurement

The adoption of the above amendments to accounting standards and interpretations did not have any material effect on these condensed interim financial statements of the Company.

		31 March 2016 (Un-audited)	30 June 2015 (Audited)
		----- (Rupees) -----	
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>	Note		
<b>Operating assets</b>			
Opening Net Book Value (NBV)		7,459,828,865	7,521,027,875
Additions during the period / year (cost)	4.1	63,938,834	169,171,561
Transfers from CWIP during the period / year		-	2,770,709
Transfers from capital stores during the period / year		37,891,628	21,565,109
Revaluation surplus during the period / year		-	44,545,456
Deletions during the period / year (NBV)	4.1	(7,176,550)	(6,570,126)
Depreciation charged during the period / year		<u>(238,983,877)</u>	<u>(292,681,719)</u>
Closing NBV		<u>7,315,498,900</u>	<u>7,459,828,865</u>
<b>Capital work-in-progress</b>	4.2	<b>605,544,789</b>	<b>6,483,544</b>
<b>Stores held for capital expenditure</b>		<b>-</b>	<b>37,891,626</b>
		<u><b>7,921,043,689</b></u>	<u><b>7,504,204,035</b></u>

**4.1 Details of additions and disposals are as follows:**

	Additions (cost)		Deletions (NBV)	
	31 March 2016 (Un-audited)	30 June 2015 (Audited)	31 March 2016 (Un-audited)	30 June 2015 (Audited)
----- (Rupees) -----				
Leasehold land	-	-	(6,000,000)	-
Buildings on leasehold land	4,953,635	2,325,000	-	-
Plant and machinery	37,622,249	149,392,252	-	-
Furniture and fittings	175,300	356,378	-	(88,832)
Office equipment	2,162,965	507,500	-	(15,067)
Vehicles	14,492,446	3,470,282	(1,176,550)	(2,924,762)
Crane	-	-	-	(2,704,663)
Computers	4,532,239	13,120,149	-	(836,802)
	<u>63,938,834</u>	<u>169,171,561</u>	<u>(7,176,550)</u>	<u>(6,570,126)</u>

	31 March 2016 (Un-audited)	30 June 2015 (Audited)
----- (Rupees) -----		
<b>4.2 Capital work-in-progress</b>		
Opening balance	6,483,544	5,670,417
Additions during the period / year	599,061,245	4,083,544
Transfers to operating assets	-	(2,770,709)
Written off	-	(499,708)
Closing balance	<u>605,544,789</u>	<u>6,483,544</u>

**5. STOCK-IN-TRADE**

<b>Raw materials</b>		
- In hand	688,569,628	1,125,101,250
- In transit	<u>203,581,326</u>	<u>107,277,278</u>
	892,150,954	1,232,378,528
<b>Work-in-process</b>	<u>600,816,721</u>	<u>231,780,314</u>
	1,299,674,958	810,692,852
<b>Finished goods</b>	<u>2,792,642,633</u>	<u>2,274,851,694</u>

		31 March 2016 (Un-audited)	30 June 2015 (Audited)
<b>6. TRADE DEBTS</b>	<b>Note</b>	----- (Rupees) -----	
Considered good		1,634,115,284	1,158,043,407
Considered doubtful		32,991,697	30,123,071
		<u>1,667,106,981</u>	1,188,166,478
Provision for doubtful debts		(32,991,697)	(30,123,071)
		<u>1,634,115,284</u>	<u>1,158,043,407</u>

## 7. SHORT-TERM INVESTMENTS

### Held to maturity

Term Deposit Certificates	7.1	<u>300,000,000</u>	-
---------------------------	-----	--------------------	---

7.1 These carry profit ranging from 7.1% per annum, having maturities up to June 2016.

## 8. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT – net of deferred tax

Opening balance		2,789,269,810	2,849,957,563
Surplus for the period / year		-	44,545,456
Transfer to unappropriated profit on account of:			
- Incremental depreciation during the period/ year		(73,655,268)	(105,233,209)
- Disposals of fixed assets during the period/ year		(5,722,901)	-
		<u>2,709,891,641</u>	2,789,269,810

### Related deferred tax liability

Opening balance		(870,397,909)	(890,424,869)
Surplus for the period/ year		-	(14,700,000)
Incremental depreciation charged during the period/ year		22,833,133	34,726,960
		<u>(847,564,776)</u>	(870,397,909)

		<u>1,862,326,865</u>	<u>1,918,871,901</u>
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## 9. DEFERRED TAXATION

### Represents tax effects of temporary differences relating to:

Accelerated tax depreciation / amortization		789,762,703	918,372,091
Surplus on revaluation of property, plant and equipment		847,564,776	870,397,909
Provisions		(32,502,016)	(32,103,607)
Unused tax losses		-	(327,399,403)
Unused tax credits	9.1	(614,165,002)	(488,330,329)
Unrealized exchange loss		-	(11,035,481)
		<u>990,660,461</u>	<u>929,901,180</u>

9.1 Deferred tax recognised on minimum tax and alternative corporative tax, paid / payable under section 113 and 113C, respectively, of the Income Tax Ordinance, 2001. The management, based on the opinion of its tax advisor, considers the same to be claimable.

## 10. CONTINGENCIES AND COMMITMENTS

### Contingencies

There were no major changes in the status of contingencies and commitments as reported in the financial statements for the year ended June 30, 2015 except for the following:

- 10.1** During the period, the Deputy Commissioner Inland Revenue (the DCIR) passed an Order against the Company and concluded that the Company has violated the provisions of Rule 58H of Chapter XI of the Sales Tax Special Procedure Rules, 2007 (the Special Procedures) and raised an alleged demand of Rs.2,013,620,157 for the tax periods from July 2013 to December 2014. However, the Company approached the Chief Automation and Sales Tax, who has directed the Chief Commissioner Inland Revenue that no recovery action shall be taken till the subject matter is decided by the Commissioner Inland Revenue (Appeals) or until any other directive is issued by the Federal Board of Revenue. The management, based on the legal advice, is confident that the ultimate outcome will be in favor of the Company. Accordingly, no provision has been made in this respect in these condensed financial statements.
- 10.2** During the period, the DCIR issued a notice for alleged non-charging of further tax on the supplies made to the unregistered persons and raised an alleged charge of Rs. 166,934,689 for the tax period from July 2013 to June 2015. However the Company has filed a law suit in the Honorable High Court of Sindh which is currently pending adjudication. The management, based on the legal advice, is confident that the ultimate outcome will be in favor of the Company. Accordingly, no provision has been made in this respect in these condensed interim financial statements.

	<b>31 March 2016 (Un-audited)</b>	<b>30 June 2015 (Audited)</b>
	----- (Rupees) -----	
<b>Commitments</b>		
<b>10.5</b> Outstanding letters of credit	<u>2,586,410,724</u>	<u>534,543,056</u>
<b>10.6</b> Outstanding letters of guarantee	<u>48,640,456</u>	<u>48,640,456</u>
<b>10.7</b> Commitments for rentals payable under Ijarah contracts in respect of vehicles, and plant and machinery are as follows:		
Not later than one year	<u>39,691,760</u>	<u>43,438,743</u>
Later than one year but not later than five years	<u>71,937,745</u>	<u>101,886,678</u>

## 11. TRADING INCOME

Represents income from trading of rebars that were purchased from a local trader and sold in the retail market.

## 12. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise directors, key management personnel and retirement funds. Transactions with related parties are as follows:

	<b>31 March 2016 (Un-audited)</b>	<b>31 March 2015 (Un-audited)</b>
	----- (Rupees) -----	
Directors' remuneration	<u>10,143,000</u>	<u>10,933,750</u>
Key management personnels' remuneration	<u>75,622,649</u>	<u>67,879,291</u>
Contribution to Gratuity Fund	<u>10,068,543</u>	<u>10,889,738</u>

**13. DATE OF AUTHORIZATION**

These condensed interim financial statements were authorized for issue on **22 APRIL 2016** by the Board of Directors of the Company.

**14. GENERAL**

Figures have been rounded off to the nearest Rupee, unless otherwise stated.



**Chief Executive**



**Director**

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