


**AGHA STEEL INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2020**

	<i>Note</i>	<i>2020</i> <i>(Un-Audited)</i>	<i>2020</i> <i>(Audited)</i>
<i>----- Rupees in '000'-----</i>			
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	14,766,990	13,825,569
Intangible asset		59,660	61,230
Long term deposits and receivable		539,972	539,972
		<b>15,366,622</b>	<b>14,426,771</b>
<b>Current Assets</b>			
Stores, spare parts and loose tools		1,962,314	1,846,521
Stock-in-trade	6	8,363,709	8,627,400
Trade and other receivables		3,869,349	3,839,963
Loans and advances	7	695,249	593,644
Deposits		26,150	38,337
Tax refunds due from Government		373,924	517,046
Cash and bank balances		70,572	68,366
		<b>15,361,267</b>	<b>15,531,277</b>
<b>Total Assets</b>		<b>30,727,889</b>	<b>29,958,048</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>		<b>6,250,000</b>	<b>6,250,000</b>
<b>Share Capital</b>			
Issued, subscribed and paid up capital		4,560,753	4,560,753
<b>Revenue Reserve</b>			
Unappropriated profit		4,108,684	3,599,309
<b>Total Shareholders' Equity</b>		<b>8,669,437</b>	<b>8,160,062</b>
<b>Non-Current Liabilities</b>			
Long term borrowings	8	5,057,326	4,944,318
Supplier credit		1,786,617	1,808,099
Lease liabilities		50,164	47,104
Deferred liability		715,794	678,293
		<b>7,609,901</b>	<b>7,477,814</b>
<b>Current Liabilities</b>			
Trade and other payables		870,304	1,339,265
Accrued markup		210,408	318,175
Short term borrowings	9	12,655,171	11,950,064
Current portion of non-current liabilities		712,668	712,668
		<b>14,448,551</b>	<b>14,320,172</b>
<b>Contingencies and Commitments</b>			
<b>Total Capital and Liabilities</b>		<b>30,727,889</b>	<b>29,958,048</b>

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

  
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**Chief Executive**

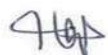
  
 \_\_\_\_\_  
**Chief Financial Officer**

  
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**Director**

**AGHA STEEL INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	<i>September 30</i> <b>2020</b>	<i>September 30</i> <b>2019</b>
	<i>---- Rupees in '000'----</i>	
Turnover - gross	<b>5,890,123</b>	3,854,674
Sales tax	<b>(855,830)</b>	(560,081)
<b>Turnover - net</b>	<b>5,034,293</b>	3,294,593
Cost of sales	<b>(3,925,851)</b>	(2,499,130)
<b>Gross profit</b>	<b>1,108,442</b>	795,463
Administrative expenses	<b>(87,896)</b>	(50,130)
Selling and distribution costs	<b>(76,312)</b>	(55,775)
Finance costs	<b>(270,250)</b>	(475,941)
<b>Operating profit</b>	<b>(434,458)</b>	(581,846)
	<b>673,984</b>	213,617
Other expenses	<b>(43,907)</b>	(25,404)
Other income	<b>28,810</b>	45,536
<b>Profit before taxation</b>	<b>658,887</b>	233,749
Taxation - net	<b>(149,512)</b>	84,429
<b>Profit after taxation</b>	<b>509,375</b>	318,178
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>509,375</b>	318,178
<b>Earnings per share</b>		
Basic and diluted	<b>1.12</b>	0.88

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*Chief Executive*



*Chief Financial Officer*

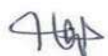


*Director*

**AGHA STEEL INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	<i>September 30</i> <i>2020</i>	<i>September 30</i> <i>2019</i>
	<i>---- Rupees in '000'----</i>	
<b>Profit after taxation</b>	<b>509,375</b>	318,178
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b><u>509,375</u></b>	<u>318,178</u>

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



*Chief Executive*



*Chief Financial Officer*



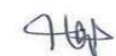
*Director*

**AGHA STEEL INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

<i>Particulars</i>	<i>Issued, subscribed and paid up capital</i>	<i>Reserves</i>		<i>Total reserves</i>	<i>Total shareholders' equity</i>
		<i>Revenue</i>	<i>Capital</i>		
		<i>*Unappropriated profit</i>	<i>Remeasurements of defined benefit obligation</i>		
----- <i>Rupees in '000'</i> -----					
<b>Balance as at June 30, 2019</b>	3,614,013	2,568,119	-	2,568,119	6,182,132
<b>Total comprehensive income for the year</b>					
Profit for the year	-	1,235,592	-	1,235,592	1,235,592
Other comprehensive income	-	-	-	-	-
	-	1,235,592	-	1,235,592	1,235,592
<b>Transaction with the owners</b>					
Unwinding of discount upon conversion - note 17	-	(204,402)	-	(204,402)	(204,402)
94,674,000 ordinary shares issued for other than cash - note 14.4	946,740	-	-	-	946,740
<b>Balance as at June 30, 2020</b>	<b>4,560,753</b>	<b>3,599,309</b>	<b>-</b>	<b>3,599,309</b>	<b>8,160,062</b>
<b>Total comprehensive income for the Period</b>					
Profit for the period		509,375	-	509,375	509,375
Other comprehensive income		-	-	-	-
	<b>4,560,753</b>	<b>4,108,684</b>	<b>-</b>	<b>4,108,684</b>	<b>8,669,437</b>

\* Unappropriated profit can be utilized for meeting contingencies and distribution of profits by way of dividends.

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



*Chief Executive*



*Chief Financial Officer*

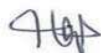


*Director*

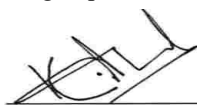
**AGHA STEEL INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

		September 30 2020	September 30 2019
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	<i>Note</i>	- - - Rupees in '000' - - -	
Profit before taxation		658,887	233,749
Adjustments for:			
Depreciation		78,139	72,145
Amortization		1,570	-
Finance costs		265,400	475,941
Finance lease markup		4,850	4,102
Workers welfare fund		8,945	6,181
Workers profit participation fund		13,480	11,687
Exchange gain - net	30	(21,482)	-
<b>Cash generated from operations before working capital changes</b>		<u>1,009,789</u>	<u>803,806</u>
<b>Changes in working capital</b>			
<b>(Increase) / decrease in current assets</b>			
Stores, spare parts and loose tools		(115,793)	(301,312)
Stock-in-trade		263,691	(435,396)
Trade and other receivables		(29,386)	(56,648)
Loans and advances		(101,605)	59,989
Deposits		12,187	908
		29,094	(732,459)
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		(491,386)	(116,109)
<b>Net cash generated from / (used in) operations</b>		<u>547,497</u>	<u>(44,762)</u>
Taxes paid		31,111	(229,386)
Financial charges paid		(378,017)	(412,773)
<b>Net cash generated from / (used in) operating activities</b>		<u>200,591</u>	<u>(686,921)</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Long term deposits and receivable recovered		-	(1,103)
Proceeds from short term investment - net		-	18,479
Additions in capital work in progress - net		(966,536)	(61,629)
Additions in property, plant and equipment	5.1	(53,024)	-
Additions in intangible asset	6.1	-	(3,000)
<b>Net cash used in investing activities</b>		<u>(1,019,560)</u>	<u>(47,253)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts / (repayments) of long term borrowings - net		113,008	(40,375)
Leases obtained during the period - net		3,060	(3,215)
Receipts from short term borrowings - net		705,107	674,929
<b>Net cash generated from financing activities</b>		<u>821,175</u>	<u>631,339</u>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>		2,206	(102,835)
<b>Cash and cash equivalents at the beginning of the period</b>		68,366	242,671
<b>Cash and cash equivalents at the end of the period</b>		<u>70,572</u>	<u>139,836</u>

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



Chief Executive



Chief Financial Officer



Director

**AGHA STEEL INDUSTRIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

**1.1** Agha Steel Industries Limited (the Company) was incorporated in Pakistan on November 19, 2013, as a private limited company under the repealed Companies Ordinance, 1984, now the Companies Act, 2017 (the Act). On April 07, 2015, the Company was converted into public limited company. During the Financial year 2019, the Company has listed its privately placed Sukuk certificates with Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing and sale of steel bars, wire rods and billets, and its registered office and production plant are situated at plot no. N.W.I.Z. / 1 / P-133, (SP-6), D-2, Port Qasim Authority, Karachi.

**2 BASIS OF PREPARATION**

These condensed interim financial statements have been prepared in accordance with the requirements of the

International Accounting Standards 34 "Interim Financial Reporting" issued by International Accounting Standard Board (IASB), as notified under the Companies Act 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

These condensed Interim Financial statements are being submitted to the shareholders as required by Section 137 of the Companies Act 2017.

These condensed interim financial statements does not include all of the information required for full annual financial statements and should be read in conjunction with the published annual financial statements for the year ended June 30, 2020.

**3 ACCOUNTING POLICIES**

The accounting policies, related judgments, estimates and assumptions adopted for the preparation of this condensed interim financial statements are the same as those applied in preparation of the annual financial statements of the Company for the year ended June 30, 2020.

**4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of condensed interim financial statements in conformity with the accounting and reporting standards which requires the use of certain critical accounting estimates.it also require management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

During preparation of these condensed interim financial statements, the significant judgment made by management in applying the company's accounting policies and the key source of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30 2020.

	<i>2020</i>	<i>2020</i>
	<b>September 30</b>	<b>June 30</b>
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>	<i>Note</i>	<i>----- Rupees in '000'-----</i>
Operating fixed assets	<b>8,466,790</b>	8,491,905
Capital work in progress (CWIP)	<b>6,300,200</b>	5,333,664
	<b>14,766,990</b>	13,825,569
<b>Additions</b>		
Plant and machinery	<b>46,242</b>	5,412
Computers	<b>251</b>	-
Leased Vehicles	<b>6,531</b>	2,541
	<b>53,024</b>	7,953
<b>6 STOCK-IN-TRADE</b>		
Raw material	<b>3,871,973</b>	3,532,772
Raw material in transit	<b>103,416</b>	503,609
Work in process	<b>1,013,084</b>	1,686,611
Finished goods	<b>3,375,236</b>	2,904,408
	<b>8,363,709</b>	8,627,400

#### **7 LOANS AND ADVANCES**

It includes loan to Denim International (Private) Limited (related party) amounting to Rs.199.54 (June 30 2020: Rs.179.46) million.

#### **8 LONG TERM BORROWINGS**

It includes Shariah Compliant Sukuk certificates amounting to Rs. 4,968 (June 30 2020: Rs.4,910) million.

	<i>2020</i>	<i>2020</i>
	<b>September 30</b>	<b>June 30</b>
<b>9 SHORT TERM BORROWINGS</b>	<i>Note</i>	<i>----- Rupees in '000'-----</i>
<b>Running Finance - secured</b>		
Conventional banks	<b>5,181,572</b>	5,008,790
Islamic banks	<b>238,905</b>	247,768
	<b>5,420,477</b>	5,256,558
<b>Finance against Trust Receipt (FATR)</b>		
Conventional banks	<b>4,224,744</b>	3,884,966
Islamic banks	<b>3,009,950</b>	2,808,540
	<b>7,234,694</b>	6,693,506
	<b>12,655,171</b>	11,950,064

#### **10 CONTINGENCIES AND COMMITMENTS**

##### **Contingencies**

The Company has no contingent liabilities in respect of any legal claim in the ordinary course of business other than those disclosed elsewhere in these financial statements.

<i>Commitments</i>	<i>2020</i>	<i>2020</i>
	<b>September 30</b>	June 30
	<i>---- Rupees in '000'----</i>	
Outstanding against letter of credits	4,895,123	5,310,161
Outstanding against letter of guarantees	269,578	267,603
	<u>5,164,701</u>	<u>5,577,764</u>

<b>11 TRANSACTIONS WITH RELATED PARTIES</b>	<i>2020</i>	<i>2019</i>
	<b>September 30</b>	September 30
	<i>---- Rupees in '000'----</i>	
<i>- associated undertaking</i>		
Mark up received from associated undertaking	<u>51,648</u>	<u>45,120</u>
Mark up income on loan to associated undertaking	<u>7,328</u>	<u>28,541</u>
Loan disbursed to associated undertaking	<u>159,841</u>	<u>139,120</u>
Loan recovered from associated undertaking	<u>181,761</u>	<u>150,412</u>

**12 GENERAL**

**12.1** Figures have been rounded-off to the nearest thousand rupee.

**13 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue by the Board of Directors on **October 15, 2020**.



*Chief Executive*



*Chief Financial Officer*



*Director*