

Half Yearly Report December 2021

Rolling Dreams into Reality



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Vision

To be a global leader in the flat steel industry, acknowledged by its customers for quality and service excellence.

Mission

To provide an environment of motivated employees focused on continuous improvement in product and quality, highest business and work ethics, add value to our customers and ensure sustained return on investment to our shareholders.

Company Information

BOARD OF DIRECTORS

Mr. Arif Habib, Chairman
Dr. Munir Ahmed, Chief Executive Officer
Mr. Nasim Beg
Mr. Rashid Ali Khan
Mr. Samad A. Habib
Mr. Jawaid Iqbal
Mr. Kashif A. Habib
Ms. Tayyaba Rasheed
Mr. Arslan Iqbal

AUDIT COMMITTEE

Mr. Jawaid Iqbal – Chairman
Mr. Nasim Beg
Mr. Kashif A. Habib
Ms. Tayyaba Rasheed

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Rashid Ali Khan – Chairman
Mr. Arif Habib
Mr. Kashif A. Habib

CHIEF FINANCIAL OFFICER

Umair Noor Muhammad

COMPANY SECRETARY

Mr. Manzoor Raza

HEAD OF INTERNAL AUDIT

Mr. Muhammad Shahid

REGISTERED OFFICE

Arif Habib Centre, 23 – M. T. Khan Road,
Karachi – Pakistan – 74000
Tel: (+92 21) 32468317

PLANT ADDRESS

DSU - 45, Pakistan Steel
Down Stream Industrial
Estate, Bin Qasim, Karachi – Pakistan.
Tel: (+92 21) 34740160

AUDITORS

A. F. Ferguson & Co.,
Chartered Accountants,
State Life Building No. 1-C,
I.I. Chundrigar Road, Karachi.

SHARE REGISTRAR DEPARTMENT

CDC Share Registrar Services Limited
CDC House, 99-B, SMCHS,
Main Shahrah-e-Faisal, Karachi - 74400
Phone: 0800 – 23275
Fax: (+92 21) 34326053
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

LEGAL ADVISOR

Ahmed & Qazi
Khalid Anwer & Co.
Akhund Forbes
Mohsin TayebAly & Co.
Lex Firma
Khalid Jawed & Co.

BANKERS / LENDERS

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan (Aitemad)
National Bank of Pakistan
Pak China Investment Company Limited
Saudi Pak Industrial and Agricultural
Investment Company Limited
Silk Bank Limited
Sindh Bank Limited
Standard Chartered Bank (Pakistan)
Limited
Summit Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

WEBSITE

www.aishasteel.com



Directors' Report

The Directors of Aisha Steel Mills Limited (ASML) present herewith Directors' Review Report together with condensed interim financial statements (un-audited) of the Company for the half year ended December 31, 2021.

The unprecedented rise of HRC prices in the financial year 2020-21, was followed by a gradual decline in the current financial year. The peak value of US\$ 1,050, FOB China, recorded in May 21 declined to US\$ 800 by December 2021. The international market has somewhat stabilized since. Confronted with the rising international prices compounded by depreciating rupee, the local market witnessed substantial rise in the steel prices. However, in line with international trend, the prices have come down since and have stabilized. The end users, during the down cycle, preferred to draw down on inventories and made limited new purchases. Sales remained subdued in the second quarter. It now appears that the international market has bottomed out and revival expected. The local market is also expected to follow suite.

Operational Review

The total quantity sold during the July-December period, 2021, was 151,916 tons out of which 20,335 tons was exported to Europe, America and Canada and several other countries. The total quantity sold in the corresponding period last year was 202,247 tons, showing a decline of about 25%. The exports in previous period were limited to 7,149 tons with major quantity going to Afghanistan.

The total quantity produced during the period was 174,200 tons compared to 179,070 tons produced in the corresponding period last year, showing a decrease of about 3%. Arrival of raw material at higher prices coincided with declining international prices not allowing passing on the cost, resulting in lower gross profit margin. At the same time, depreciation of rupee value resulted in exchange loss and surge in financial expenses. The average inventory in the July-December period increased to 34,472 tons compared to 12,303 tons recorded in the same period last year.

A brief summary of the financial results as on December 31, 2021 is as follows:

Description	Half year ended	
	Dec 2021	Dec 2020
	Rs. In Million	
Revenue	31,581	25,417
Gross profit	2,660	4,577
Profit before tax	591	3,452
Profit after tax	452	2,520
	Earnings / (loss) per share in (Rupees)	
EPS	0.53	3.21

Future Outlook:

Steel and steel related commodities prices have corrected and signs of stability appearing. The local market is expected to pick up in the coming months.

Acknowledgement

We would like to record our appreciation and gratitude to our financial partners i.e 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.

For and on behalf of the Board



Dr. Munir Ahmed
Chief Executive



Arif Habib
Chairman

February 25, 2022.

Financial Statements

FINANCIAL PERFORMANCE



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Aisha Steel Mills Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Aisha Steel Mills Limited as at December 31, 2021 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to these financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Syed Fahim ul Hasan.



CHARTERED ACCOUNTANTS

Karachi

Date: February 28, 2022


UDIN: RR202110133Mc4ut32BV

Condensed Interim Statement of Financial Position

As at December 31, 2021 - (Un-audited)

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	Rupees '000	
ASSETS			
Non-current assets			
Property, plant and equipment	5	18,958,894	19,398,632
Intangible assets		41,319	35,401
Long-term advances		360	528
Long-term deposits		108,927	68,112
Deferred tax asset		528,898	448,612
		<u>19,638,398</u>	<u>19,951,285</u>
Current assets			
Inventories	6	20,904,118	12,088,077
Trade and other receivables		1,062,805	2,045,504
Loans, advances and prepayments	7	551,452	545,508
Tax refunds due from government - Sales tax		1,173,671	-
Taxation - payments less provision		2,318,383	1,655,083
Cash and bank balances	8	305,476	238,060
		<u>26,315,905</u>	<u>16,572,232</u>
Total assets		<u><u>45,954,303</u></u>	<u><u>36,523,517</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	9		
Ordinary shares		9,248,008	7,716,843
Cumulative preference shares		444,950	445,335
Difference on conversion of cumulative preference shares and dividends into ordinary shares		<u>(1,762,456)</u>	<u>(1,348,402)</u>
		7,930,502	6,813,776
Surplus on revaluation of property, plant and equipment		1,384,115	1,404,689
Capital reduction reserve		667,686	667,686
Unappropriated profit		<u>3,391,628</u>	<u>5,580,433</u>
		13,373,931	14,466,584
Liabilities			
Non-current liabilities			
Long-term finance - secured	10	5,690,274	6,096,715
Lease liabilities		43,146	52,250
Employee benefit obligations		137,764	123,261
Deferred income - Government grant		-	1,367
		<u>5,871,184</u>	<u>6,273,593</u>
Current liabilities			
Trade and other payables		2,712,061	6,937,551
Accrued mark-up		463,156	315,174
Short-term borrowings	11	22,113,679	6,795,705
Sales tax payable		-	175,338
Unclaimed dividend		79,071	-
Current portion of deferred income - Government grant		4,157	7,308
Current maturity of long-term finance		1,312,871	1,531,480
Current maturity of lease liabilities		24,193	20,784
		<u>26,709,188</u>	<u>15,783,340</u>
Total liabilities		<u>32,580,372</u>	<u>22,056,933</u>
Contingencies and commitments			
	12		
Total equity and liabilities		<u><u>45,954,303</u></u>	<u><u>36,523,517</u></u>

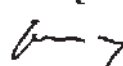
The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

For The Half Year Ended December 31, 2021 - (Unaudited)

		Quarter ended		Half year ended	
		December 31,	December 31,	December 31,	December 31,
		2021	2020	2021	2020
Note		Rupees '000			
Revenue from contracts with customers	13	13,573,527	14,211,160	31,580,592	25,417,022
Cost of sales		(13,121,172)	(11,110,247)	(28,920,114)	(20,839,948)
Gross profit		452,355	3,100,913	2,660,478	4,577,074
Selling and distribution cost	14	(81,272)	(31,168)	(226,813)	(43,280)
Administrative expenses		(121,787)	(81,061)	(202,864)	(152,377)
Operating profit		249,296	2,988,684	2,230,801	4,381,417
Other expenses		32,266	(195,865)	(44,115)	(260,129)
Other income		31,506	22,758	37,573	34,914
Finance costs	15	(737,051)	(260,667)	(1,633,477)	(704,185)
Profit / (loss) before tax		(423,983)	2,554,910	590,782	3,452,017
Income tax (expense) / credit	16	138,030	(694,940)	(138,911)	(931,823)
Profit / (loss) for the period		(285,953)	1,859,970	451,871	2,520,194
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss)		(285,953)	1,859,970	451,871	2,520,194
Earnings / (loss) per share		Rupees		Rupees	
- Basic		(0.36)	2.39	0.53	3.21
- Diluted		(0.29)	1.92	0.50	2.61

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

Condensed Interim Statement of Changes in Equity

For The Half Year Ended December 31, 2021 - (Unaudited)

SHARE CAPITAL			RESERVES			TOTAL
Ordinary shares	Cumulative preference shares	Difference on conversion of cumulative preference shares into ordinary shares	Capital		Revenue	
			Surplus on revaluation of property plant and equipment	Capital reduction reserve	(Accumulated loss) / Unappropriated Profit	
Rupees '000						
7,655,293	472,272	(1,313,789)	1,445,832	667,686	(829,857)	8,097,437
-	-	-	(17,289)	-	17,289	-
-	-	-	-	-	2,520,194	2,520,194
-	-	-	-	-	-	-
-	-	-	-	-	2,520,194	2,520,194
7,655,293	472,272	(1,313,789)	1,428,543	667,686	1,707,626	10,617,631
7,716,843	445,335	(1,348,402)	1,404,689	667,686	5,580,433	14,466,584
-	-	-	(20,574)	-	20,574	-
880	(385)	(495)	-	-	-	-
1,530,285	-	(413,559)	-	-	(1,116,726)	-
-	-	-	-	-	(1,544,524)	(1,544,524)
-	-	-	-	-	-	-
-	-	-	-	-	451,871	451,871
-	-	-	-	-	-	-
-	-	-	-	-	451,871	451,871
9,248,008	444,950	(1,762,456)	1,384,115	667,686	3,391,628	13,373,931

*This includes difference arising on conversion of dividend on preference shares of Rs. 413.56 million.

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

Condensed Interim Statement of Cash Flows

For The Half Year Ended December 31, 2021 - (Unaudited)

		December 31, 2021	December 31, 2020
	Note		Rupees '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	17	(10,653,327)	6,910,698
Income tax paid		(882,497)	(534,045)
Mark-up on loans paid		(679,568)	(985,248)
Return on bank deposits received		19,956	11,593
Employee benefits paid		(6,002)	(3,816)
Workers' welfare fund paid		(80,000)	-
Decrease in long-term advances		168	10
(Increase) / decrease in long-term deposits		(40,815)	796
Net cash (used in) / generated from operating activities		(12,322,085)	5,399,988
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(742,336)	(511,430)
Purchase of intangible assets		(7,762)	-
Sale proceeds from disposal of property, plant and equipment		2,821	381
Net cash used in investing activities		(747,277)	(511,049)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term finance		(707,530)	-
Long-term loan obtained - net		-	135,680
Short-term borrowings obtained		1,725,000	1,630,000
Short-term borrowings paid		(725,000)	(1,630,000)
Dividend paid		(1,465,453)	-
Lease rentals paid		(8,213)	(11,623)
Net cash (used in) / generated from financing activities		(1,181,196)	124,057
Net (decrease) / increase in cash and cash equivalents		(14,250,558)	5,012,996
Cash and cash equivalents at beginning of the period		(6,557,645)	(9,763,855)
Cash and cash equivalents at end of the period	18	(20,808,203)	(4,750,859)

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For The Half Year Ended December 31, 2021 - (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 (now Companies Act, 2017). 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 and a galvanization plant in the downstream Industrial Estate, Pakistan Steel, Bin Qasim, Karachi, to carry out its principal business of manufacturing and selling cold rolled coils and hot dipped galvanized coils.

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2021.

2.1 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period beginning July 1, 2021. However, these do not have any significant impact on the Company's financial reporting.

b) Standards and amendments to approved accounting standards that are not yet effective

There are standards and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2022. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
Rupees '000		

5.2 Major spare parts and stand-by equipment

Balance at beginning of the period / year	1,803,311	1,196,963
Additions	248,865	1,024,035
Transfers	(463,990)	(417,687)
Balance at end of the period / year	1,588,186	1,803,311

6. INVENTORIES

Raw material [including in transit Rs. 5.27 billion (June 30, 2021: Rs. 4.63 billion)]	11,095,730	7,850,190
Work-in-process	1,328,577	765,110
Finished goods [including coil end sheets Rs. 34.19 million (June 30, 2021: Rs. 22.31 million)]	7,247,270	2,352,387
Packing and other materials	-	85,186
	19,671,577	11,052,873
Stores	792,628	327,435
Spares	439,913	707,769
	1,232,541	1,035,204
	20,904,118	12,088,077

7. LOANS, ADVANCES AND PREPAYMENTS

- 7.1** These include deposit held with a bank amounting to Rs. 78.11 million (June 30, 2021: Rs. 56.5 million) in respect of bank guarantees issued to Regulatory Authorities against disputed duties and taxes, and to a customer in respect of performance of a contract.

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
Rupees '000		

8. CASH AND BANK BALANCES

With banks on		
- Current accounts	124,270	156,638
- PLS savings accounts - note 8.1	131,043	81,167
- Term deposit receipt - note 8.2	50,000	-
Cash in hand	163	255
	305,476	238,060

- 8.1** At December 31, 2021 the rates of mark up on PLS savings accounts range from 3% to 6.8% (June 30, 2021: 4% to 5.5%) per annum.

- 8.2** At December 31, 2021 the term deposit account carried yield of 7.50% per annum maturing on January 11, 2022.

9. SHARE CAPITAL

During the period, the Company has converted accumulated preference dividends on preference shares (ASLCPS - Rs. 794.40 million and ASLPS - Rs. 321.84 million) into Company's ordinary shares, in accordance with the terms of issue.

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Rupees '000	

10. LONG-TERM FINANCE – secured

Loan under restructuring agreement - note 10.1	4,092,907	4,403,436
Loan for expansion project - note 10.2	2,744,774	3,033,214
Loan under refinance scheme - note 10.3	165,464	191,545
	7,003,145	7,628,195
Less: Current maturity of long-term finance	(1,312,871)	(1,531,480)
	5,690,274	6,096,715

10.1 The facility carries mark-up ranging from 6 months KIBOR plus 1% per annum to 6 months KIBOR plus 3.28% per annum on the outstanding amount excluding frozen mark-up. It is repayable in 10 unequal semi-annual installments from July 19, 2021 to January 19, 2025.

10.2 The facility carries mark up ranging between 6 months KIBOR plus 1.9% per annum to be determined on semi-annual basis to mark up at 6 months KIBOR prevailing one day before the first Musharaka contribution date, plus a margin of 1.9% per annum to be determined on semi-annual basis. It is repayable in 10 consecutive semi-annual installments in arrears from December 2021 to June 2026.

10.3 The facility carries mark-up at the rate of 3% per annum and is repayable in 8 equal quarterly installments from January 2021 to October 2022.

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Rupees '000	

11. SHORT-TERM BORROWINGS - secured

Short term finance facilities under:		
- Running finance under mark-up arrangement	1,445,807	300,842
- Istisna-cum-Wakala arrangement	4,273,308	500,000
- Finance against Trust Receipts	15,394,564	5,994,863
- Short-term loan from related party	1,000,000	-
	22,113,679	6,795,705

11.1 Facilities available from financial institutions amount to Rs. 24.9 billion (June 30, 2021: Rs. 23.63 billion). The rates of mark-up range between 1 month KIBOR plus 0.85% to 3 months KIBOR plus 3% (June 30, 2021: 6 months KIBOR plus 0.85% to 3 months KIBOR plus 3%) per annum. The balance is secured against ranking hypothecation charge over plant, machinery and equipment and pari passu charge over the current assets and fixed assets of the Company.

11.2 The facilities for opening letters of credit and guarantees as at June 30, 2021 amounted to Rs. 25.43 billion (June 30, 2021: Rs. 16.59 billion) of which the amount remained unutilised at period end was Rs. 4.1 billion (June 30, 2021: Rs. 2.58 billion). Corporate and personal guarantees provided by related parties against LC facility amounted to Rs. 4.3 billion (June 30, 2021: Rs. 4.3 billion) out of which amount remained unutilised at period end was Rs. 4.3 billion (June 30, 2021: Rs. 4.3 billion).

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There has been no significant change during the period in the contingencies reported in the annual financial statements for the year ended June 30, 2021.

12.2 Commitments

Commitments for capital expenditure outstanding as at December 31, 2021 amounted to Rs. 587.79 million (June 30, 2021: Rs. 721.11 million).

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
		Rupees '000

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local sale of goods - note 13.1	32,451,869	28,904,204
Sales tax	(4,576,263)	(4,249,994)
Rebates and discounts	(317,676)	(73,589)
	<u>27,557,930</u>	<u>24,580,621</u>
Exports	4,022,662	836,401
	<u>31,580,592</u>	<u>25,417,022</u>

- 13.1** This includes scrap sale of coil-end sheets net of sales tax amounting to Rs. 1.39 billion (December 31, 2020: Rs. 0.83 billion).

14. SELLING AND DISTRIBUTION COST

This includes freight charges on export sales amounting to Rs. 210.68 million (December 31, 2020: Rs. 25.90 million).

	(Unaudited) December 31, 2021	December 31, 2020
		Rupees '000

15. FINANCE COSTS

Mark-up expense:		
- long-term finance	252,595	430,364
- impact of unwinding on long-term finance	82,480	139,854
- short-term borrowings	574,955	311,095
Interest on Workers' Profits Participation Fund	65,248	-
Guarantee commission	509	2,206
Finance lease charges	2,518	2,212
Exchange loss / (gain)	606,858	(239,241)
Bank and other charges	48,314	57,695
	<u>1,633,477</u>	<u>704,185</u>

		(Unaudited)	
		December 31,	December 31,
		2021	2020
		Rupees '000	
16. INCOME TAX EXPENSE			
Current			
- for the period	219,197	319,738	
- prior year	-	10,990	
Deferred	(80,286)	601,095	
	<u>138,911</u>	<u>931,823</u>	
17. CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before tax	590,782	3,452,017	
Adjustment for non-cash charges and other items			
Depreciation and amortisation	518,079	416,832	
Finance lease charges	2,518	2,212	
Mark-up charges	827,550	741,459	
Unwinding of long term finance	82,480	139,854	
Provision for staff retirement benefit funds	20,504	17,185	
Return on PLS savings accounts	(19,956)	(11,593)	
Government grant income	(4,517)	-	
Expense for WPPF and WWF	44,115	260,129	
Interest on WPPF	65,248	-	
Gain on disposal of property, plant and equipment	(671)	(344)	
	<u>1,535,350</u>	<u>1,565,734</u>	
Profit before working capital changes	<u>2,126,132</u>	<u>5,017,751</u>	
Effects on cash flow due to change in working capital			
Decrease / (increase) in current assets			
Inventories	(8,413,983)	915,469	
Trade and other receivables	982,699	(1,848,923)	
Loans, advances, deposits and prepayments	(5,944)	272,317	
Tax refunds due from Government - Sales tax	(1,349,009)	959,296	
	<u>(8,786,237)</u>	<u>298,159</u>	
(Decrease) / increase in current liabilities			
Trade and other payables	(3,993,222)	1,594,788	
Net cash (used in) / generated from operations	<u>(10,653,327)</u>	<u>6,910,698</u>	
18. CASH AND CASH EQUIVALENTS			
Cash and bank balances	305,476	324,116	
Short-term borrowings	(21,113,679)	(5,074,975)	
	<u>(20,808,203)</u>	<u>(4,750,859)</u>	

19. TRANSACTIONS WITH RELATED PARTIES

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

			(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
			Rupees '000	
Relationship	Name of company	Nature of transaction		
Associated companies	Arif Habib Corporation Limited	- Finance facility utilised	1,725,000	1,630,000
		- Repayment of finance facility utilised	725,000	1,630,000
		- Long-term loan repaid	14,734	-
		- Mark-up on finance facilities	11,088	11,996
		- Mark-up on finance facilities paid	6,455	22,530
		- Guarantee commission	509	2,206
		- Guarantee commission paid	1,376	2,206
		- Dividend paid	49,422	-
		- Preference dividend converted into ordinary shares	436,371	-
	Arif Habib Limited	- Dividend paid	2,263	-
		- Preference dividend converted into ordinary shares	5,325	-
	Arif Habib Equity (Private) Limited	- Mark-up on finance facilities	-	27,111
		- Dividend paid	444,821	-
		- Preference dividend converted into ordinary shares	497,847	-
	Power Cement Limited	- Purchase of construction material	574	194
		- Payment made against purchase of construction material	221	290
Other related parties	Rotocast Engineering Co. (Private) Limited	- Mark-up on finance facilities	-	96,455
		- Mark-up on finance facilities paid	-	39,710
		- Rent and maintenance	4,503	4,849
		- Rent and maintenance paid	4,503	4,849
		- Mark-up on finance facility paid	-	8,147
	Mr. Arif Habib, Chairman	- Dividend paid	272,186	-
		- Preference dividend converted into ordinary shares	269,524	-
		- Salaries and other employee benefits	13,761	11,422
	Chief Executive Officer, Chief Financial Officer & Company Secretary	- Post retirement benefits	314	283
		- Meeting and other expenses	404	200

20. 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 February 25, 2022.


Chief Financial Officer


Chief Executive


Director



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