



AMRELI STEELS
Building for Life

AMRELI STEELS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024



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ECONOMIC HIGHLIGHTS

FOR THE YEAR ENDED 30 JUNE 2024

Improved Current Account position

Stability in Reserves and strengthening of PKR

The positives in 1 & 2 have its impacts on aggregated national demand

Decline in sales volume by 23%:

- Demand Compression & Price Competition
- PKR Volatility in 1st Half of FY-24
- Election year and Political uncertainty
- Increase in Volumes of Un-graded Steel
- IMF fresh Package & related conditions
- Working Capital Limits



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CURRENT ACCOUNT DEFICIT

Months	Import	Exports	Trade deficit	Remittance	CAD	Ex to Imp ratio
July	4,991	2,706	(2,285)	1,544	(741)	54%
August	5,117	3,081	(2,036)	1,884	(152)	60%
September	4,834	3,029	(1,805)	1,669	(136)	63%
1Q – FY24	14,942	8,816	(6,126)	5,097	(1,029)	59%
October	5,176	3,357	(1,819)	1,626	(193)	65%
November	5,280	3,347	(1,933)	1,868	(65)	63%
December	4,972	3,542	(1,430)	1,795	365	71%
2Q – FY24	15,428	10,246	(5,182)	5,289	107	66%
January	5,575	3,363	(2,212)	1,899	(313)	63%
February	5,068	3,209	(1,859)	2,019	160	60%
March	5,408	3,221	(2,187)	2,659	472	62%
3Q – FY24	16,051	9,793	(6,258)	6,577	319	61%
April	5,282	3,280	(2,002)	2,501	499	62%
May	5,897	3,688	(2,209)	1,961	(248)	63%
June	5,675	3,081	(2,594)	2,281	(313)	54%
4Q – FY24	16,854	10,049	(6,805)	6,743	(62)	60%
Total	63,275	38,904	(24,371)	23,706	(665)	61%
4th Vs 3rd	5%	3%	9%	3%	-119%	

Monthly Averages	
Import USD 5.3 bn (USD 5bn)	Increased by 5.6%
Export USD 3.2 bn (USD 2.9 bn)	Increased by 11.5%
Trade deficit USD 1.9 bn (USD 2.1 bn)	Reduced by 2.6%
Remittances USD 1.9 bn (USD 1.8 bn)	Increased by 6%
CAD USD 5 mn (USD 227 mn)	Reduced by 75%

SUMMARY – JULY – JUNE 2024

- Trade Deficit USD 24.3 bn (Last year USD 25bn) ----- Reduced by 3%
- CAD USD 665 mn (Last year USD 2.7bn) ----- Reduced by 76%

USD VS PKR

Average PKR during 4Q was 279 (3Q FY24: 280). The dollar went up to 305 during the month of Aug-23. However, after crackdown on smuggling and illegal exchange business PKR has gained its value and its now trading at 280.

12 months (July to June-24) average PKR was 286 Vs 239 same period last year recording devaluation of 21% (YoY).

INFLATION

The annual inflation rate in Pakistan clocked at 12.6% in June 2024. The decline in inflation is mainly due to a slowdown in price increase of food and other commodities. Average inflation rate for FY-24 is 24%. In corresponding same period inflation was 31.5%.

INTEREST RATE

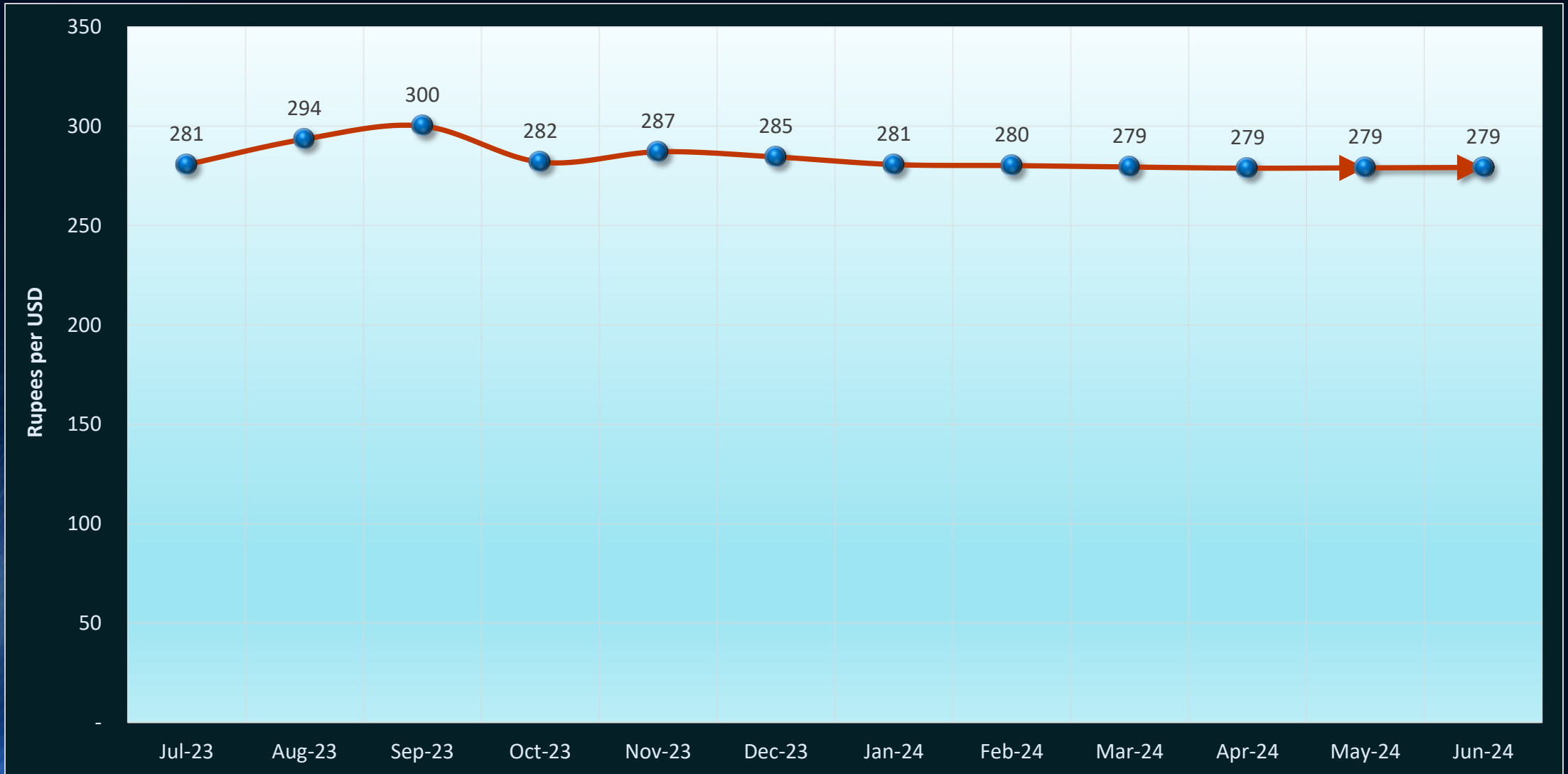
Interest rate Reduced to 20.5% as of June-24 due to lower inflation number. As of today kibar reduced to 15%.

L.S.M

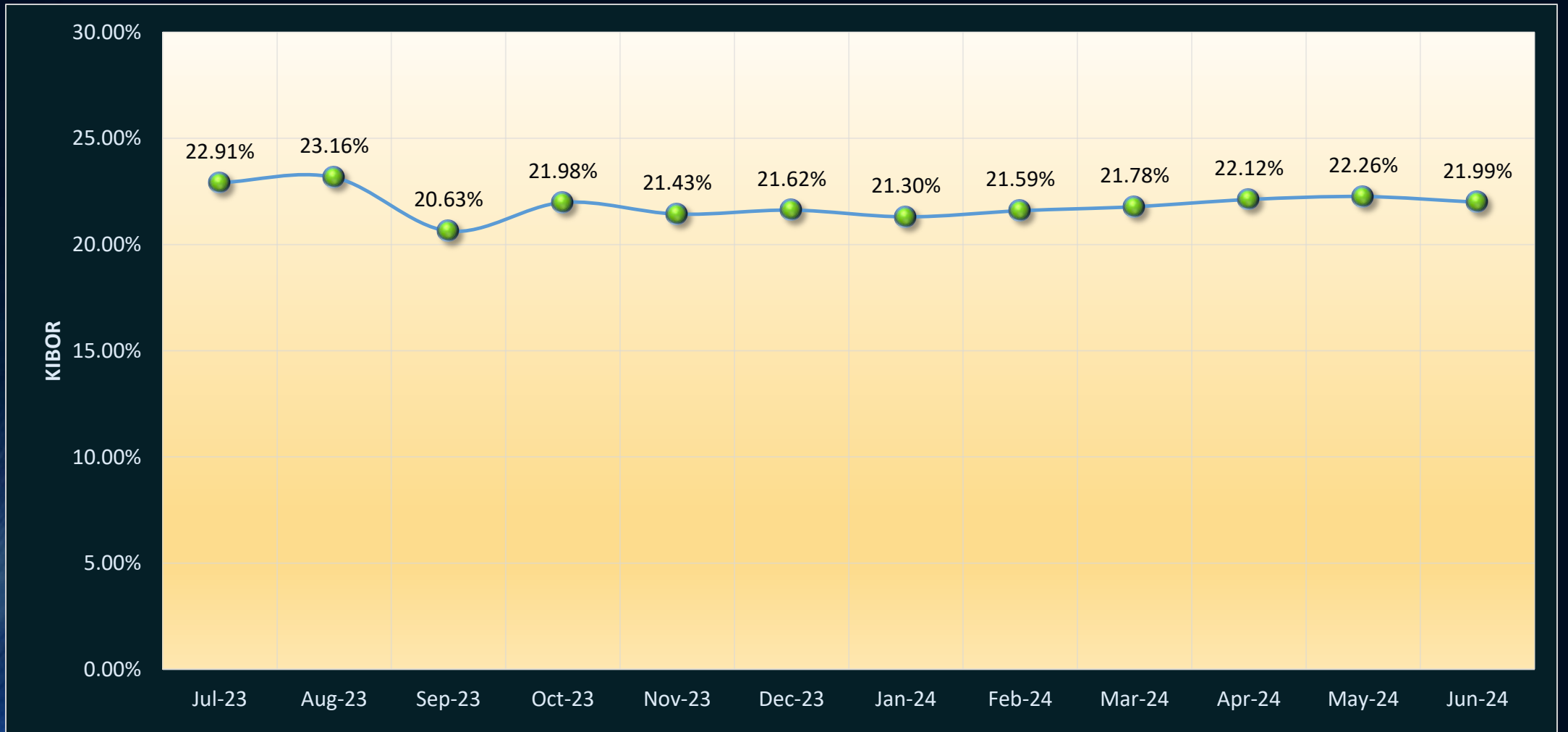
During FY-24, LSM grew by 0.99%.

LSM sector recorded by negative 10.26% in FY-23 (in same period last year it was positive 11.7%)

FOREIGN EXCHANGE RATES



KIBOR & POLICY RATES





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FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2024



Sales

38.78

Billion



Gross Profit

2.40

Billion



Operating loss

0.13

Billion



Net (Loss)

6.11

Billion



Loss per share

LPS

(20.56)

Per share



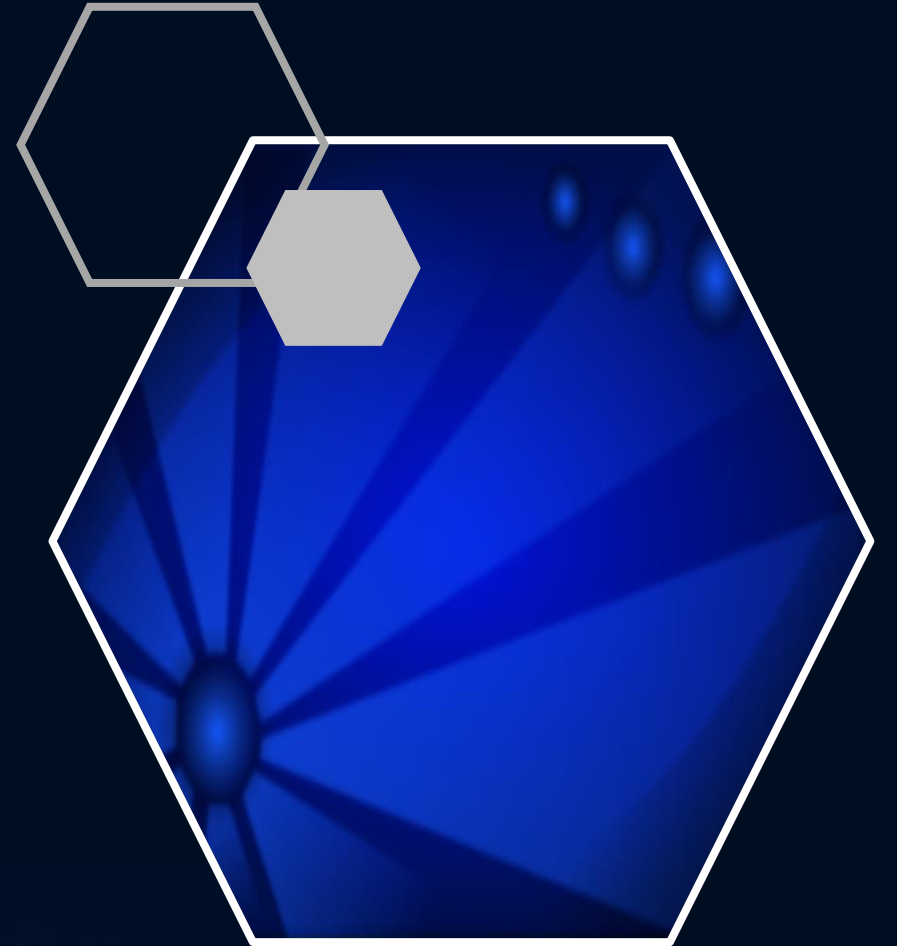
Bars Sold

174,071

MT

MARGINS & EPS

Year / Qtr.	FY 24	FY23	4 th Qtr. FY24	3 rd Qtr. FY24
Gross Profit / (loss)%	6.19	13.09	(18.17)	7.94
Opr. (loss) / Profit%	(0.34)	8.79	(34.09)	3.14
Net (Loss)%	(15.75)	(1.53)	(88.77)	(4.68)
(LPS)	(20.56)	(2.35)	(15.97)	(1.76)



PROFIT OR LOSS STATEMENT

	Year ended 30 June 2024		Year ended 30 June 2023		Qtr. Ended 30 June 2024		Qtr. Ended 31 Mar. 2024	
	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%
Sales	38,775,737	100	45,492,724	100	5,342,089	100	11,182,624	100
Cost of sales	(36,374,311)	93.81	(39,538,794)	86.91	(6,312,544)	118.17	(10,294,339)	92.06
Gross profit	2,401,426	6.19	5,953,930	13.09	(970,455)	18.17	888,285	7.94
Distribution cost	(1,114,552)	2.87	(1,008,778)	2.22	(241,393)	4.52	(319,714)	2.86
Administrative cost	(842,398)	2.17	(751,114)	1.65	(198,568)	3.72	(202,371)	1.81
ECL (Allowance) / Reversal	(379,205)	0.98	(119,602)	0.26	(302,743)	5.67	(47,293)	0.42
Other charges	(199,214)	0.51	(84,097)	0.18	(26,392)	0.49	(49,880)	0.45
Other income	3,156	0.01	8,312	0.02	(81,449)	1.52	82,492	0.74
Operating (loss) / profit	(130,787)	0.34	3,998,651	8.79	(1,821,000)	34.09	351,519	3.14
Finance cost	(4,772,416)	12.31	(4,043,279)	8.89	(1,221,600)	22.87	(1,287,686)	11.52
(Loss) before tax, Min and Final	(4,903,203)	12.65	(44,628)	0.10	(3,042,600)	56.96	(936,167)	8.37
Levy	(488,193)	1.26	(256,558)	0.56	(2,805)	0.05	(1,175)	0.01
(Loss) before taxation	(5,391,396)	13.90	(301,186)	0.66	(3,045,406)	57.01	(937,343)	8.38
Taxation (Expense) / Reversal	(715,327)	1.84	(396,010)	0.87	(1,696,939)	31.77	413,508	3.70
(Loss) after tax	(6,106,723)	15.75	(697,196)	1.53	(4,742,345)	88.77	(523,835)	4.68

RATIO ANALYSIS

	UoM	FY 24	FY 23
PROFITABILITY RATIOS			
Gross profit ratio	Percentage	6.19%	13.09%
Net (Loss) to sales ratio	Percentage	-15.75%	-1.53%
Return on equity	Percentage	-42.9%	-4.8%
INVESTMENT/ MARKET RATIOS			
(Loss) per share	Times	(20.56)	(2.35)
Interest cover	Times	-0.03	2.04
TURNOVER RATIOS			
Total asset turnover	Times	0.83	1.13
Fixed asset turnover	Times	1.29	2.04
LIQUIDITY RATIOS			
		30 JUNE 2024	30 JUNE 2023
Current ratio	Times	0.60 : 1	0.88:1
Quick / acid test ratio	Times	0.33 : 1	0.53:1
Debtor turnover	Days	36	46
Break value per share	Rupees	48	48
CAPITAL STRUCTURE RATIOS			
Long-term debt / equity ratio	Times	0.28 : 1-N/A	0.38:1
Financial leverage ratio	Times	1.54 : 1	1.43:1



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FINANCIAL STATEMENTS





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STATEMENT OF FINANCIAL POSITION

	30 JUNE. 2024		30 JUNE 2023	
Non-Current Assets	-----Rs. '000'-----	%	-----Rs. '000'-----	%
Property, Plant & Equipment	29,955,369	63.96	22,263,497	55.07
Right of use assets	100,238	0.21	135,731	0.34
Intangible assets	3,187	0.01	6,600	0.02
Long term deposits	175,573	0.37	193,717	0.48
Total Non-Current Assets	30,234,367	64.55	22,599,545	55.90
Current Assets				
Stores and spares	2,453,480	5.24	2,609,216	6.45
Stock in-trade	7,162,016	15.29	7,092,139	17.54
Trade debts	2,349,962	5.02	4,973,402	12.30
Loans and advances	60,122	0.13	45,494	0.11
Trade deposits and prepayments	30,034	0.06	20,767	0.05
Shor-term Investment	14,289	0.03	14,289	0.04
Other receivables	988,633	2.11	211,236	0.52
Taxation – net	2,925,252	6.25	2,589,023	6.40
Cash and bank balances	195,444	0.42	271,913	0.67
	16,179,233	34.54	17,827,479	44.10
Non current asset held for sale	423,170	0.90	-	0.00
Total Assets	46,836,770	100.00	40,427,024	100.00

	30 JUNE. 2024		30 JUNE 2023	
	-----Rs. '000'-----	%	-----Rs. '000'-----	%
Share Capital & Reserves	14,226,002	30.37	14,376,185	35.56
Non-Current Liabilities				
Long-term finances	-	0.00	3,704,899	9.16
Long-term provision	-	0.00	5,831	0.01
Loan from related party	124,922	0.27	-	0.00
Deferred taxation	4,946,265	10.56	1,149,001	2.84
Deferred liability	511,949	1.09	452,985	1.12
Lease liabilities	105,818	0.23	121,797	0.30
Government grant	-	0.00	381,564	0.94
Total Non-Current Liabilities	5,688,955	12.15	5,816,077	14.39
Current Liabilities				
Trade and other payables	2,471,417	5.28	4,801,861	11.88
Contract liabilities	437,296	0.93	479,226	1.19
Unclaimed Dividend	5,280	0.01	5,456	0.01
Accrued interest	1,457,719	3.11	800,283	1.98
Short term finance - secured	17,861,957	38.14	11,698,105	28.94
Current maturity of long-term finances	4,002,484	8.55	1,799,680	4.45
Current maturity of long-term provision	282,189	0.60	272,127	0.67
Current portion of government grant	369,161	0.79	27,161	0.07
Current maturity of related party loan	-	0.00	316,333	0.78
Current maturity of right of use assets	34,310	0.07	34,529	0.09
Total Current Liabilities	26,921,813	57.48	20,234,762	50.05
Total Equities and Liabilities	46,836,770	100.00	40,427,024	100.00



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STATEMENT OF CASH FLOWS

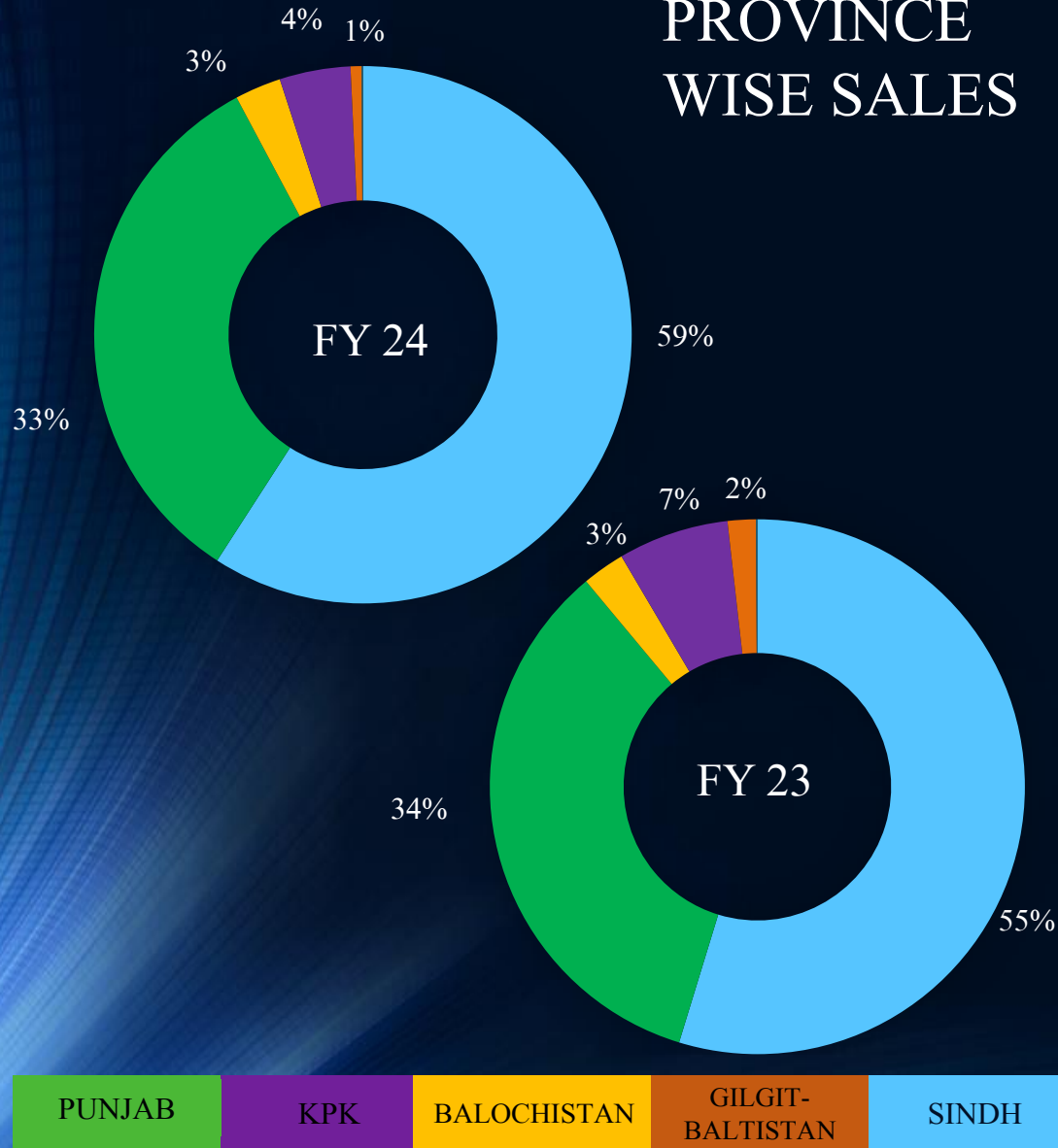
	30 JUNE 2024		30 JUNE 2023
	---Rs.'000---		---Rs.'000---
Cash generated before working capital changes	974,477		4,913,514
Cash generated from operations	151,315		11,563,827
Income taxed paid	(329,302)		(821,178)
Gratuity paid	(54,380)		(32,833)
Long term deposits and loans – net	18,144		10,276
Net cash (used in) / generated from operating activities	(214,223)		10,720,092
Fixed capital expenditure	(513,505)		(1,597,660)
Proceeds from disposal of operating fixed assets	29,009		10,781
Addition to intangible assets	-		(2,347)
Net cash used in investing activities	(484,496)		(1,589,226)
Dividend paid	(178)		(154)
Short-term borrowings – net	4,888,680		(4,887,751)
Long-term financing – net	(1,502,095)		(525,273)
Related party loan	(3,411)		(25,000)
Finance cost paid	(3,997,870)		(3,680,499)
Lease rental paid	(38,048)		(52,730)
Net cash generated from / (used in) financing activities	(652,922)		(9,171,407)
Net (decrease) in cash and cash equivalents	(1,351,640)		(40,542)
Cash and cash equivalent at the beginning of the year	(1,700,884)		(1,660,341)
Cash and cash equivalents at the end of period	(3,052,524)		(1,700,884)



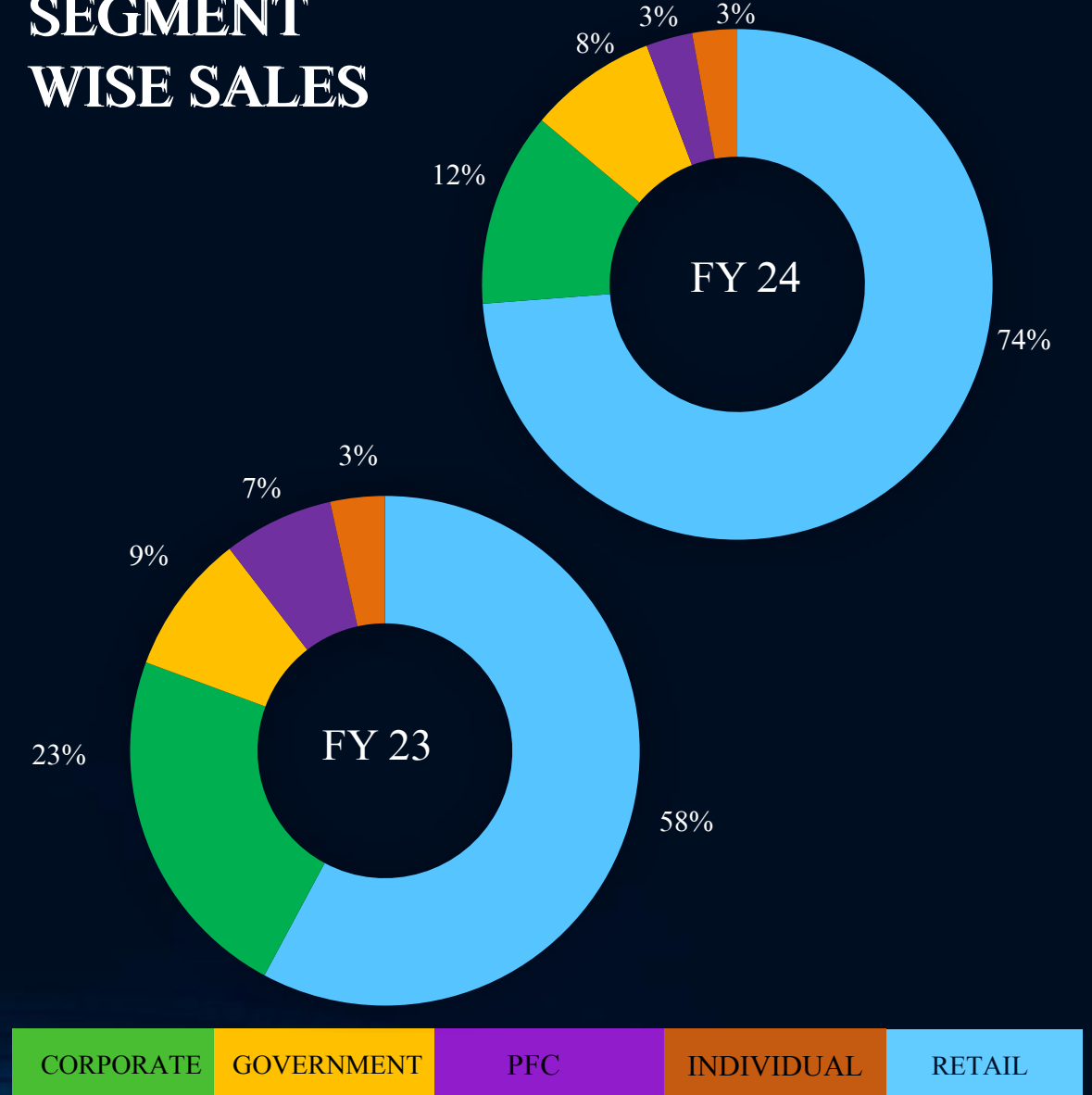
SALES AND PRODUCTION

SALES ANALYSIS

PROVINCE WISE SALES

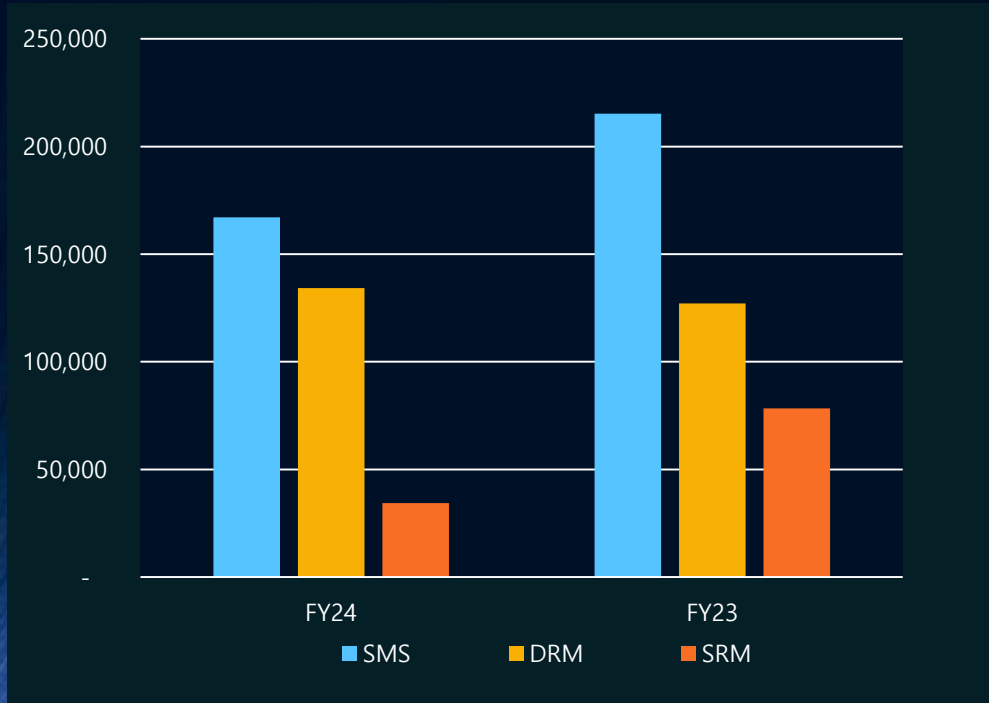


SEGMENT WISE SALES



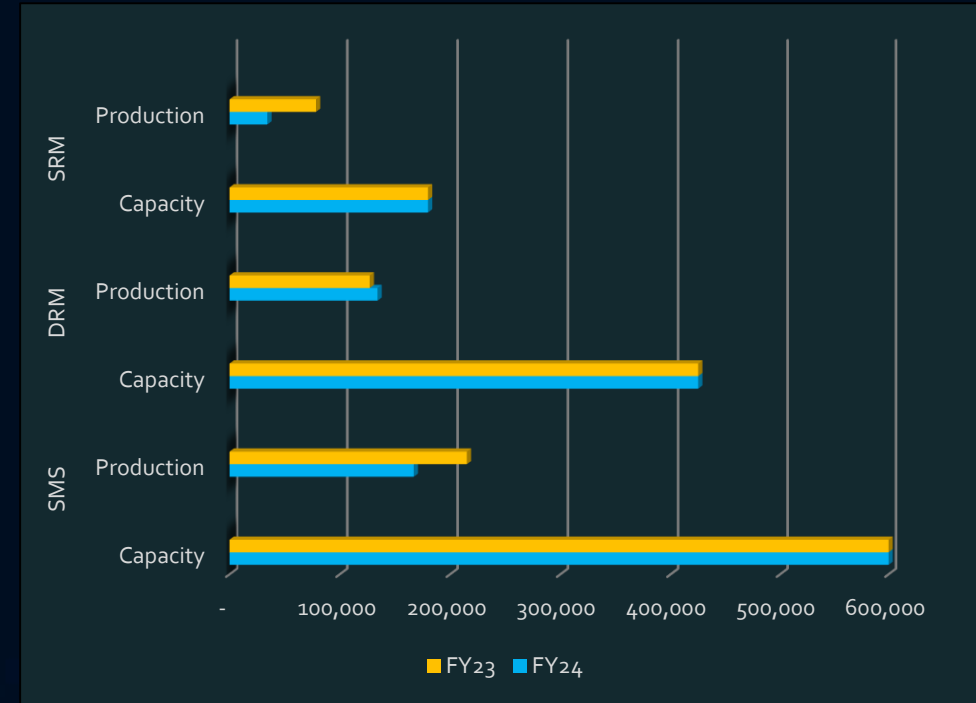
PRODUCTION AND CAPACITY UTILIZATION

PRODUCTION



	SMS		DRM		SRM	
QTY FY 24 (MT)	167,043	22% ↓	134,238	6% ↑	34,301	56% ↓
QTY -FY 23 (MT)	215,230		127,097		78,383	

CAPACITY UTILIZATION



	SMS	DRM	SRM
QTY - FY 24 (MT)	28%	32%	19%
QTY -FY 23 (MT)	36%	30%	44%



FUTURE OUTLOOK

- **In process Financial Restructuring of the Company**
- **Declining Interest rates**
- **Comparatively PKR stability**
- **Demand for construction material to remain slow in near term due to impacted disposable income and increased taxes**
- **IMF monitoring, Fiscal deficit management and related tax drive**
- **Political uncertainty**
- **Global changes and its impact on commodity pricing**

THANK YOU