

AMRELI STEELS LIMITED

**FOR THE NINE MONTHS AND
QUARTER ENDED**

31 MARCH 2024



**AMRELI
STEELS**

TABLE OF CONTENTS

Contents	Page No.
Company Information	02
Directors' Review Report	04
Condensed Interim Statement of Financial Position	06
Condensed Interim Statement of Profit or Loss	07
Condensed Interim Statement of Other Comprehensive Income	08
Condensed Interim Statement of Changes in Equity	09
Condensed Interim Statement of Cash Flows	10
Notes to the Condensed Interim Financial Statements	11
Investors' Education (Jama Punji)	16

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Abbas Akberali	Chairman, Non-Executive Director
Mr. Shayan Akberali	Chief Executive Officer
Mr. Badar Kazmi	Independent Director
Mr. Zafar Ahmed Taji	Independent Director
Mr. Teizoon Kijat	Independent Director
Mr. Hadi Abbas Akberali	Executive Director
Ms. Mariam Akberali	Non-Executive Director

AUDIT COMMITTEE

Mr. Teizoon Kijat	Chairman
Mr. Badar Kazmi	Member
Mr. Zafar Ahmed Taji	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Zafar Ahmed Taji	Chairman
Mr. Teizoon Kijat	Member
Mr. Shayan Akberali	Member

CHIEF OPERATING OFFICER (STRATEGY)

Mr. Hadi Abbas Akberali

CHIEF OPERATING OFFICER (OPERATIONS)

Mr. Fazal Ahmed

CHIEF FINANCIAL OFFICER

Mr. Taha Umer

COMPANY SECRETARY

Mr. Adnan Abdul Ghaffar

HEAD OF INTERNAL AUDIT

Ms. Alina Osama Ali

EXTERNAL AUDITORS

BDO Ebrahim & Co. Chartered Accountants
Lakson Square Building No. 1,
Sarwar Shaheed Road, Karachi, Pakistan.

SHARE REGISTRAR

THK Associates (Pvt) Limited
Plot No. 32-C, Jami Commercial Street - 2, D.H.A.,
Phase -VII, Karachi-75500.
UAN: (021) 111-000-322
Email: sfc@thk.com.pk

CORPORATE ADVISOR

Moore Shekha Mufti
C-253, P.E.C.H.S, Block-6,
Off Shahrah-e-Faisal, Karachi, Pakistan
Tel: 021-34374811-5

LEGAL ADVISOR

Lex Firma
Advocates, Barristers & Legal Consultants
418, Continental Trade Centre, Clifton, Karachi.

BANKERS

Al Baraka Bank Pakistan Limited	MCB Bank Limited
Allied Bank Limited	MCB Islamic Bank Limited
Askari Bank Limited	Meezan Bank Limited
Bank Al Habib Limited	National Bank Limited
Bank of Khyber	Samba Bank Limited
Bank Alfalah Limited	Silk Bank Limited
Bank Islami Pakistan Limited	Soneri Bank Limited
Dubai Islamic Bank Pakistan Limited	Standard Chartered Bank (Pakistan) Limited
Faysal Bank Limited	Bank Makramah Limited (Formerly Summit Bank Limited)
Habib Bank Limited	The Bank of Punjab
Habib Metropolitan Bank Limited	United Bank Limited
JS Bank Limited	

REGISTERED OFFICE

A-18, S.I.T.E, Karachi, Pakistan
UAN: (+92-21) 111-AMRELI (267354)
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SHERSHAH ROLLING MILL (SRM)

D-89, Shershah Road, Karachi, Pakistan

STEEL MELT SHOP (SMS) AND DHABEJI ROLLING MILL (DRM)

Industrial Land, Deh Gharo, Tapo Gharo,
Taluka Mirpur Sakro
(Distt: Thatta), Sindh, Pakistan

SYMBOL AT PAKISTAN STOCK EXCHANGE LIMITED

ASTL

WEBSITE INFORMATION

www.amrelisteels.com

Directors' Review Report For the period ended 31 March 2024

The Board of Directors of Amreli Steels Limited presents an overview of the Company's financial and operational performance for the nine-month period concluded on 31 March 2024. Throughout the third quarter of this fiscal year, your Company continued to navigate through a similarly challenging economic landscape marked by various macroeconomic imbalances, as previously documented in our semi-annual interim report.

Throughout this quarter, the construction industry, particularly the steel sector, has encountered significant hurdles. These include subdued demand during the general elections in February 2024, escalating borrowing costs, persistent rises in energy prices inflating production costs, smuggling activities affecting the steel market, restrained consumer spending, obstacles to infrastructure projects, and disruptions to trade routes due to the Red Sea crisis. These combined factors have presented formidable obstacles to sustainable steel manufacturing operations nationwide. It is evident that economic reforms and regulatory enhancements are imperative to foster an environment conducive to investment and growth within the steel sector, which is currently struggling for survival.

Company Performance

An analysis of the key financial indicators of the Company for the nine months' period and quarter ended 31 March 2024, compared with the corresponding period last year, is tabulated below:

	Nine months Ended 31 March 2024 (Rs. in million)	Nine months Ended 31 March 2023 (Rs. in million)	Quarter Ended 31 March 2024 (Rs. in million)	Quarter Ended 31 March 2023 (Rs. in million)
Net Sales	33,433	34,697	11,182	11,666
Gross Profit	3,371	4,549	888	2,107
Operating Profit	1,690	3,079	351	1,538
Finance Costs	(3,550)	(2,950)	(1,287)	(991)
(Loss)/ profit before taxation	(1,860)	129	(936)	546
(Loss)/ profit after taxation	(1,300)	290	(665)	475
(Loss)/ earnings per share - basic and diluted - (Rs.)	(4.38)	0.98	(2.24)	1.60

Despite the grim economic environment, your Company achieved sales of Rs.33.4 billion during the nine-month period under review, marking a decline of 3.64% compared to the same period in the preceding year. However, the gross profit decreased by Rs.1,178 million (compared to the previous year), plummeting from 13.11% to 10.09% due to decline in volumes, increased costs and the inability to pass on these costs to the customers due to a severe demand contraction. During the third quarter, sales were recorded at Rs.11.1 billion, reflecting a decline of 4.14% compared to the same period in the preceding year. The gross margin for this quarter witnessed a stark decline to 7.94% as compared to 18.06% in the corresponding quarter last year, primarily attributed to low steel demand amidst economic turmoil and political instability.

Financial charges remained notably high, totaling Rs.3,550 million for the nine-month period, primarily due to increased average interest rates from 16.4% to 23.2%. Consequently, the Company incurred a net loss of Rs.1,300 million for the nine-month period. This contrasts sharply with the Rs.290 million profit reported in the corresponding period of the previous year, underscoring the magnitude of the challenges encountered.

Future Outlook

The World Bank's latest Pakistan Development Update forecasts a meager economic growth of 1.8% for the current fiscal year due to stringent monetary and fiscal policies, import management measures, and tepid economic activity. The growth rate for FY-25 is projected to be 2.4%. The Asian Development Bank's April 2024 report underscores the significant challenges facing Pakistan's economy, including the lingering effects of past floods, political uncertainty, and policy lapses. However, the report indicates gradual recovery, with GDP growth projected to reach 1.9% in fiscal year 2024, driven by economic reforms and easing inflationary pressures.

In the backdrop of the current economic scenario, experts anticipate that the large-scale manufacturing sector will maintain its sluggish pace over the remaining months of FY-24. Several factors contribute to this forecast, including lack of significant driving forces to propel activity in major industries. This predicts adverse effects on demand for building materials, potentially delaying projects amidst rising costs and inflation.

The escalating tensions in the Gulf region have significant implications for Pakistan's industries. These tensions pose a risk of trade route disruptions and energy supply disturbances, directly impacting industries such as steel, which rely on imported raw materials.

Amidst these complexities, devising long-term strategies becomes daunting, as no positive indications are discernible. Industry leaders are compelled to make ad-hoc decisions due to the daily fluctuations in the business landscape which is influenced by politics, economics, and other uncontrollable factors. In response, industry stakeholders maintain vigilance and adaptability by implementing strategic measures to enhance resilience and seize emerging opportunities.

As we conclude this report, the Board acknowledges the significant challenges your Company has been currently navigating. We extend sincere appreciation to the management team for their steadfast commitment during these testing times. We also express gratitude to our stakeholders, including shareholders, customers, financial partners, employees, and suppliers, for their continued support. Despite the financial losses reported by the Company, the Board remain resolute in its commitment to surmount these challenges and guide the Company towards a trajectory of recovery and enduring prosperity.

For & on behalf of the Board of Directors



Shayan Akberali
Chief Executive Officer



Teizoon Kisat
Director

26 April 2024
Karachi

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

		31 March 2024 (Un-audited)	30 June 2023 (Audited)
		----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	21,594,980	22,263,497
Right-of-use-asset		110,285	135,731
Intangible assets		3,745	6,600
Long-term investments		14,289	14,289
Long-term deposits and loans		192,728	193,717
		<u>21,916,027</u>	<u>22,613,834</u>
CURRENT ASSETS			
Stores and spares		2,177,920	2,604,137
Stock-in-trade	6	8,286,136	7,097,218
Trade debts	7	4,960,141	4,973,402
Loans and advances		93,532	45,494
Trade deposits and short-term prepayments		21,829	20,767
Other receivables		215,907	211,236
Taxation – net		2,340,269	2,333,729
Cash and bank balances		235,815	271,913
		<u>18,331,549</u>	<u>17,557,896</u>
TOTAL ASSETS		<u><u>40,247,576</u></u>	<u><u>40,171,730</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		2,970,114	2,970,114
Capital reserve		2,788,742	2,788,742
Revenue reserves – accumulated profit		4,059,080	5,250,225
Actuarial loss on gratuity fund		(89,629)	(89,629)
Revaluation surplus on property, plant and equipment		3,411,040	3,642,789
		<u>13,139,347</u>	<u>14,562,241</u>
NON-CURRENT LIABILITIES			
Long-term financing		2,523,023	3,704,899
Long-term provision		151,433	146,863
Loan from related parties	9	142,118	-
Deferred taxation		46,559	1,028,172
Deferred liability - defined benefit obligation		512,546	452,985
Lease liabilities		117,859	121,797
Government grant		342,611	381,564
		<u>3,836,149</u>	<u>5,836,280</u>
CURRENT LIABILITIES			
Trade and other payables	10	3,122,526	4,979,403
Contract liabilities		462,692	479,226
Interest / markup accrued		1,255,273	800,284
Short-term borrowings		16,588,571	11,331,137
Current portion of long-term financing	11	1,762,793	1,799,680
Current portion of lease liabilities		41,075	34,529
Current portion of government grant		33,870	27,161
Current portion of loan from related parties		-	316,333
Unclaimed dividend		5,280	5,456
		<u>23,272,080</u>	<u>19,773,209</u>
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		<u><u>40,247,576</u></u>	<u><u>40,171,730</u></u>

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
(UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2024**

	Note	Nine-months ended		Quarter-ended	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
		----- (Rupees in '000) -----			
Sales		33,433,648	34,697,823	11,182,624	11,666,940
Cost of sales		(30,061,767)	(30,148,298)	(10,294,339)	(9,559,890)
Gross profit		3,371,881	4,549,525	888,285	2,107,050
Distribution costs		(873,158)	(745,398)	(319,714)	(246,353)
Administrative expenses		(643,830)	(526,460)	(202,370)	(191,834)
Provision of expected credit loss		(76,462)	(155,075)	(47,293)	(102,535)
Other expenses		(116,311)	(55,011)	6,631	(33,663)
Other income	13	28,093	12,400	25,980	5,502
Operating profit		1,690,213	3,079,981	351,519	1,538,167
Finance costs		(3,550,815)	(2,950,535)	(1,287,686)	(991,563)
(Loss)/profit before taxation		(1,860,602)	129,446	(936,167)	546,604
Taxation	14	560,458	161,523	270,364	(70,891)
(Loss)/profit for the period		(1,300,144)	290,969	(665,803)	475,713
		----- (Rupees) -----			
(Loss)/earnings per share – basic and diluted		(4.38)	0.98	(2.24)	1.60

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2024**

	Nine-months ended		Quarter-ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	----- (Rupees in '000) -----			
Net (loss) / profit for the period	(1,300,144)	290,969	(665,803)	475,713
Other comprehensive (loss)/ income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	(1,300,144)	290,969	(665,803)	475,713

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2024**

	Capital reserve	Revenue reserve	Actuarial loss on gratuity fund	Revaluation surplus on property, plant and equipment	Total	
	Share premium	Accumulated profit				
------(Rupees in '000)-----						
Balance as at 30 June 2022 (Audited)	2,970,114	2,788,742	5,865,799	(75,607)	3,705,660	15,254,708
Net profit for the period	-	-	290,969	-	-	290,969
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the period	-	-	290,969	-	-	290,969
Transferred to accumulated profit in respect of: -incremental depreciation during the period – net of tax	-	-	51,791	-	(51,791)	-
Balance as at 31 March 2023 (Un-audited)	2,970,114	2,788,742	6,208,559	(75,607)	3,653,869	15,545,677
Balance as at 30 June 2023 (Audited)	2,970,114	2,788,742	5,250,225	(89,629)	3,642,789	14,562,241
Net loss for the period	-	-	(1,300,144)	-	-	(1,300,144)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(1,300,144)	-	-	(1,300,144)
Transferred to accumulated profit in respect of: -incremental depreciation during the period – net of tax -deficit on revaluation of land -deletion of land	-	-	46,999	-	(46,999)	-
	-	-	-	-	(122,750)	(122,750)
	-	-	62,000	-	(62,000)	-
Balance as at 31 March 2024 (Un-audited)	2,970,114	2,788,742	4,059,080	(89,629)	3,411,040	13,139,347

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS ENDED 31 MARCH 2024

	31 March 2024	31 March 2023
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(1,860,602)	129,446
Adjustments for:		
Depreciation on:		
- Operating fixed assets	755,653	684,826
- Right-of-use assets	30,100	32,802
Amortization	2,855	5,996
Bad debts written off	(3,997)	(8,899)
Provision of expected credit loss	76,461	155,075
Provision for gratuity	90,826	69,253
Reversal of provision for GIDC	4,569	-
Gain on disposal of operating fixed assets	(25,783)	(5,466)
Finance costs	3,537,537	2,935,690
Unrealized exchange loss	(19,805)	(1,336)
Interest expenses on leases	13,278	14,845
	<u>4,461,694</u>	<u>3,882,786</u>
	2,601,092	4,012,232
Increase/ (Decrease) in current assets:		
Stores and spares	426,217	385,705
Stock-in-trade	(1,188,919)	1,044,226
Trade debts	(59,202)	756,816
Loans and advances	(48,038)	3,262
Trade deposits and short-term prepayments	(1,061)	7,778
Other receivables	(4,671)	(724,514)
	<u>(875,674)</u>	<u>1,473,273</u>
(Increase)/ Decrease in current liabilities:		
Trade and other payables	(3,187,377)	(406,928)
Contract liabilities	(16,534)	(357,827)
Cash (used in)/ generated from operating activities	<u>(1,478,493)</u>	<u>4,720,750</u>
Income taxes paid	(427,695)	(565,365)
Gratuity paid	(31,265)	(27,746)
Long-term deposits – net	989	(62,544)
Net Cash (used in) / generated from operating activities	<u>(1,936,464)</u>	<u>4,065,095</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(461,098)	(1,250,858)
Proceeds from disposal of operating fixed assets	195,129	9,802
Additions to intangible assets	-	(2,347)
Net cash used in investing activities	<u>(265,969)</u>	<u>(1,243,403)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(175)	(148)
Short-term borrowings – net	5,317,077	(1,687,961)
Long-term financing – net	(1,251,007)	(82,563)
Loan from director	(174,215)	(25,000)
Finance cost paid	(3,000,252)	(2,630,054)
Lease rentals paid	(15,325)	(39,864)
Net cash generated from / (used in) financing activities	<u>876,103</u>	<u>(4,465,590)</u>
Net decrease/ in cash and cash equivalents	<u>(1,326,330)</u>	<u>(1,643,898)</u>
Cash and cash equivalents at the beginning of the period	<u>(1,700,884)</u>	<u>(1,160,341)</u>
Cash and cash equivalents at the end of the period	<u>(3,027,214)</u>	<u>(2,804,239)</u>

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2024

1. THE COMPANY AND ITS OPERATIONS

Amreli Steels Limited (the Company) was incorporated in 1984 as a private limited company and converted into a public unquoted company in 2009. The Company enlisted on Pakistan Stock Exchange in 2015. The Company is 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.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the company 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:

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

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

These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2023. These condensed interim financial statements are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017

3. BASIS OF PREPARATION

- 3.1 These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.
- 3.2 These financial statements are prepared in Pak Rupees, which is the Company's functional and presentation currency.

4. ACCOUNTING POLICIES AND ACCOUNTING STANDARDS

The accounting policies and the methods of computations adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual audited financial statements for the year ended June 30, 2023.

New standards, amendments, improvements to approved accounting standards and the framework for financial reporting.

4.1 Amendments to approved accounting standards and the framework for financial reporting that became effective during the current year

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

4.2 Standards, amendments and improvements to the approved accounting standards that are not yet effective

There were certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

	Note	31 March 2024 (Un-audited)	30 June 2023 (Audited)
----- (Rupees in '000) -----			
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets		19,813,659	20,632,188
Capital work-in-progress		1,781,321	1,631,309
		<u>21,594,980</u>	<u>22,263,497</u>

	Note	31 March 2024 (Un-audited)	30 June 2023 (Audited)
----- (Rupees in '000) -----			
5.1 Operating fixed assets			
Balance at the beginning of the period / year		20,632,188	19,791,171
Additions during the period / year		34,090	109,880
Transfer from CWIP during the period / year	5.2	277,425	1,663,740
Revaluation during the period / year		(122,750)	-
Disposals during the period / year	5.1.1	(251,641)	(11,857)
Depreciation charged during the period / year		(755,653)	(920,746)
Balance at the end of the period / year		<u>19,813,659</u>	<u>20,632,188</u>

5.1.1 Details of additions and disposals are as follows:

		Additions (cost)		Deletions (Net book value)	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
		----(Un-audited)----	-----	----(Un-Audited)----	-----
----- (Rupees in '000) -----					
Leasehold land	5.1.2	-	-	250,000	-
Buildings on leasehold land		39,580	68,214	-	-
Plant and machinery		224,584	156,172	-	214
Furniture and fittings		10,337	1,110	-	30
Office equipment		10,778	6,961	-	788
Vehicles		7,932	52,729	1,211	2,754
Computers		18,304	13,262	430	550
		<u>311,515</u>	<u>298,448</u>	<u>251,641</u>	<u>4,336</u>

5.1.2 Represents return of land to a related party due to mutually consented annulment of purchase agreement during the current period against the outstanding deferred payment of Rs. 188,000 and markup payable on said payment of Rs. 82,295. For further details refer notes 13 to these financial statements.

5.2 Capital work-in-progress

	Opening balance	Additions	Transfers to operating fixed assets	Closing balance
Un-audited				
----- (Rupees in '000) -----				
Leasehold land	120,000	-	-	120,000
Plant and machinery	1,240,402	383,578	(241,391)	1,382,589
Civil works	270,907	43,859	(36,034)	278,732
	<u>1,631,309</u>	<u>427,437</u>	<u>(277,425)</u>	<u>1,781,321</u>

6. STOCK-IN-TRADE

	31 March 2024 (Un-audited)	30 June 2023 (Audited)
----- (Rupees in '000) -----		
Raw materials		
- In hand	2,950,340	1,911,763
- In transit	1,419,443	1,485,233
	<u>4,369,783</u>	<u>3,396,996</u>
Work-in-process	1,000,565	967,718
Finished goods	2,915,788	2,732,504
	<u>8,286,136</u>	<u>7,097,218</u>

		31 March 2023 (Un-audited)	30 June 2023 (Audited)
		----- (Rupees in '000) -----	
7.	TRADE DEBTS - unsecured		
	Note		
	Considered good	4,960,141	4,973,402
	Considered doubtful	<u>370,178</u>	<u>297,714</u>
		5,330,319	5,271,116
	Allowance for expected credit loss	<u>(370,178)</u>	<u>(297,714)</u>
	Trade debts - net	<u><u>4,960,141</u></u>	<u><u>4,973,402</u></u>
7.1	It includes receivable from related parties amounting to Rs. 2.68 million (30 June 2023: Rs. 4.91 million)		
7.2	Allowance for expected credit loss		
	The movement in expected credit loss during the year is as follows:		
	Balance at the beginning of the period/year	297,714	187,011
	Charge for the period/year	76,461	119,602
	Write off during the period/year	<u>(3,997)</u>	<u>(8,899)</u>
	Balance at end of the period/year	<u><u>370,178</u></u>	<u><u>297,714</u></u>
8	OTHER RECEIVABLE		
	It included the sales tax receivable amounting to Rs. 215.38 (30 June 2023: Rs. 210.43 million)		
9	LOAN FROM RELATED PARTY		
	Represents long term loan obtained from related party during the year at a rate of 3 month KIBOR and is repayable on December 31, 2027. The loan was obtained to meet the financial needs of the Company.		
10	TRADE AND OTHER PAYABLES		
	It includes foreign trade creditors amounting to Rs.280 million (30 June 2023: Rs.3,384 million).		
		31 March 2024	30 June 2023
		----- (Rupees in '000) -----	
11	SHORT-TERM BORROWINGS - secured		
	Cash Finance	885,297	766,716
	Finance against trust receipts	8,019,425	3,580,724
	Running finance	3,263,029	1,972,797
	Istisna	4,217,420	3,606,900
	Short term loan	<u>203,400</u>	<u>1,404,000</u>
		<u><u>16,588,571</u></u>	<u><u>11,331,137</u></u>
12	CONTINGENCIES AND COMMITMENTS		
12.1	Contingencies		
	There were no material changes in the status of contingencies as reported in the annual financial statements for the year ended 30 June 2023.		
		31 March 2023	30 June 2023
		(Un-audited) (Audited)	
		----- (Rupees in '000) -----	
12.2	Commitments		
12.2.1	Outstanding letters of credit		
	-Materials	3,138,895	5,564,811
	-Capex	<u>21,035</u>	<u>356,567</u>
		<u><u>3,159,930</u></u>	<u><u>5,921,378</u></u>
12.2.2	Outstanding letters of guarantee	<u><u>487,855</u></u>	<u><u>486,356</u></u>
12.2.3	Commitments for rentals payable under Ijarah contracts in respect of vehicles and plant and machinery with Islamic banks are as follows:		
	Not later than one year	<u><u>33,849</u></u>	<u><u>40,043</u></u>
	Later than one year but not later than five years	<u><u>1,428</u></u>	<u><u>24,461</u></u>

13 OTHER INCOME

Includes gain on disposal of Rs 20,295 on return of land to a related party due to mutually consented annulment of purchase agreement during the current period against the outstanding deferred payment and markup payable on said payment.

	Nine-months ended		Quarter ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	(Un-audited)		(Un-audited)	
	----- (Rupees in '000) -----			
14 TAXATION				
Current	(421,154)	(217,018)	(143,144)	70,946
Deferred	981,612	378,541	413,508	(141,837)
	<u>560,458</u>	<u>161,523</u>	<u>270,364</u>	<u>(70,891)</u>

15 CASH AND CASH EQUIVALENTS

	31 March 2024		31 March 2023	
	(Un-audited)			
	----- (Rupees in '000) -----			
Cash and bank balances			235,815	270,960
Running finance			(3,263,029)	(3,140,199)
Short-term Investments			-	65,000
			<u>(3,027,214)</u>	<u>(2,804,239)</u>

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2023. There have been no change in any risk management policies since the year end.

17 FAIR VALUE OF FINANCIAL INSTRUMENTS

There were no transfers amongst levels during the period.

18 TRANSACTION WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, directors, shareholders, key management personnel and retirement benefit fund. Details of transactions with related parties during the period, other than those disclosed elsewhere in these condensed interim financial statements are as follows:

Nature of transaction	Relationship with the company	Nine-months ended		Quarter Ended	
		2024	31 March 2023	2024	31 March 2023
		(Un-audited)		(Un-audited)	
		----(Rupees in '000)----		----(Rupees in '000)----	
Meeting fee	Directors	3,350	2,525	-	825
Remuneration and other benefits	Key management personnel	395,101	342,461	-	100,073
Sale of vehicles	Key management personnel	-	1,762	-	-
Interest expense charged on loan from related party	Chairman, Non-Executive Director and shareholder	26,281	43,342	-	17,144
Contribution to staff gratuity fund	Retirement benefit fund	90,826	69,253	-	23,084
Sales of goods	Shareholder	5,717	7,110	-	-
Payment of interest on related parties loan	Director and shareholder	26,923	10,966	-	-
Purchases	Associate	964	194	-	76
Payment of office security deposit	Associate	-	3,398	-	-
Donation to related parties	Associate	524	3,500	-	-
Payment for rented office	Shareholder	-	18,894	-	-
Reversal of payable to related party due to annulment of purchase agreement of land	Shareholder	188,000	-	188,000	-
Reversal of mark payable on payment to related party due to annulment of purchase agreement of land	Shareholder	82,295	-	82,295	-

18.1 All the transactions with related parties are entered in accordance with the terms of agreement as approved by Board of Directors of the Company.

19 OPERATING SEGMENTS

These condensed interim financial statements have been prepared on the basis of a single reportable segment.

All non-current assets of the Company as at 31 March 2024 and 2023 are located in Pakistan.

Revenue from export sales represents 0.29% (31 March 2023 : 0.11%) of the total gross revenue of the Company.

Sales made by the Company to its 20 major customers during the period constituted 15% (March 31, 2023: 34%) of total sales.

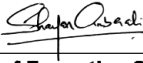
20 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 26 April 2024 by the Board of Directors of the Company.

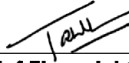
21 GENERAL

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

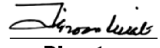
21.2 Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of comparison.



Chief Executive Officer



Chief Financial Officer



Director

Investors' Education

In pursuance of SRO 924(1)/2015 dated September 9th, 2015 issued by the Securities and Exchange Commission of Pakistan (SECP), the following informational message has been reproduced to educate investors.

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