

1st Quarterly Report September 30, 2021

# Inspiring Excellence through Strength



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# CORPORATE INFORMATION

## Board of Directors

Mr. Nasim Beg	Chairman
Mr. Muhammad Kashif Habib	Chief Executive
Mr. Samad A. Habib	
Mr. Syed Salman Rashid	
Mr. Anders Paludan-Müller	
Mr. Javed Kureishi	
Ms. Saira Nasir	

## Audit Committee

Ms. Saira Nasir	Chairperson
Mr. Samad A. Habib	Member
Mr. Syed Salman Rashid	Member

## HR & Remuneration Committee

Mr. Javed Kureishi	Chairman
Mr. Muhammad Kashif Habib	Member
Mr. Syed Salman Rashid	Member

## Chief Financial Officer & Company Secretary

Mr. Tahir Iqbal

## Chief Operating Officer

Mr. Ahsan Anis

## External Auditors

A.F. Ferguson & Co. Chartered Accountants

## Legal Advisor

HaiderMota & Co.  
Advocates

Mr. Asad Iftikhar

## Share Registrar

CDC Share Services Limited  
CDC House, 99-B, Block-B, SMCHS, Main  
Shahrah-e-Faisal, Karachi – 74400

## Bankers / Lenders of the Company

### Local Banks / DFIs

Allied Bank Limited  
Al Baraka Bank (Pakistan) Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Bankislami Pakistan Limited  
Dubai Islamic Bank (Pakistan) Limited  
Faysal Bank Limited  
First Credit & Investment Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
National Bank of Pakistan  
Pak Oman Investment Company Limited  
The Bank of Punjab  
The Bank of Khyber  
Summit Bank Limited  
Samba Bank Limited  
United Bank Limited

### Foreign Banks / DFIs

DEG - Deutsche Investitionsund  
Entwicklungsgesellschaft mbH - Germany  
The OPEC Fund for International Development  
("OFID") - Austria  
Islamic Corporation for the Development  
of the Private Sector ("ICD") - Saudi Arabia

### Registered Office

Arif Habib Centre, 23, M.T. Khan Road, Karachi

### Factory

Nooriabad Industrial Area, Deh Kalo, Kohar,  
District Jamshoro, Sindh

### Website:

[www.powercement.com.pk](http://www.powercement.com.pk)

### Contact number

021-32468231-32  
021-32468350-51

### Fax number

021-32463209

# DIRECTORS' REVIEW

The Directors of your Company present herewith their review along with the un-audited Condensed Interim Financial Information for the first quarter ended September 30, 2021.

## INDUSTRY OVERVIEW

The Cement industry sales volume declined by 5.7 percent to 12.9 million tons during the period under review as compared to 13.6 million tons during the same period last year. The domestic dispatches registered a growth of 3.9 percent to 11.3 million tons during the period under review as compared to 10.9 million tons during the same period last year. The exports, however, registered a decline of 43.6 percent to 1.54 million tons from 2.74 million tons during the same period last year.

The domestic sales volume in the South Zone, where your Company is situated increased by 29% to 1.79 million tons during the period under review as compared to 1.39 million tons during the same period last year. However, the export sales volume decreased

by 45% to 1.16 million tons as compared to 2.12 million tons during the same period last year. As a result, the South Zone closed at a total dispatch of 2.95 million tons.

In the North Zone, the domestic sales volume more or less remained the same, however the export sales volume declined by 37.7%. As a result, the North Zone recorded a net decline of 2%.

## BUSINESS PERFORMANCE

### Production & Sales Volume Performance:

The production and sales volume statistics of your Company for the first quarter ended September 30, 2021 together with the corresponding period is as under:

Particulars	First quarter ended		
	September 30 2021	September 30 2020	Variance %
	<b>Tons</b>		
Cement production	<b>344,433</b>	376,516	(9) %
Clinker production	<b>605,843</b>	546,738	<b>11 %</b>

Particulars	First quarter ended		
	September 30 2021	September 30 2020	Variance %
	<b>Tons</b>		
Cement / clinker dispatches (Local)	<b>429,337</b>	308,270	39 %
Cement dispatches (Export)	<b>1,046</b>	85,850	<b>(99) %</b>
Clinker dispatches (Export)	<b>184,350</b>	180,027	<b>2 %</b>
<b>Total</b>	<b>614,733</b>	574,147	<b>7 %</b>

The production of clinker increased by 59,105 metric tons, however the cement production declined by 32,083 metric tons. The capacity utilization of clinker stood at 75% as compared to 68% of the corresponding period.

## Financial performance

An analysis of the key financial results of your Company for the first quarter ended September 30, 2021 is as under:

Particulars	First quarter ended	
	September 30 2021	September 30 2020
	Rupees in '000	
Net sales revenue	4,113,790	3,258,446
Gross profit	836,664	667,801
Loss after tax	(190,408)	(170,776)
Loss per share (Rupee)	(0.23)	(0.17)

### Net Sales Revenue

The net sales revenue increased by 26% in line with increase in local sales volumes – 429,337 tons as compared to 308,270 tons during the corresponding period. However, the exports remained under pressure primarily due to unprecedented high freights and swelled production costs owing to the ever increasing coal prices.

### Gross Profit

The Gross Margin of the Company remained the same at 20% as compared to the corresponding period.

### Net Loss

The Company suffered a net loss primarily due to exchange loss suffered on account of depreciated PKR.

### FUTURE OUTLOOK

Construction package announced by the Federal Government, including Naya Pakistan Housing scheme, coupled with overall effective management of COVID by the Government, significant reduction in policy rate and multiple incentive schemes (subsidized Housing Finance, Long Term loans for new plants/Expansion/BMR) have seeded the groundwork for robust economic growth and suggests a positive outlook for the Cement Industry in Pakistan. However, the escalation in current account deficit and downward pressure on currency present downside risks to growth outlook.

In order to boost liquidity and profitability, the Management of your Company is focused on cost control measures and has adopted strategies accordingly. Your Company is working in all relevant areas including use of alternative fuels, however, the ever swelling input costs continue to pose a serious challenge.

### ACKNOWLEDGEMENT

The Directors are grateful to the Company's stakeholders for their continuing confidence and patronage. We wish to place on record our appreciation and thanks for the faith and trust reposed by our Shareholders, Business Partners, Bankers and Financial Institutions. We thank the Ministry of Finance, Ministry of Industries & Production, the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan, the Competition Commission of Pakistan, Central Depository Company of Pakistan and the Management of Pakistan Stock Exchange for their continued support and guidance which has gone a long way in giving present shape to the Company.

The results of an organization are greatly reflective of the efforts put in by the people who work for and with the Company. The Directors fully recognize the collective contribution made by the employees of the Company and its contractors towards the successful completion of expansion project. We also appreciate the valuable contribution and active role of the members of the audit and other committees in supporting and guiding the management on matters of great importance.



**Muhammad Kashif Habib**  
Chief Executive Officer

Karachi: October 29, 2021



**Nasim Beg**  
Chairman

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION UNAUDITED

AS AT SEPTEMBER 30, 2021

	(Unaudited) September 30, 2021 (Rupees in '000)	(Audited) June 30, 2021
Note		
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Share capital</b>		
9		
Ordinary shares	10,634,144	10,634,144
Cumulative preference shares	2,445,853	2,445,853
	<b>13,079,997</b>	<b>13,079,997</b>
<b>Reserves</b>		
<b>Capital Reserve</b>		
Share premium	739,493	739,493
Hedging reserve	189,282	-
<b>Revenue Reserves</b>		
Accumulated loss	(3,264,983)	(3,074,575)
	<b>10,743,789</b>	<b>10,744,915</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long-term financing	18,073,495	18,403,049
Long-term lease liability	32,492	31,674
Deferred grant income	1,997	1,997
Staff retirement benefits	95,080	108,965
	<b>18,203,064</b>	<b>18,545,685</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,561,818	5,272,881
Unclaimed dividend	126	126
Accrued mark-up	861,133	1,258,520
Loan from related party	2,266,000	680,000
Short-term financing	7,730,320	7,679,924
Current portion of long-term lease liability	8,513	11,755
Current portion of long-term financing	1,857,252	1,297,872
	<b>16,285,162</b>	<b>16,201,078</b>
<b>Total Liabilities</b>		
10		
<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>45,232,015</b>	<b>45,491,678</b>



Chief Financial Officer



Chief Executive Officer



Director

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION UNAUDITED

AS AT SEPTEMBER 30, 2021

	Note	(Unaudited) September 30, 2021 (Rupees in '000)	(Audited) June 30, 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	36,083,147	36,270,530
Intangible asset		2,324	2,958
Right-of-use asset		34,370	37,086
Long-term investments		25,174	24,873
Deferred tax assets		2,071,918	2,104,838
Long-term deposits		42,377	42,338
		<b>38,259,310</b>	<b>38,482,623</b>
<b>CURRENT ASSETS</b>			
Inventories	5	1,422,003	1,149,511
Stores, spares and loose tools	6	1,152,219	1,748,535
Trade receivables - considered good	7	286,219	275,250
Advances and other receivables - unsecured, considered good		391,074	385,427
Taxation - payments less provision		553,685	512,210
Derivative financial asset		1,031,527	529,816
Trade deposits and short-term prepayments		62,165	63,440
Tax refunds due from government - sales tax		1,828,887	2,063,361
Short-term investments		26,399	26,399
Cash and bank balances	8	218,527	255,106
		<b>6,972,705</b>	<b>7,009,055</b>
<b>TOTAL ASSETS</b>		<b>45,232,015</b>	<b>45,491,678</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

	Note	First Quarter Ended	
		September 30, 2021	September 30, 2020
----- (Rupees in '000) -----			
Revenue from contracts with customers	11	4,113,790	3,258,446
Cost of sales		(3,277,126)	(2,590,645)
<b>Gross profit</b>		<b>836,664</b>	<b>667,801</b>
Selling and distribution expenses	12	(234,708)	(344,270)
Administrative expenses		(61,140)	(40,054)
Other (expenses) / income		(124,949)	13,128
		(420,798)	(371,196)
<b>Operating profit</b>		<b>415,867</b>	<b>296,605</b>
Finance income		1,332	1,152
Finance cost		(639,096)	(638,221)
Finance costs - net		(637,764)	(637,069)
<b>Loss before income tax</b>		<b>(221,897)</b>	<b>(340,464)</b>
Taxation		31,490	169,688
<b>Loss for the period</b>		<b>(190,408)</b>	<b>(170,776)</b>
<b>Other comprehensive income</b>			
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges - effective portion of changes in fair value			
Related deferred tax		189,282	185,108
<b>Total comprehensive (loss) / income for the period</b>		<b>(1,126)</b>	<b>14,332</b>
----- (Rupee) -----			
<b>Loss per share - basic</b>	13	<b>(0.23)</b>	<b>(0.17)</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

## CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

	Note	First Quarter Ended	
		September 30, 2021	September 30, 2020
----- (Rupees in '000) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	14	(502,574)	698,935
Gratuity paid		(26,415)	(1,478)
Income tax paid		(53,611)	(24,963)
Finance cost paid		(1,035,137)	(717,263)
		<u>(1,115,163)</u>	<u>(743,704)</u>
<b>Net cash used in operating activities</b>		<b>(1,617,737)</b>	<b>(44,769)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure - operations		(47,209)	(89,590)
Interest received		1,031	1,152
<b>Net cash used in investing activities</b>		<b>(46,178)</b>	<b>(88,438)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term financing		(505,291)	(43,998)
Proceeds from long-term financing		500,000	-
Lease rentals paid		(3,769)	-
Repayment of short term borrowing		(250,663)	-
Proceeds from issue of preference shares		-	1,648,392
Proceeds of loan from related party		1,586,000	-
Repayment of loan from related party - net		-	(1,230,000)
<b>Net cash generated from financing activities</b>		<b>1,326,277</b>	<b>374,394</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(337,638)</b>	<b>241,187</b>
Cash and cash equivalents at beginning of the period		(244,894)	(7,982,373)
<b>Cash and cash equivalents at end of the period</b>	15	<b><u>(582,532)</u></b>	<b><u>(7,741,185)</u></b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

	Share Capital Issued, subscribed and paid up capital	Advance against preference right issue	Capital reserve		Revenue reserves	Total equity
			Hedging Reserve	Share premium	Unappropriated profit / (accumulated loss)	
----- (Rupees in '000) -----						
Balance as at July 1, 2020	10,634,144	523,754	447,724	749,063	(3,126,291)	9,228,394
Loss for the period	-	-	-	-	(170,776)	(170,776)
Issuance costs	-	-	-	(18,372)	-	(18,372)
Preference shares issued	2,445,853	(523,754)	-	-	-	1,922,099
Other comprehensive income for the period	-	-	185,108	-	-	185,108
Total comprehensive income for the period	2,445,853	(523,754)	185,108	(18,372)	(170,776)	1,918,059
Balance as at September 30, 2020	13,079,997	-	632,832	730,691	(3,297,067)	11,146,453
Balance as at July 1, 2021	13,079,997	-	-	739,493	(3,074,575)	10,744,915
Total comprehensive income for the period	-	-	-	-	-	-
Loss for the period	-	-	-	-	(190,408)	(190,408)
Other comprehensive income for the period	-	-	189,282	-	-	189,282
	-	-	189,282	-	(190,408)	(1,126)
Balance as at September 30, 2021	13,079,997	-	189,282	739,493	(3,264,983)	10,743,789

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

## FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

### 1. STATUS AND NATURE OF BUSINESS

Power Cement Limited (the Company) was established as a Private Limited Company on December 1, 1981 and was converted into a Public Limited Company on July 9, 1987. The Company is also listed on Pakistan Stock Exchange. The Company's principal activity is manufacturing, selling and marketing of cement. The registered office of the Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi and its undertaking is situated at Deh Kalo Kohar, Nooriabad Industrial Estate, District Jamshoro (Sindh).

### 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS or IFAS Standards, 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 of the Company for the year ended June 30, 2021.

### 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2021.

### 4. PROPERTY, PLANT AND EQUIPMENT

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
Operating assets	4.1	35,720,623	35,926,940
Capitalisable stores and spares	4.2	362,524	343,589
		<u>36,083,147</u>	<u>36,270,530</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

	(Un-audited) September 30, 2021	(Audited) June 30, 2021
<b>4.1 Operating assets</b>	Note	----- (Rupees in '000) -----
Opening written down value	35,926,940	13,371,374
<b>Additions during the period / year - at cost</b>		
Plant and machinery	22,950	20,413,006
Factory building on leasehold land	-	22,982
Non Factory building on leasehold land	-	1,337,271
Waste Heat Recovery System	-	1,760,338
Factory and laboratory equipment	6,597	2,380
Computers and peripherals	640	4,359
Office equipment	1,158	2,107
Furniture and fixtures	10	471
Vehicles	268	1,768
	31,623	23,544,683
Disposals during the period - Net book value	-	(1,492)
Depreciation for the period	(237,940)	(987,624)
	(237,940)	(989,116)
<b>Closing written down value</b>	<b>35,720,623</b>	<b>35,926,940</b>
<b>4.2 Capitalisable stores and spares</b>		
Opening balance	343,589	437,637
Additions during the year	42,131	10,379
Transferred to property, plant and equipment	(23,197)	(104,427)
<b>Closing balance</b>	<b>362,524</b>	<b>343,589</b>
<b>5. INVENTORIES</b>		
Raw material	97,461	107,618
Packing material	154,987	147,619
Work-in-process	1,043,202	747,945
Finished goods	126,353	146,329
	1,422,003	1,149,511
<b>6. STORES, SPARES AND LOOSE TOOLS</b>	September 30, 2021	June 30, 2021
	----- (Rupees in '000) -----	
Stores	396,272	433,566
Coal	135,901	752,461
Spare parts	623,044	567,372
Loose tools	10,521	8,655
	1,165,738	1,762,054
Provision for slow moving / obsolete stock	(13,519)	(13,519)
	1,152,219	1,748,535

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
<b>7. TRADE RECEIVABLES - Considered good</b>	Note	----- (Rupees in '000) -----	
Unsecured			
- Due from related parties		50,525	51,780
- Others		364,059	351,835
		<u>414,584</u>	<u>403,615</u>
Less: Provision for doubtful debts		<u>(128,365)</u>	<u>(128,365)</u>
		<u>286,219</u>	<u>275,250</u>
<b>8. CASH AND BANK BALANCES</b>			
Cash in hand		709	939
Cash with banks:			
- In current accounts		111,821	146,066
- In savings accounts	8.1	103,897	106,001
- Term deposits	8.2	2,100	2,100
		<u>218,527</u>	<u>255,106</u>

8.1 These accounts are maintained under profit and loss sharing arrangements with Islamic banks at rates ranging from 3.5% - 5% (June 30, 2021: 3.5% - 5%).

8.2 This includes term deposit certificate with local banks and carry profit at declared rates of 4.07% - 7.2%. (June 30, 2021: 4.07% - 7.20%).

### 9. SHARE CAPITAL

#### 9.1 Authorised share capital

(Unaudited) September 30, 2021	(Audited) June 30, 2021		(Unaudited) September 30, 2021	(Audited) June 30, 2021
----- (Number of Shares) -----			----- (Rupees in '000) -----	
<u>1,310,000,000</u>	1,310,000,000	Ordinary and Cumulative Preference Shares of Rs. 10 each	<u>13,100,000</u>	13,100,000

#### 9.2 Issued, subscribed and paid-up capital

(Unaudited) September 30, 2021	(Audited) June 30, 2021		(Unaudited) September 30, 2021	(Audited) June 30, 2021
----- (Number of Shares) -----			----- (Rupees in '000) -----	
1,051,234,846	1,051,234,846	Fully paid ordinary shares of	10,512,348	10,512,348
840,000	840,000	Rs. 10 each issued:	8,400	8,400
<u>11,339,588</u>	<u>11,339,588</u>	For cash	<u>113,396</u>	<u>113,396</u>
<u>1,063,414,434</u>	<u>1,063,414,434</u>	For consideration other than cash Bonus shares	<u>10,634,144</u>	<u>10,634,144</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

### FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

#### 9.3 Cumulative Preference Shares

(Unaudited) September 30, 2021	(Audited) June 30, 2021		(Unaudited) September 30, 2021	(Audited) June 30, 2021
----- (Number of Shares) -----			----- (Rupees in '000) -----	
<u>244,585,300</u>	<u>244,585,300</u>	Cumulative Preference Shares of Rs. 10 each	<u>2,445,853</u>	<u>2,445,853</u>

#### 10. CONTINGENCIES AND COMMITMENTS

##### 10.1 Contingencies

There is no change in the status of the contingencies as disclosed in note 27.1 to the annual financial statements for the year ended June 30, 2021.

##### 10.2 Commitments

Commitments against open letter of credit for:

	(Un-audited) September 30, 2021	(Audited) June 30, 2021
	----- (Rupees in '000) -----	
Coal	1,099,604	1,840,596
Stores and spares	182,217	157,248
	<u>1,281,821</u>	<u>1,997,844</u>

Commitments against letter of guarantees  
Ijarah rentals

	6,973,000	6,702,700
	54,467	56,584
	<u>8,309,288</u>	<u>8,757,128</u>

#### 11. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local Sales  
Sales tax  
Federal excise duty

	(Un-audited) First Quarter Ended 30 September 2021	2020
	----- (Rupees in '000) -----	
	4,466,332	2,838,175
	(735,654)	(503,363)
	(643,679)	(461,511)
	<u>3,086,999</u>	<u>1,873,301</u>

Commission  
Net local sale of goods

	(62,932)	(6,119)
	<u>3,024,067</u>	<u>1,867,182</u>

Export Sales  
Freight

	1,213,649	1,464,801
	(123,926)	(73,536)
	<u>1,089,723</u>	<u>1,391,265</u>
	<u>4,113,790</u>	<u>3,258,446</u>

#### 12. SELLING AND DISTRIBUTION EXPENSES

This include Rs. 204.04 million (September 30, 2020: Rs 279.78 million) incurred in respect of export sales.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

### 13. LOSS PER SHARE

#### 13.1 BASIC

Profit / (loss) after taxation attributable to	(190,408)	(170,776)
Adjustment for cumulative preference share dividend	(57,827)	(9,171)
Profit / (loss) after taxation for calculation of basic earnings / (loss) per share	(248,235)	(179,947)
Weighted average number of ordinary shares outstanding at the end of period (in thousands)	1,063,414	1,063,414
Basic (loss) per share (Rupee)	(0.23)	(0.17)

(Un-audited)  
First Quarter Ended  
30 September

### 14. CASH (USED IN) / GENERATED FROM OPERATIONS

	2021	2020
	----- (Rupees in '000) -----	
Loss before taxation	(221,897)	(340,464)
<b>Adjustment for:</b>		
Depreciation and amortisation	240,657	257,354
Finance cost on short-term financing	184,027	183,050
Finance cost on long-term financing - operations	455,068	455,171
Exchange gain - net	124,980	(10,637)
Finance income	(1,332)	(1,152)
Provision for gratuity	11,706	4,956
	1,015,107	888,741
<b>Operating profit / (loss) before working capital changes</b>	<b>793,210</b>	<b>548,277</b>
<b>Decrease / (increase) in current assets</b>		
Stores, spares and loose tools	596,316	426,806
Inventories	(272,492)	127,571
Trade receivables	(10,968)	61,376
Advances and other receivables	228,828	131,788
Deposits and prepayments	1,236	11,764
	542,919	759,305
(Decrease) / increase in current liabilities	(1,838,703)	(608,648)
<b>Net cash (used in) / generated from operations</b>	<b>(502,574)</b>	<b>698,935</b>

### 15. CASH AND CASH EQUIVALENTS

Cash and bank balances	218,527	429,708
Short term borrowings	(801,059)	(8,170,893)
	(582,532)	(7,741,185)

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

## FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

### 16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions with related parties during the period as follows:

			(Un-audited)	
			First Quarter Ended	
			September 30,	
			2021	2020
			----- (Rupees in '000) -----	
Transactions with related parties				
Name of the related party	Relationship	Transactions during the period		
Aisha Steel Mills Limited	Associated company by virtue of common directorship	- Sale of goods	-	189
		- Payment received	157	-
Safe Mix Concrete Limited	Associated company by virtue of common directorship	- Sale of goods	1,981	8,933
		- Payment received	3,600	6,160
Javedan Corporation Limited	Associated company by virtue of common directorship	- Sale of goods	3,615	3,861
		- Payment received	3,251	11,370
Rotocast Engineering Company (Private) Limited	Associated company by virtue of common directorship	- Services received	5,184	2,157
		- Rent accrued	7,545	3,430
		- Payments made	3,150	3,730
		- Loan received	100,000	-
Arif Habib Corporation Limited	Associated company by virtue of common directorship	- Loan received	-	232,000
		- Loan paid	-	232,000
		- Mark-up accrued	-	206
		- Guarantee commission accrued	-	635
		- Guarantee commission paid	376	446
Arif Habib Equity (Private) Limited	Associated company by virtue of common directorship	- Funds received against shares	-	730,000
		- Loan paid	154,445	-
		- Mark-up accrued	61,743	61,788
		- Mark-up paid	113,005	178,957
		- Shares subscribed	-	730,000
Mr. Arif Habib	Substantial Shareholder	- Loan received	1,486,000	-
		- Loan paid	-	1,230,000
		- Mark-up accrued	-	10,886
		- Shares subscribed	-	796,959
EFU Life Assurance Limited	Associated company by virtue of common directorship	- Services received	5,410	3,001
		- Payments made	5,017	3,001
FLSmith A/S	Related party by virtue of nominee director	- Payments made	921,098	-
Allied Rental Modaraba	Associated company by virtue of common directorship	- Services received	-	997
		- Payment made	350	525
Fatima Fertilizer Company Limited	Associated company by virtue of common directorship	- Services received	7,283	-
		- Payment made	2,865	-
Fatima Packaging Limited	Associated company by virtue of common directorship	- Purchase of goods	88,928	52,763
		- Payments made	116,073	90,064
Memon Health & Education Foundation	Associated company by virtue of common directorship	- Sale of goods	1,840	-
		- Payment received	2,162	-
Pakistan Stock Exchange Limited	Associated company by virtue of common directorship	- Services received	2,514	5,772
		- Payment made	2,514	5,772
Key management personnel	Key management	- Remuneration and other benefits	60,248	55,238
		- Advances disbursed to employees	1,808	5,079
		- Advances repaid by employees	1,705	1,761
Staff retirement benefit fund	Staff benefit plan	- Charge during the period	11,706	4,956
		- Contribution during the period	26,415	1,478

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

	(Un-audited) September 30, 2021	(Audited) June 30, 2021
	----- (Rupees in '000) -----	
<b>Balances with related parties</b>		
<b>Aisha Steel Mills Limited</b>		
- Trade receivable	(229)	(71)
<b>Safe Mix Concrete Limited</b>		
- Trade receivable	41,207	42,826
<b>Javedan Corporation Limited</b>		
- Trade receivable	9,279	8,915
- Other receivable	39	39
<b>Rotocast Engineering Company (Private) Limited</b>		
- Amount payable against services received (including loan)	790,683	681,114
<b>Arif Habib Corporation Limited</b>		
- Guarantee commission payable	-	376
<b>Arif Habib Equity (Private) Limited</b>		
- Loan payable (including mark-up)	1,583,013	1,798,719
<b>Sponsor - Mr. Arif Habib</b>		
- Loan payable	1,486,000	-
- Mark-up payable	293,985	293,985
<b>EFU Life Assurance Limited</b>		
- Amount payable against services received	393	-
<b>FLSmith A/S</b>		
- Amount payable against services received	-	921,098
<b>Allied Rental Modaraba</b>		
- Amount payable against services received	-	350
<b>Fatima Fertilizer Company Limited</b>		
- Amount payable against goods purchased	4,393	(25)
<b>Fatima Packaging Limited</b>		
- Amount payable against goods purchased	42,819	69,964
<b>Memon Health &amp; Education Foundation</b>		
- Advance from customer	(472)	(149)
<b>Pakistan Stock Exchange Limited</b>		
- Amount payable against services received	-	-
<b>Key management personnel</b>		
- Advances to employees	43,563	43,460
<b>Staff retirement benefit fund</b>		
- Payable to gratuity fund	95,080	108,965

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

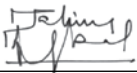
### 17. OPERATING SEGMENTS

17.1 This condensed interim financial statements have been prepared on the basis of single reporting segment.

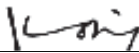
17.2 All non-current assets of the Company as at September 30, 2021 are located in Pakistan.

### 18. DATE OF AUTHORIZATION FOR ISSUE

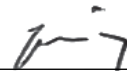
This condensed interim financial statements has been authorized for issue on October 29, 2021 by the Board of Directors.



Chief Financial Officer



Chief Executive Officer










Director



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