



**FIRST QUARTERLY REPORT
FOR THE PERIOD ENDED
SEPTEMBER 30, 2022**

POWER TO BE

**A TOMORROW
MADE OF CEMENT**



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CORPORATE INFORMATION

Board of Directors

Mr. Nasim Beg
Mr. Samad A. Habib
Syed Salman Rashid
Ms. Zainab Kashif
Mr. Anders Paludan-Müller
Mr. Javed Kureishi
Mr. Khursheed A. Jamal

Chairman, Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Independent Director
Independent Director

Audit Committee

Mr. Khursheed A. Jamal
Syed Salman Rashid
Mr. Samad A. Habib

Chairman
Member
Member

Human Resource & Remuneration Committee

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

Chairman
Member
Member

Chief Executive Officer

Mr. Muhammad Kashif Habib

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 Limited
Pak Oman Investment Company Limited
The Bank of Punjab
The Bank of Khyber
Summit Bank Limited
Samba Bank Limited
United Bank Limited

Chief Financial Officer

Mr. Irfan Sikander Bawa

Company Secretary

Mr. Salman Gogan

External Auditors

A.F. Ferguson & Co. Chartered Accountants

Legal Advisor

Mr. Asad Iftikhar

Corporate Advisor

HaiderMota & Co. Advocates

Share Registrar

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

Registered Office

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

Factory

Nooriabad Industrial Area, Kalo Kohar, District
Jamshoro, Sindh

Website

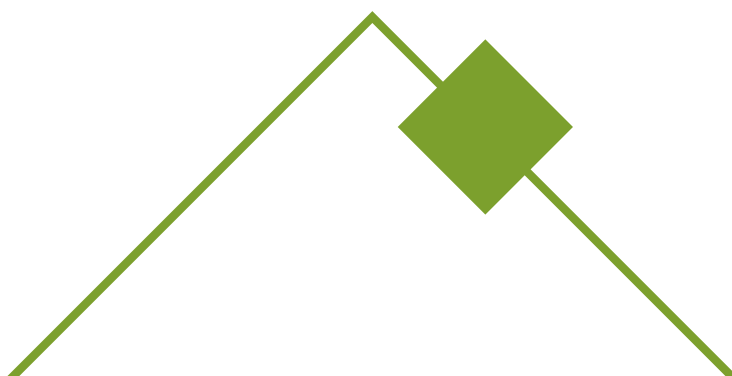
www.powercement.com.pk

Contact Number

021-32468231-2
021-32468350-1

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



DIRECTORS' REVIEW

The Board of Directors of your Company present their review on the financial and operational performance of the Company for the quarter ended September 30, 2022.

INDUSTRY OVERVIEW

The overall sales of cement industry witnessed a decline of 24.98% to 9.62 million tons in the first quarter ended September 30, 2022 as compared to 12.82 million tons during the same period last year. Domestic sales declined by 23.73% and exports sales declined by 34.08% as compared to the corresponding period of the previous year.

The decline in overall sales volume was mainly attributable to the less demand in local sales due to inflationary pressure as your plant is located in south region where the flood had severe impact. The decline in export sales was due to higher production costs mainly fuel & power.

For the period under review, the domestic sales in South Zone, where your Company is situated has decreased by 25.20% to 1.34 million tons as compared to 1.79 million tons during the same period last year. Whereas, the export sales decreased by 36.94% to 0.73 million tons as compared to 1.15 million tons during the same period last year. As a result, the South Zone closed at a total dispatch of 2.07 million tons.

PRODUCTION & SALES VOLUME PERFORMANCE

The production and sales volume statistics of your Company for the quarter ended September 30, 2022 together with the corresponding period are as under:

Production	First Quarter ended		
	September 30 2022	September 30 2021	Variance %
	In Tons		
Cement production	398,746	344,433	16%
Clinker production	447,087	605,843	(26)%

Sales Volume	First Quarter ended		
	September 30 2022	September 30 2021	Variance %
	In Tons		
Cement / Clinker dispatches (Local)	285,775	429,337	(33)%
Cement dispatches (Export)	147,294	1,046	Inc. by 141 times
Clinker dispatches (Export)	70,971	184,350	(61)%
Total	504,040	614,733	(18)%

The production of cement increased by 16 percent with 54,313 metric tons and the production of clinker decreased by 158,756 metric tons. The overall capacity utilization of clinker stood at 56% as compared to 75% in the corresponding period.

DIRECTORS' REVIEW

FINANCIAL PERFORMANCE

An analysis of the key financial results of your Company for the first quarter ended September 30, 2022 is as under:

Particulars	First Quarter ended	
	September 30 2022	September 30 2021
	Rs. '000	
Net Sales Revenue	5,570,537	4,113,790
Gross Profit	807,053	836,664
(Loss) / Profit After Tax	(271,981)	62,096
(Loss) / Earnings Per Share (Rupee)	(0.311)	0.004

NET SALES REVENUE

The net sales revenue increased by 35% during the period mainly due to increase in local selling prices. However, the export sales remained under pressure primarily due to the highly inflated fuel and power prices.

GROSS PROFIT

The Gross Margin of the Company was reported at 14% as compared to 20% in the corresponding period. The decrease is primarily due to increase in production costs in particular the coal and energy prices.

NET PROFIT

The Company reported a loss after tax of Rs.272 million during the period under review as compared to Rs.62 million reported during the same period last year.

FUTURE OUTLOOK

We expect fiscal year 2023 to be challenging for Pakistan's economy. The highest inflation rate combined with high cost of borrowing, uncertainties in the domestic business environment, coupled with the ongoing monetary tightening measures and significant depreciation of the Pakistani Rupee against the US dollar, pose a threat to business demand, as well as profitability.

The nation witnessed an unprecedented spell of monsoon rains and floods which caused an economic loss of \$28 billion approx. with over a third of Pakistan came underwater predicting a drop in manufacturing output in FY-2023. The Sindh government in collaboration with World Bank would introduce a housing project of Rs.110 billion of worth for the flood affectees. Along with the organic parameters, we also foresee strong demand & growth for the industry in coming quarters and years. This will be mostly fueled by the redevelopment of damaged infrastructure by the Federal & Provincial governments along with the partnered local and international relief agencies.

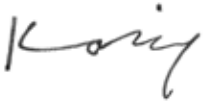
The Financial Action Task Force (FATF) on October 21, 2022 removed Pakistan from grey list after four years. This will create positive impact on the economy of the country at global level.

DIRECTORS' REVIEW

ACKNOWLEDGEMENT

The Directors of your Company take pleasure in expressing their sincere gratitude and appreciation for commitment and contribution of all the employees and the continued trust and reliance placed in the Company by all the stakeholders.

For and on Behalf of the Board



Muhammad Kashif Habib
Chief Executive Officer



Nasim Beg
Chairman

Karachi
October 28, 2022



FINANCIAL STATEMENTS

**FIRST QUARTERLY REPORT
FOR THE PERIOD ENDED
SEPTEMBER 30, 2022**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

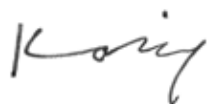
AS AT SEPTEMBER 30, 2022

	Note	(Unaudited) September 30, 2022	(Audited) June 30, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	35,462,370	35,647,052
Right-of-use asset		21,635	24,725
Intangible asset		-	423
Long-term investments		25,905	25,578
Deferred tax asset		3,578,134	3,138,307
Long-term deposits		74,359	74,359
		39,162,403	38,910,444
Current assets			
Inventories	5	1,722,645	1,363,972
Stores, spares and loose tools	6	2,123,366	1,924,299
Trade receivables - considered good	7	414,258	233,616
"Advances and other receivables - unsecured, considered good"		646,129	523,905
Taxation - payments less provision		519,895	509,231
Derivative financial asset		2,049,177	1,621,753
Trade deposits and short-term prepayments		61,740	77,473
Tax refunds due from government - sales tax		1,016,739	1,039,865
Short-term investments		26,399	26,399
Cash and bank balances	8	290,459	217,775
		8,870,806	7,538,288
TOTAL ASSETS		48,033,210	46,448,732

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



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

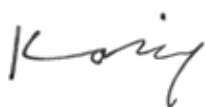
AS AT SEPTEMBER 30, 2022

	Note	(Unaudited) September 30, 2022	(Audited) June 30, 2022
(Rupees in '000)			
EQUITY AND LIABILITIES			
Share Capital And Reserves			
Share Capital			
Ordinary shares	9	11,118,705	11,118,705
Cumulative preference shares		2,082,433	2,082,433
		13,201,138	13,201,138
Reserves			
Capital Reserve			
Share premium		739,493	739,493
Difference on conversion of cumulative preference shares into ordinary shares		(121,141)	(121,141)
Revenue Reserve			
Accumulated loss		(3,808,016)	(3,536,035)
		(3,189,664)	(2,917,683)
Contribution from associated undertakings	10	7,000,000	7,000,000
		17,011,474	17,283,455
LIABILITIES			
Non-current liabilities			
Long-term financing - secured		15,992,490	17,510,223
Long-term trade payables		423,528	522,828
Long-term lease liability		13,131	17,327
Staff retirement benefits		144,501	136,270
		16,573,650	18,186,648
Current liabilities			
Trade and other payables		4,904,838	4,421,161
Accrued mark-up		863,414	1,383,274
Short-term financing - secured		5,575,978	2,783,927
Current portion of long-term lease liability		15,068	14,348
Current portion of long-term financing		3,088,788	2,375,919
		14,448,086	10,978,629
TOTAL LIABILITIES		31,021,736	29,165,277
Contingencies and commitments	11	-	-
TOTAL EQUITY AND LIABILITIES		48,033,210	46,448,732

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



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

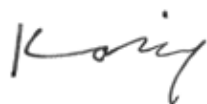
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022 - UNAUDITED

	Note	First Quarter Ended	
		September 30, 2022	September 30, 2021
		(Rupees in '000)	
Revenue from contracts with customers	12	5,570,537	4,113,790
Cost of sales		(4,763,484)	(3,277,126)
Gross profit		807,053	836,664
Selling and distribution expenses		(392,499)	(234,708)
Administrative expenses		(74,823)	(61,140)
Other operating (expenses)/ income		(101,994)	64,333
Profit from operations		237,737	605,149
Finance income		2,028	1,332
Finance costs		(890,040)	(575,875)
		(888,012)	(574,543)
Profit/ (loss) before taxation		(650,275)	30,606
Taxation		378,293	31,490
Profit/ (loss) after taxation		(271,981)	62,096
Other comprehensive loss for the year		-	-
Total comprehensive income/ (loss) for the period		(271,981)	62,096
		----- (Rupees) -----	
Earnings/ (loss) per share - basic and diluted	13	(0.311)	0.004

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



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS

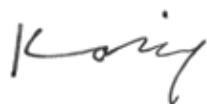
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022 - UNAUDITED

Note	First Quarter Ended		
	September 30, 2022	September 30, 2021	
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	14	(87,794)	(502,574)
Gratuity paid		(6,196)	(26,415)
Income tax paid		(72,198)	(53,611)
Finance cost paid		(1,373,148)	(1,035,137)
		(1,451,543)	(1,115,163)
Net cash used in operating activities		(1,539,337)	(1,617,737)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure - operations		(12,414)	(47,209)
Interest received		1,073	-
Proceeds from sale of property, plant and equipment		1,687	1,031
Net cash used in investing activities		(9,654)	(46,178)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		(1,113,725)	(505,291)
Proceeds from long-term financing		-	500,000
Repayment of long-term trade payables		(52,500)	-
Lease rental paid		(4,150)	(3,769)
Proceeds/ (repayment) of short-term financing - net		2,956,051	(250,663)
Proceeds of loan from related party		-	1,586,000
Net cash generated from financing activities		1,785,676	1,326,277
Net increase in cash and cash equivalents		236,684	(337,638)
Cash and cash equivalents at the beginning of the year		(132,225)	(244,894)
Cash and cash equivalents at the end of the year	15	104,459	(582,532)

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



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

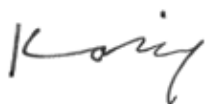
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022 - UNAUDITED

	Share Capital	Difference on conversion of cumulative preference shares into ordinary shares	Capital Reserve		Revenue Reserve	Contribution from associated undertakings	Total Equity
	Issued, subscribed and paid up capital		Hedging Reserve	Share Premium	Accumulated loss		
(Rupees in '000)							
Balance as at July 1, 2021	13,079,997	-	-	739,493	(3,074,575)	-	10,744,915
Total comprehensive income for the year							
Income for the period	-	-	-	-	62,096	-	62,096
Other comprehensive loss	-	-	-	-	-	-	-
	-	-	-	-	62,096	-	62,096
Balance as at September 30, 2021	13,079,997	-	-	739,493	(3,012,479)	-	10,807,011
Balance as at July 1, 2022	13,201,138	(121,141)	-	739,493	(3,536,035)	7,000,000	17,283,455
Total comprehensive loss for the year							
Loss for the period	-	-	-	-	(271,981)	-	(271,981)
Other comprehensive loss	-	-	-	-	-	-	-
	-	-	-	-	(271,981)	-	(271,981)
Balance as at September 30, 2022	13,201,138	(121,141)	-	739,493	(3,808,016)	7,000,000	17,011,474

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



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022 - UNAUDITED

1. STATUS AND NATURE OF BUSINESS

Power Cement Limited (the Company) was incorporated in Pakistan 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).

The Company began commercial production from its new Clinker Production Plant on July 1, 2020.

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 applicable in Pakistan for interim financial reporting comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan 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, 2022.

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, 2022.

4. PROPERTY, PLANT AND EQUIPMENT

Operating assets
Capitalisable stores and spares
Advance against land

Note	(Unaudited) September 30, 2022	(Audited) June 30, 2022
	(Rupees in '000)	
4.1	35,122,333	35,306,841
4.2	251,947	252,121
	88,090	88,090
	35,462,370	35,647,052

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022 - UNAUDITED

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
4.1 Operating assets		
	(Rupees in '000)	
Opening written down value	35,306,841	35,926,941
Additions during the period / year - at cost		
Plant and Machinery	4,645	166,093
Non Factory building / Civil works	-	9,459
Factory and laboratory equipment	5,622	9,148
Computers and peripherals	1,638	3,144
Office equipment	347	3,669
Furniture and fixtures	162	345
Vehicles	-	1,292
	12,414	193,150
Disposals during the period - Net book value	(176)	(548)
Depreciation for the period	(196,747)	(812,702)
	(196,923)	(813,250)
Closing written down value	35,122,333	35,306,841
4.2 Capitalisable stores and spares		
Opening balance	252,121	343,589
Additions	11,467	17,775
Transferred	(11,641)	(109,243)
Closing balance	251,947	252,121
5. STOCK-IN-TRADE		
	(Rupees in '000)	
Raw material	66,384	71,690
Packing material	150,043	95,548
Work-in-process	1,133,225	790,526
Finished goods	372,993	406,208
	1,722,645	1,363,972

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022 - UNAUDITED

6. STORES, SPARES AND LOOSE TOOLS

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
	(Rupees in '000)	
Stores	675,098	697,916
Coal	672,189	465,207
Spare parts	785,790	771,638
Loose tools	9,280	8,529
	2,142,357	1,943,290
Provision for slow moving / obsolete stock	(18,991)	(18,991)
	2,123,366	1,924,299

7. TRADE DEBTS - Considered good

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
	(Rupees in '000)	
Secured	193,979	404
Unsecured	312,365	325,297
	506,343	325,701
Less: Provision for doubtful debts	(92,085)	(92,085)
	414,258	233,616

8. CASH AND BANK BALANCES

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
	(Rupees in '000)	
Cash in hand	683	934
Cash with banks:		
- In current accounts	139,210	116,818
- In savings accounts	124,466	98,923
- Term deposits	26,100	1,100
	290,459	217,775

8.1 These accounts are maintained under profit and loss sharing arrangements with Islamic banks at rates ranging from 6% - 8% (June 30, 2022: 6% - 8%) per annum.

8.2 This includes term deposit certificate with local banks and carry profit at declared rates of 7.2% - 10%. (June 30, 2022: 7.2% - 10%) per annum.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022 - UNAUDITED

9. SHARE CAPITAL

9.1 Authorised share capital

(Unaudited) September 30, 2022	(Audited) June 30, 2022		(Unaudited) September 30, 2022	(Audited) June 30, 2022
----- (Number of Shares) -----			(Rupees in '000)	
1,390,000,000	1,390,000,000	Ordinary and Cumulative Preference Shares of Rs. 10 each	13,900,000	13,900,000

9.2 Issued, subscribed and paid-up capital

(Unaudited) September 30, 2022	(Audited) June 30, 2022		(Unaudited) September 30, 2022	(Audited) June 30, 2022
----- (Number of Shares) -----			(Rupees in '000)	
1,051,234,846	1,051,234,846	Fully paid ordinary shares of Rs. 10 each issued:	10,512,348	10,512,348
840,000	840,000	For cash	8,400	8,400
11,339,588	11,339,588	For consideration other than cash	113,396	113,396
48,456,057	48,456,057	Bonus shares	484,561	484,561
		Converted from preference shares during the year		
1,111,870,491	1,111,870,491		11,118,705	11,118,705

9.3 Cumulative Preference Shares

(Unaudited) September 30, 2022	(Audited) June 30, 2022		(Unaudited) September 30, 2022	(Audited) June 30, 2022
----- (Number of Shares) -----			(Rupees in '000)	
244,585,320	244,585,320	Fully paid Cumulative Preference Shares of Rs. 10 each	2,445,853	2,445,853
(36,342,043)	(36,342,043)	Converted into ordinary shares during the year	(363,420)	(363,420)
208,243,277	208,243,277		2,082,433	2,082,433

10 CONTRIBUTION FROM ASSOCIATED UNDERTAKINGS

	Note	(Unaudited) September 30, 2022	(Audited) June 30, 2022
		(Rupees in '000)	
Contribution from associated undertaking - unsecured	10.1	780,000	-
Contribution from sponsor - unsecured	10.1	6,220,000	-
		7,000,000	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022 - UNAUDITED

10.1 During the year, effective from July 1, 2021, the Company transmuted the original agreement and entered in a new Musharakah agreement with Mr. Arif Habib (Sponsor), Arif Habib Equity (Private) Limited (Associated Undertaking) and Rotocast Engineering Company (Private) Limited (Associated Undertaking) (together termed as 'Investors') for collective investment of Rs. 7,000 million on the following terms and conditions:

- The repayment of the principal amount and profit shall be at the sole and absolute discretion of the Company (taking into consideration the availability of its cash flows). However, in the event of liquidation, the Company shall purchase the investors share at mutually agreed price at that time before discharging any obligation.
- The financing shall carry profit at the rate of 3 month KIBOR + 1.75%. However, the payment of the profit shall also be at the sole and absolute discretion of the Company. Further, dividends to the ordinary shareholders will only be declared after the payments of profit to the Investors.

Pursuant to the requirements of IAS 32- 'financial instruments presentation' and the terms of the arrangement, the Long Term Musharakah arrangement is classified as equity in these financial statements. The unpaid profit as at September 30, 2022 in respect of the above mentioned agreement amounts to Rs. 574 million.

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There is no change in the status of the contingencies as disclosed in note 29 to the annual financial statements for the year ended June 30, 2022.

11.2 Commitments

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
	(Rupees in '000)	
Commitments against open letter of credit for Coal	1,166,190	-
Commitments against letter of guarantees	7,795,780	7,557,880
Ijarah rentals	98,677	83,789
	9,060,647	7,641,669

(Un-audited)
First Quarter Ended
September 30,

12. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2022	2021
	(Rupees in '000)	
Local Sales	4,542,347	4,466,332
Sales tax	(723,531)	(735,654)
Federal excise duty	(428,662)	(643,679)
	3,390,154	3,086,999
Commission	(37,586)	(62,932)
Net local sale of goods	3,352,568	3,024,067
Export Sales	2,529,691	1,213,649
Freight	(311,722)	(123,926)
	2,217,969	1,089,723
	5,570,537	4,113,790

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022 - UNAUDITED

13. LOSS PER SHARE

13.1 BASIC

	(Un-audited) First Quarter Ended September 30,	
	2022	2021
	(Rupees in '000)	
(Loss)/ profit after taxation attributable to ordinary shareholder	(271,981)	62,096
Adjustment for cumulative preference share dividend	(74,026)	(57,827)
(Loss)/ profit after taxation for calculation of basic (loss) / earnings per share	(346,007)	4,269
Weighted average number of ordinary shares outstanding at the end of period (in thousands)	1,111,870	1,063,414
Basic (loss) per share (Rupee)	(0.311)	0.004

14. CASH (USED IN) OPERATIONS

	(Un-audited) First Quarter Ended September 30,	
	2022	2021
	(Rupees in '000)	
Loss before taxation	(650,275)	(221,897)
Adjustment for:		
Depreciation and amortization	200,259	240,657
Finance cost on short term financing	184,836	184,027
Finance cost on long term financing	746,766	455,068
Markup on lease liability	675	-
Markup on long term trade payables	20,954	-
Unwinding of gain on modification of loan	2,481	-
Gain on markup hedging	(78,313)	-
Exchange loss / (gain) - net	(112,310)	124,980
Gain on disposal of property plant and equipment	(724)	-
Grant Income	(1,326)	-
Finance Income	(2,028)	(1,332)
Provision for gratuity	14,428	11,706
Operating profit / (loss) before working capital changes	325,422	793,209

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022 - UNAUDITED

		(Un-audited) First Quarter Ended September 30,	
		2022	2021
		(Rupees in '000)	
(Increase) / decrease in current assets			
Stores, spares and loose tools		(199,067)	596,316
Inventories		(358,673)	(272,492)
Trade receivables		(180,642)	(10,968)
Advances and other receivables		(99,098)	228,828
Deposits and prepayments		15,733	1,236
		(821,747)	542,920
Increase / (decrease) in current liabilities		408,530	(1,838,703)
Net cash generated from operations		(87,794)	(502,573)

15. CASH AND CASH EQUIVALENTS

		(Un-audited) First Quarter Ended September 30,	
		2022	2021
		(Rupees in '000)	
Cash and bank balances		290,459	218,527
Short term borrowings		(186,000)	(801,059)
		104,459	(582,532)

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions with related parties during the period as follows:

Transactions with related parties

			(Un-audited) First Quarter Ended September 30,	
			2022	2021
			(Rupees in '000)	
Name of the related party	Relationship	Transactions during the period		
Aisha Steel Mills Limited	Associated company by virtue of common directorship	- Sale of goods	441	-
		- Payment received	462	157
Safe Mix Concrete Limited	Associated company by virtue of common directorship	- Sale of goods	88,961	1,981
		- Payment received	103,911	3,600
Javedan Corporation Limited	Associated company by virtue of common directorship	- Sale of goods	12,615	3,615
		- Payment received	12,951	3,251
Rotocast Engineering Company (Private) Limited	Associated company by virtue of common directorship	- Services received	7,576	5,184
		- Rent accrued	-	7,545
		- Payments made	7,576	3,160
		- Loan received	-	100,000
Arif Habib Corporation Limited	Associated company by virtue of common directorship	- Markup paid	16,179	-
		- Guarantee commission paid	212	376

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022 - UNAUDITED

			(Un-audited) First Quarter Ended September 30,	
			2022	2021
			(Rupees in '000)	
Name of the related party	Relationship	Transactions during the period		
Arif Habib Equity (Private) Limited	Associated company by virtue of common directorship	- Loan paid	154,445	154,445
		- Mark-up accrued	65,199	51,743
		- Mark-up paid	119,555	113,005
Mr. Arif Habib	Substantial Shareholder	- Loan received	-	1,486,000
EFU Life Assurance Limited	Associated company by virtue of common directorship	- Services received	2,633	5,410
		- Payments made	3,750	5,017
FLSmith A/S	Related party by virtue of nominee director	- Purchase of goods	20,627	-
		- Payments made	60,210	921,098
Allied Rental Modaraba	Associated company by virtue of common directorship	- Payments made	364	350
Fatima Fertilizer Company Limited	Associated company by virtue of common directorship	- Services received	-	7,283
		- Payments made	-	2,865
Fatima Packaging Limited	Associated company by virtue of common directorship	- Purchase of goods	234,419	88,928
		- Payments made	142,651	116,073
Memon Health & Education Foundation	Associated company by virtue of common directorship	- Sale of goods	1,028	1,840
		- Payment received	1,425	2,162
Pakistan Stock Exchange Limited	Associated company by virtue of common directorship	- Services received	2,315	2,514
		- Payments made	2,315	2,514
Key management personnel	Key management	- Remuneration and other benefits	73,549	60,248
		- Advances disbursed to employees	7,418	1,808
		- Advances repaid by employees	3,592	1,705
Staff retirement benefit fund	Staff benefit plan	- Charge during the period	14,428	11,706
		- Contribution during the period	6,196	26,415

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022 - UNAUDITED

	(Un-audited) First Quarter Ended September 30,	
	2022	2021
	(Rupees in '000)	
Balances with related parties		
Aisha Steel Mills Limited		
- Advance from customer	(83)	(62)
Safe Mix Concrete Limited		
- Advance from customer	(21,842)	(6,892)
Javedan Corporation Limited		
- Advance from customer	(20,269)	(19,972)
Rotocast Engineering Company (Private) Limited		
- Advance paid against services	(1,377)	(1,377)
Arif Habib Corporation Limited		
- Markup payable	-	16,179
- Guarantee commission payable	-	212
Arif Habib Equity (Private) Limited		
- Loan payable (including mark-up)	1,282,513	1,491,314
Sponsor - Mr. Arif Habib		
- Mark-up payable	293,985	293,985
EFU Life Assurance Limited		
- Advance paid against services	(279)	(672)
FLSmith A/S		
- Advance paid against goods purchased	(72,952)	(33,154)
Allied Rental Modaraba		
- Amount payable against services received	-	364
Fatima Packaging Limited		
- Amount payable against goods purchased	129,846	38,078
Pakarab Fertilizer Company Limited		
- Amount payable against goods purchased	2,020	1,691
Memon Health & Education Foundation		
- Advance from customer	(684)	(286)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022 - UNAUDITED

17. OPERATING SEGMENTS

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

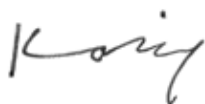
17.2 All non-current assets of the Company as at September 30, 2022 are located in Pakistan.

18. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements has been authorized for issue on October 28, 2022 by the Board of Directors.



Chief Financial Officer



Chief Executive Officer










Director










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