

Our Cemented Commitment to Progress: **Forging a Sustainable Future**

**First Quarterly Report
For The Period Ended
September 30, 2023**

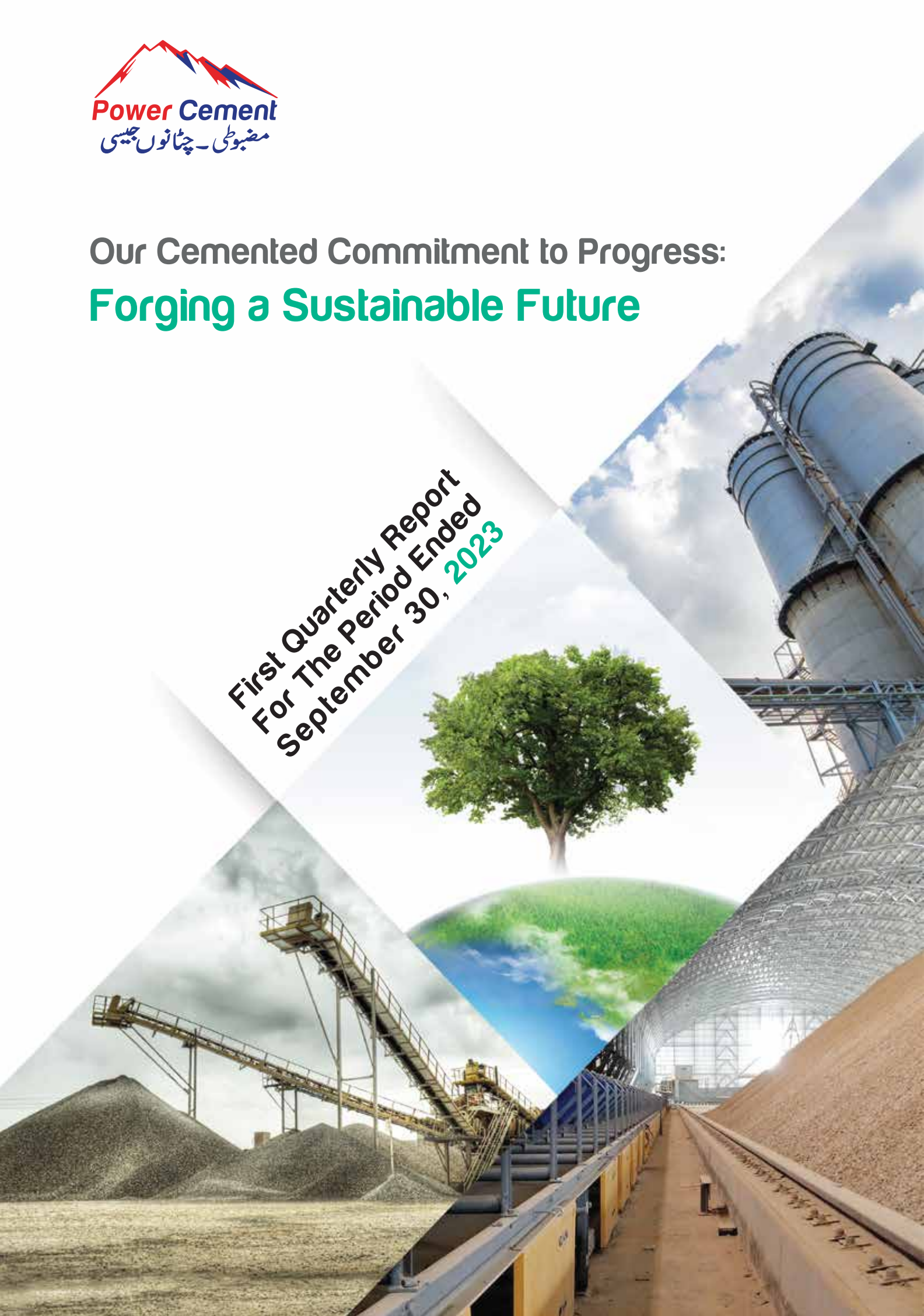


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Company Information

Board of Directors

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

Chairman, Non-Executive Director
Chief Executive Officer
Non-Executive Director
Non-Executive Director
Non-Executive Director
Independent Director
Independent Director
Non-Executive Director

Audit Committee

Mr. Khursheed Anwer 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 Financial Officer

Mr. Muhammad Taha Hamdani

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

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

Contact Number

021-32468231-2
021-32468350-1

Fax Number

021-32463209

Directors' Review

The Board of Directors of your Company present herewith their review on the financial and operational performance of the Company for the first quarter ended September 30, 2023.

ECONOMIC OVERVIEW

The global economy is currently in a state of fragile recovery, with persistent challenges that include slower growth in China, ongoing core inflation, elevated interest rates, and geopolitical uncertainties. These factors continue to exert pressure on global economic activities.

Meanwhile, Pakistan's economy has embarked on a promising recovery path since the beginning of FY-2024. This recovery can be attributed to the broader global economic upswing and a more flexible approach to import restrictions, which has effectively mitigated disruptions in the supply of essential raw materials and provided crucial support to export-oriented industries.

In the face of these positive developments, Pakistan's economy still grapples with challenges such as depleting foreign reserves, high interest rates, inflation, and a widening trade deficit.

INDUSTRY OVERVIEW

During the period in focus, the cement sector in Pakistan demonstrated remarkable growth in sales volume. Total despatches reached 11.88 million tons, representing a substantial increase of 23.53% compared to the same period in the previous year. This surge in sales can be attributed to heightened demand, driven by the resurgence of the construction industry following the catastrophic monsoon season, which resulted in widespread floods in the previous financial year.

The revival of the construction sector can also be linked to the decrease in steel rebar prices in the market. This reduction is a consequence of declining inflation, appreciation of the domestic currency, and decrease in the cost of imported raw materials required for steel manufacturing.

On the domestic front in Pakistan, sales experienced a noteworthy increase of 17.81%, reaching 10.13 million tons in comparison to the 8.60 million tons recorded during the corresponding period. Export sales followed suit with an impressive growth rate of 71.85%, attributable to improved profit margins and the appreciation of the Pakistani currency against the US dollar.

In the South Zone, domestic sales exhibited a remarkable increase of 34.04%, with despatches rising from 1.34 million tons in the previous year to 1.80 million tons in the period under review. In the same region, export sales experienced significant growth of 81.15%, with despatches reaching 1.32 million tons compared to 0.73 million tons during the corresponding period.

SALES & PRODUCTION PERFORMANCE

Despite extremely challenging economic conditions, the Company has performed reasonably well. The sales and production statistics of the Company for the first quarter ended September 30, 2023 together with the corresponding period are as under:

Sales Volume	First Quarter ended		
	September 30 2023	September 30 2022	Variance
	In Tons		
Cement/ Clinker despatches (Local)	355,421	285,775	24%
Cement despatches (Export)	100,978	147,294	(31%)
Clinker despatches (Export)	372,079	70,971	425%
Total	828,478	504,040	64%

Directors' Review

Production	First Quarter ended		
	September 30 2023	September 30 2022	Variance
		In Tons	
Cement production	461,314	398,746	16%
Clinker production	669,870	447,087	50%

The overall capacity utilization for the quarter stood at 83% as compared to 56% in the corresponding period.

FINANCIAL PERFORMANCE

An analysis of the key financial results of your Company for the first quarter ended September 30, 2023 is as under:

Particulars	First Quarter ended	
	September 30 2023	September 30 2022
	Rs. '000	
Net Sales Revenue	9,735,942	5,570,537
Gross Profit	2,438,247	807,053
Operating Profit	1,210,181	237,737
Loss Before Tax	(113,583)	(650,275)
Loss After Tax	(470,191)	(271,981)
LPS (Rupee)	(0.53)	(0.31)

REVENUE

Net sales revenue for the first quarter of FY-2024 represents an impressive increase of approximately 75% as compared to the same period last year. The increase in revenue is mainly attributable to the increase in clinker exports and local cement dispatch.

GROSS PROFIT

The gross profit margin increased to 25% as compared to 14.5% during the same period last year. The gross profit for the first quarter of FY-2024 surged to Rs.2.4 billion indicating an exceptional growth of around 202% as compared to the first quarter of FY-2023. Despite all the challenges on the cost side, the Company has been able to improve its gross margins which is attributable to substantial increase in sales volume, both in the domestic and export markets. Additionally, the Company has maintained healthy margins by effectively managing and retaining favourable pricing structures.

LOSS AFTER TAX

Despite the improvements in revenue and profit margins, due to very high interest rates prevalent in the Country, the financial costs went up to Rs. 1.32 billion from Rs. 0.88 billion last year, thus the Company has suffered a loss after tax of Rs. 470 million for the first quarter of FY-2024.

FUTURE OUTLOOK

The future economic outlook in Pakistan is expected to be influenced by political stability, ongoing IMF reforms, flood relief support, inflationary pressures, and high borrowing costs. These factors, along with a fluctuating domestic business environment pose challenges to our product demand and profitability in the upcoming quarters.

Directors' Review

To address these challenges, we are dedicated to optimize our operational efficiency and implementing cost rationalization measures. Our management team is steadfast in its efforts to consolidate resources and align our strategies with the evolving political and economic landscape.

The Pakistan stock market has exhibited remarkable resilience, achieving a significant milestone by crossing the 50,000 points benchmark, marking a substantial growth after a hiatus of six years and five months. This achievement reflects a renewed investor confidence in the country's economic prospects.

Furthermore, strengthening of the Pakistani rupee against the US dollar is a positive sign, showcasing greater stability and resilience in our currency. This not only bodes well for our import-export activities but also reflects the soundness of our economic policies.

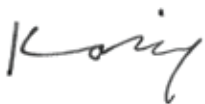
In addition, reduction in petroleum product prices is a welcome relief for both consumers and businesses alike. Lower global oil rates and the appreciation of the rupee have resulted in cost savings and improved affordability, which, in turn, can stimulate economic activity and benefit various industries. However, the recent turmoil between Israel and Palestine can push up the oil prices globally again.

On the whole, these developments collectively contribute to a more stable and optimistic economic environment, which is advantageous for our business operations and the broader economic landscape in Pakistan.

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 25, 2023



Financial Statements

FOR THE PERIOD ENDED
SEPTEMBER 30, 2023

Financial Statements

2008

Merchant

Balance

Condensed Interim Statement of Financial Position

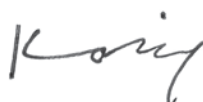
AS AT SEPTEMBER 30, 2023

	Note	(Unaudited) September 30, 2023	(Audited) June 30, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	5	34,613,816	34,853,984
Right-of-use asset		9,272	12,362
Long-term investments		27,224	26,873
Deferred tax asset		3,360,051	3,649,907
Long-term deposits		63,359	63,359
		38,073,722	38,606,485
Current assets			
Inventories	6	1,421,132	2,593,218
Stores, spares and loose tools	7	2,367,656	1,636,761
Trade receivables - considered good	8	869,929	276,087
Advances and other receivables - unsecured, considered good		991,204	584,575
Taxation - payments less provision		120,668	122,617
Derivative financial asset		2,878,862	3,509,149
Trade deposits and short-term prepayments		95,388	102,852
Tax refunds due from government - sales tax		731,727	662,657
Short-term investments		26,399	26,399
Cash and bank balances		541,131	409,823
		10,044,096	9,924,138
TOTAL ASSETS		48,117,818	48,530,623

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Condensed Interim Statement of Financial Position

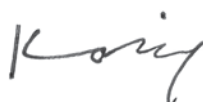
AS AT SEPTEMBER 30, 2023

	Note	(Unaudited) September 30, 2023	(Audited) June 30, 2023
(Rupees in '000)			
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital			
Ordinary shares	9	11,118,718	11,118,705
Cumulative preference shares		2,082,423	2,082,433
		13,201,141	13,201,138
Reserves			
Capital Reserve			
Share premium		739,493	739,493
Difference on conversion of cumulative preference shares into ordinary shares		(121,144)	(121,141)
Revenue Reserve			
Hedging reserve		54,570	125,309
Accumulated loss		(3,846,963)	(3,376,772)
		(3,174,044)	(2,633,111)
Contribution from associated undertakings		7,000,000	7,000,000
		17,027,097	17,568,027
LIABILITIES			
Non-current liabilities			
Long-term financing - secured		16,130,353	17,328,806
Long-term trade payables		418,523	470,634
Staff retirement benefits		183,902	170,307
		16,732,778	17,969,747
Current liabilities			
Trade and other payables		4,526,254	4,527,395
Unclaimed dividend		126	126
Accrued mark-up		1,331,405	1,923,466
Short-term financing - secured		6,974,493	5,012,000
Current portion of long-term lease liability		13,129	17,326
Current portion of long-term financing		1,512,536	1,512,536
		14,357,943	12,992,849
TOTAL LIABILITIES		31,090,721	30,962,596
Contingencies and commitments	10		
TOTAL EQUITY AND LIABILITIES		48,117,818	48,530,623

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

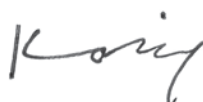
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023 - UNAUDITED

	Note	First Quarter Ended	
		September 30, 2023	September 30, 2022
		(Rupees in '000)	
Revenue from contracts with customers	11	9,735,942	5,570,537
Cost of sales		(7,297,695)	(4,763,484)
Gross profit		2,438,247	807,053
Selling and distribution expenses		(919,829)	(392,499)
Administrative expenses		(112,274)	(74,823)
Other (loss) / income		(195,963)	(101,994)
		(1,228,066)	(569,316)
Profit from operations		1,210,181	237,737
Finance income		6,293	2,028
Finance cost		(1,330,057)	(890,040)
		(1,323,764)	(888,012)
Loss before taxation		(113,583)	(650,275)
Taxation		(356,608)	378,293
		(470,191)	(271,981)
Loss after taxation		(470,191)	(271,981)
Other comprehensive loss			
Items that are or may be reclassified subsequently to profit or loss			
Changes in fair value of cashflow hedges		(630,288)	427,424
Adjustment for amounts transferred to profit or loss		594,531	(427,424)
		(35,757)	-
Related deferred tax		(34,982)	-
Hedging Reserve		(70,739)	-
Total comprehensive loss for the period		(540,930)	(271,981)
		----- (Rupee) -----	
Loss per share - basic and diluted	12	(0.53)	(0.31)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Condensed Interim Statement of Cash Flows

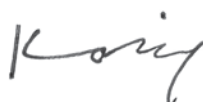
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023 - UNAUDITED

	Note	First Quarter Ended	
		September 30, 2023	September 30, 2022
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	13	953,279	(87,794)
Gratuity paid		(3,199)	(6,196)
Income tax paid		(99,786)	(72,198)
Finance cost paid		(1,890,421)	(1,373,148)
		(1,993,406)	(1,451,543)
Net cash used in operating activities		(1,040,127)	(1,539,337)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(23,621)	(12,414)
Proceeds from sale of property, plant and equipment		1,395	1,687
Finance income		5,942	1,073
Net cash used in investing activities		(16,284)	(9,654)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing and long term trade payables		(770,209)	(1,166,225)
Proceeds from short term financing		4,300,000	2,956,051
Proceeds of contribution from associated undertakings		1,105,700	350,000
Repayment of contribution from associated undertakings		(1,105,700)	(350,000)
Lease rentals paid		(4,565)	(4,150)
Net cash generated from financing activities		3,525,226	1,785,675
Net increase in cash and cash equivalents		2,468,815	236,684
Cash and cash equivalents at beginning of the period		(3,702,177)	(132,225)
Cash and cash equivalents at end of the period	14	(1,233,362)	104,459

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Condensed Interim Statement of Changes In Equity

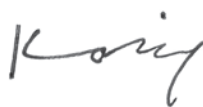
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023 - UNAUDITED

	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		Share Premium	Hedging Reserve	Accumulated loss		
(Rupees in '000)							
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 period							
Loss for the period	-	-	-	-	(271,981)	-	(271,981)
Other Comprehensive Loss	-	-	-	-	-	-	-
	-	-	-	-	(271,981)	-	(271,981)
Balance as at September 30, 2022	<u>13,201,138</u>	<u>(121,141)</u>	<u>739,493</u>	<u>-</u>	<u>(3,808,016)</u>	<u>7,000,000</u>	<u>17,011,474</u>
Balance as at July 1, 2023	13,201,138	(121,141)	739,493	125,309	(3,376,772)	7,000,000	17,568,027
Total comprehensive loss or the period							
Loss for the period	-	-	-	-	(470,191)	-	(470,191)
Cumulative preference shares of Rs.10 each converted into 1.333 Ordinary Shares of Rs. 10 each during the period	3	(3)	-	-	-	-	-
Other comprehensive loss for the period	-	-	-	(70,739)	-	-	(70,739)
	3	(3)	-	(70,739)	(470,191)	-	(540,930)
Balance as at September 30, 2023	13,201,141	(121,144)	739,493	54,570	(3,846,963)	7,000,000	17,027,097

The annexed notes from 1 to 16 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, 2023 - UNAUDITED

1. THE COMPANY AND ITS OPERATIONS

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 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 production facility 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 comprises of:

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

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

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2023.

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, 2023.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended June 30, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2023.

Notes to The Condensed Interim Financial Statements

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023 - UNAUDITED

5. PROPERTY, PLANT AND EQUIPMENT

	Note	(Unaudited) September 30, 2023	(Audited) June 30, 2023
(Rupees in '000)			
Operating assets	5.1	34,319,802	34,576,493
Capitalisable stores and spares		294,014	277,491
		34,613,816	34,853,984
5.1 Operating assets			
Opening net book value		34,576,493	35,306,841
Additions during the period / year - at cost			
Land leasehold		-	88,090
Factory building on leasehold land		-	7,411
Non factory building on leasehold land		-	5,234
Plant and machinery		1,833	105,815
Factory and laboratory equipment		3,916	23,356
Quarry equipment		-	359
Office equipment		227	1,189
Computers and peripherals		812	6,027
Furniture and fixture		-	717
Vehicles		310	520
		7,098	238,718
Disposals during the period / year - Net book value		(213)	(346)
Depreciation for the period / year		(263,576)	(968,720)
		(263,789)	(969,066)
Closing net book value		34,319,802	34,576,493

Notes to The Condensed Interim Financial Statements

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023 - UNAUDITED

6. INVENTORIES

	(Unaudited) September 30, 2023	(Audited) June 30, 2023
	(Rupees in '000)	
Raw material	116,522	161,034
Packing material	167,898	204,527
Semi-finished goods	697,332	1,822,928
Work-in-process	13,839	22,842
Finished goods	425,541	381,887
	1,421,132	2,593,218

7. STORES, SPARES AND LOOSE TOOLS

Stores	992,826	694,200
Coal	314,812	4,523
Spares	1,069,954	947,704
Loose tools	9,055	9,325
	2,386,647	1,655,752
Less: Provision for slow moving / obsolete stock	(18,991)	(18,991)
	2,367,656	1,636,761

8. TRADE RECEIVABLES - considered good

Secured	617,635	26,353
Due from related parties - unsecured	74,818	48,885
Due from others parties - unsecured	260,583	283,956
	953,036	359,194
Less: Loss allowance on trade receivables	(83,107)	(83,107)
	869,929	276,087

Notes to The Condensed Interim Financial Statements

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023 - UNAUDITED

9. SHARE CAPITAL

9.1 Authorised share capital

(Unaudited) September 30, 2023	(Audited) June 30, 2023		(Unaudited) September 30, 2023	(Audited) June 30, 2023
----- (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

9.2.1 Ordinary Shares

(Unaudited) September 30, 2023	(Audited) June 30, 2023		(Unaudited) September 30, 2023	(Audited) June 30, 2023
----- (Number of Shares) -----			(Rupees in '000)	
		Fully paid ordinary shares of Rs. 10 each issued:		
		For cash	10,512,348	10,512,348
1,051,234,846	1,051,234,846	For consideration other than cash	8,400	8,400
840,000	840,000	Bonus shares	113,396	113,396
11,339,588	11,339,588	Converted from preference shares	484,574	484,561
48,457,387	48,456,057			
1,111,871,821	1,111,870,488		11,118,718	11,118,705

9.2.2 Cumulative Preference Shares

(Unaudited) September 30, 2023	(Audited) June 30, 2023		(Unaudited) September 30, 2023	(Audited) June 30, 2023
----- (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
(36,343,043)	(36,342,043)	Converted into ordinary shares	(363,430)	(363,420)
208,242,277	208,243,277		2,082,423	2,082,433

9.3 If cash dividend is not paid in any year, due to loss or inadequate profits, then such unpaid cash dividend will accumulate and will be paid in the subsequent year(s) before any dividend is paid to the Ordinary Shareholders subject to approval of the Board of Directors.

As at September 30, 2023 the undeclared dividend on Cumulative Preference Shares amounted to Rs. 904.16 million (June 30, 2023: Rs 784.60 million).

Notes to The Condensed Interim Financial Statements

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023 - UNAUDITED

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is no change in the status of the contingencies as disclosed in note 28 to the annual financial statements for the year ended June 30, 2023.

10.2 Commitments

Commitments against open letter of credit for coal / spares
Commitments against letter of guarantees
Ijarah rentals

	(Unaudited) September 30, 2023	(Audited) June 30, 2023
	(Rupees in '000)	
	1,135,649	261,948
	9,670,000	10,512,804
	137,611	135,416
	10,943,260	10,910,168

11. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local Sales
Sales tax
Federal excise duty

Commission
Net Local Sales

Exports
Freight
Net Exports

	(Un-audited) First Quarter Ended September 30, 2023	2022
	(Rupees in '000)	
	6,667,717	4,542,347
	(1,112,587)	(723,531)
	(710,842)	(428,662)
	4,844,288	3,390,154
	(58,728)	(37,586)
	4,785,560	3,352,568
	4,986,385	2,529,691
	(36,003)	(311,722)
	4,950,382	2,217,969
	9,735,942	5,570,537

12. LOSS PER SHARE

BASIC

Loss after taxation attributable to ordinary shareholders

Adjustment for cumulative preference share dividend

Loss after taxation for calculation of basic loss per share

Weighted average number of ordinary shares outstanding at the end of period (in thousands)

Loss per share (Rupee)

	(Un-audited) First Quarter Ended September 30, 2023	2022
	(Rupees in '000)	
	(470,191)	(271,981)
	(119,554)	(74,026)
	(589,745)	(346,007)
	1,111,871	1,111,870
	(0.53)	(0.31)

Notes to The Condensed Interim Financial Statements

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023 - UNAUDITED

13. CASH GENERATED FROM / (USED IN) OPERATIONS

Loss before taxation

Adjustment for:

Depreciation and amortisation
 Finance cost on short-term financing
 Finance cost on long-term financing
 Markup on lease liability
 Markup on long term trade payables
 Exchange loss / (gain) - net
 Gain on disposal of property, plant & equipment
 Grant income
 Finance income
 Provision for gratuity

Operating profit before working capital changes

Change in working capital

(Increase) / decrease in current assets

Stores, spares and loose tools
 Inventories
 Trade receivables
 Advances and other receivables
 Trade deposits and short-term prepayments

(Decrease) / Increase in current liabilities

Net cash generated from / (used in) operations

(Un-audited)
 First Quarter Ended
 September 30,

2023 2022

(Rupees in '000)

(113,583)	(650,275)
266,667	200,259
384,052	184,836
922,106	749,247
368	675
17,796	20,954
197,156	(190,623)
(1,182)	(724)
-	(1,326)
(6,293)	(2,028)
16,794	14,428
1,797,464	975,698
1,683,881	325,423
(730,895)	(199,067)
1,172,086	(358,673)
(602,826)	(180,642)
(475,699)	(99,098)
7,464	15,733
(629,870)	(821,747)
(100,732)	408,530
953,279	(87,794)

14. CASH AND CASH EQUIVALENTS

Cash and bank balances
 Short-term financing

(Un-audited)
 First Quarter Ended
 September 30,

2023 2022

(Rupees in '000)

541,131	290,459
(1,774,493)	(186,000)
(1,233,362)	104,459

Notes to The Condensed Interim Financial Statements

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023 - UNAUDITED

15. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Name of the related party	Relationship	Transactions during the period	(Unaudited)	(Unaudited)
			September 30, 2023	September 30, 2022
			(Rupees in '000)	
Aisha Steel Mills Limited	Associated company Common directorship	- Sale of goods	-	441
		- Payment received	-	462
Safe Mix Concrete Limited	Associated company Common directorship	- Sale of goods	82,223	88,961
		- Payment received	69,043	103,911
Javedan Corporation Limited	Associated company Common directorship	- Sale of goods	12,753	12,615
		- Payment received	-	12,951
		- Services received	139	-
BioMasdar (Pakistan) Limited	Associated company Common directorship	- Sale of goods	1,386	-
		- Payment received	1,386	-
Rotocast Engineering Company (Private) Limited	Associated company Common directorship	- Services received	5,426	7,576
		- Lease rental	9,130	-
		- Payments made	14,375	7,576
Arif Habib Corporation Limited	Associated company Common directorship	- Mark-up paid	-	16,179
		- Guarantee commission accrued	239	-
		- Guarantee commission paid	239	212
Memon Health & Education Foundation	Associated company Common directorship	- Sale of goods	2,029	1,028
		- Payment received	2,029	1,425
Arif Habib Equity (Private) Limited	Associated company Common directorship	- Markup accrued	117,436	65,199
		- Markup paid	121,420	119,555
		- Loan repaid	154,380	154,445
		- Contribution received	1,105,700	-
Mr. Arif Habib	Substantial shareholder	- Contribution repaid	1,105,700	-
Samba Bank Limited	Associated company Common directorship	- Mark-up paid	5,178	3,284
		- Bank Charges paid	103	109
Fatima Packaging Limited	Associated company Common directorship	- Purchase of goods	366,594	234,419
		- Payments made	355,844	142,651
FLSmith A/S	Related party by virtue of nominee director	- Purchase of goods	46,128	20,627
		- Payments made	106,739	60,210
Key management personnel	Key management	- Remuneration and other benefits	92,890	73,549
		- Advances disbursed to employees	17,422	7,418
		- Advances repaid by employees	17,034	3,592
Pakistan Stock Exchange Limited	Associated company Common directorship	- Services received	2,049	2,315
		- Payments made	1,987	2,315
Pakarab Fertilizer Company Limited	Associated company Common directorship	- Purchase of goods	2,676	-
		- Payments made	2,246	-
Staff retirement benefit fund	Staff benefit plan	- Charge during the period	16,794	14,428
		- Contribution during the period	3,199	6,196

Notes to The Condensed Interim Financial Statements

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023 - UNAUDITED

	(Unaudited) September 30, 2023	(Audited) June 30, 2023
	(Rupees in '000)	
Balances with related parties		
Aisha Steel Mills Limited		
- Advance from customer	(69)	(69)
Safe Mix Concrete Limited		
- Receivable from customer	25,150	11,970
Javedan Corporation Limited		
- Receivable from customer	49,668	36,915
Memon Health & Education Foundation		
- Advance from customer	(192)	(192)
Rotocast Engineering Company (Private) Limited		
- Amount payable against services received	1,954	1,773
- Contribution	<u>1,236,000</u>	<u>1,236,000</u>
Arif Habib Corporation Limited		
- Guarantee commission payable	239	239
Arif Habib Equity (Private) Limited		
- Loan payable (including mark-up)	981,290	1,139,654
- Contribution	<u>1,912,700</u>	<u>807,000</u>
Mr. Arif Habib		
- Mark-up payable	292,722	292,722
- Contribution	<u>3,851,300</u>	<u>4,957,000</u>
FLSmidth A/S		
- (Advance) against goods purchased	(100,420)	(39,809)
Samba Bank Limited		
- Payable against running finance	232,663	300,000
- Mark-up payable on running finance	<u>6,481</u>	<u>5,178</u>
Fatima Packaging Limited		
- Amount payable against goods purchased	<u>180,623</u>	<u>169,873</u>
Pakarab Fertilizer Company Limited		
- Amount payable against goods purchased	<u>2,676</u>	<u>2,246</u>
Pakistan Stock Exchange Limited		
- Amount payable against services received	<u>62</u>	<u>-</u>

Notes to The Condensed Interim Financial Statements

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023 - UNAUDITED

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements has been authorized for issue on October 25, 2023 by the Board of Directors.



Chief Financial Officer



Chief Executive Officer



Director



Arif Habib Centre,
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