

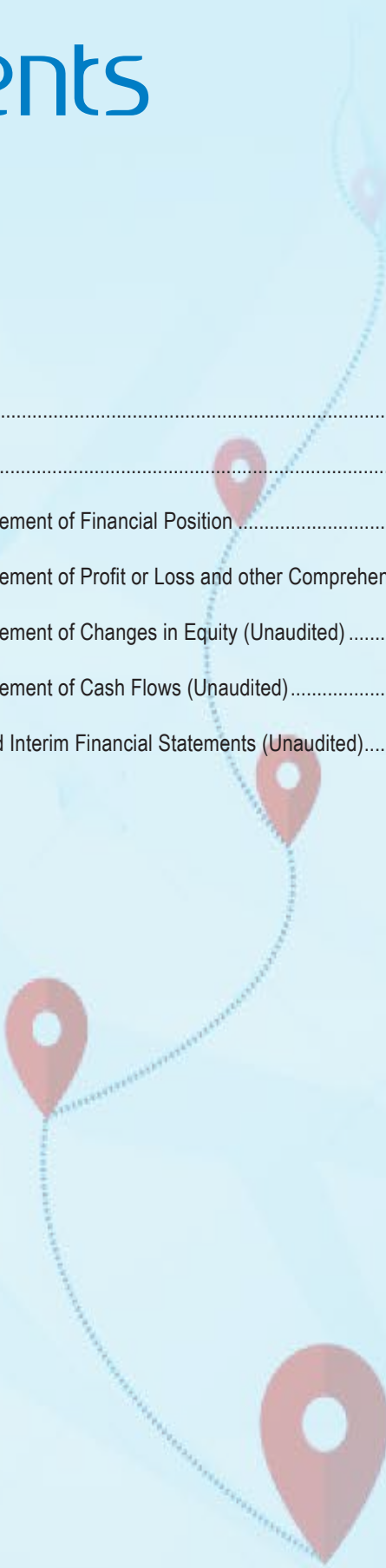
First Quarterly Report | 20
September 30, 24

Aiming for new Heights




Power Cement
مضبوطی۔ چٹانوں جیسی

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Company Information

Board of Directors

Mr. Muhammad Arif Habib	Chairman, Non-Executive Director
Mr. Nasim Beg	Non-Executive Director
Mr. Muhammad Kashif	Chief Executive Officer
Mr. Abdus Samad Habib	Non-Executive Director
Syed Salman Rashid	Non-Executive Director
Mr. Khurshed Anwer Jamal	Independent Director
Ms. Zainab Kashif	Non-Executive Director
Ms. Aaiza Khan	Independent Director

Audit Committee

Mr. Khurshed Anwer Jamal	Chairman
Syed Salman Rashid	Member
Mr. Abdus Samad Habib	Member

Human Resource & Remuneration Committee

Mr. Khurshed Anwer Jamal	Chairman
Syed Salman Rashid	Member
Mr. Muhammad Kashif	Member

Chief Financial Officer

Muhammad Taha Hamdani

Company Secretary

Mr. Salman Gogan

External Auditors

A.F. Ferguson & Co. Chartered Accountants

Legal Advisor

Barrister 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

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

Foreign Banks / DFIs

DEG - Deutsche Investitions-und 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 presents their review of the financial and operational performance of the Company for the first quarter ended September 30, 2024.

ECONOMIC OVERVIEW

The economic forecast for FY25 indicates a projected Real GDP growth of 2.8%. This growth is expected to be supported by the removal of import restrictions, improvements in domestic supply chains, and a decline in inflation rates. As of September 2024, headline inflation decreased to 6.9%, down from 12.6% in June 2024, while core inflation fell to 9.3% from 14.1%. However, rising energy prices and new taxes could pose short-term risks. In response to the easing inflation, the State Bank of Pakistan (SBP) lowered the policy rate by 450 basis points to 17.5% by September 2024, having maintained it at 22% since June 2023. This combination of factors points to a significant phase in the country's economic landscape.

INDUSTRY OVERVIEW

The cement industry faced significant challenges during the reporting period, with total dispatches falling to 10.2 million tons, a decline of 13.53% year-over-year. Domestic sales dropped by 19.7%, while export sales increased by 22.3%. The outlook for macroeconomic stability remains uncertain, necessitating a balanced sales strategy for cement companies to navigate the upcoming challenges.

In the North Zone, domestic dispatches decreased by 17.6%, totaling 6.86 million tons. However, export sales in this region rose by 18.4%, reaching 0.5 million tons. The South Zone experienced a 29.4% decline in domestic sales, with dispatches at 1.27 million tons, yet exports surged by 23.6% to 1.63 million tons.

PRODUCTION & SALES PERFORMANCE

The production and sales statistics for the first quarter ended September 30, 2024, compared to the corresponding period are as follows:

Production	First Quarter Ended		
	September 30, 2024	September 30, 2023	Variance %
	In Tons		
Clinker Production	477,339	669,870	(29%)
Cement Production	327,188	461,314	(29%)

The overall capacity utilization for the first quarter of FY-2025 stood at 59% as compared to 83% in the corresponding period.

Sales Volume	First Quarter Ended		
	September 30, 2024	September 30, 2023	Variance %
	In Tons		
Clinker/Cement dispatches (Local)	251,806	355,421	(29%)
Clinker dispatches (Export)	99,897	372,079	(73%)
Cement dispatches (Export)	42,802	100,978	(58%)
Total	394,505	828,478	(52%)

Directors' Review

FINANCIAL PERFORMANCE

The key financial results for the first quarter ended September 30, 2024, are as follows:

Particulars	First Quarter ended	
	September 30, 2024	September 30, 2023
	Rs. '000	
Net Sales Revenue	5,047,490	9,735,942
Gross Profit	1,238,357	2,438,247
EBITDA	880,088	1,476,847
Operating Profit	679,981	1,210,181
Finance Cost	(1,108,899)	(1,323,764)
Loss Before Taxation and Levy	(428,918)	(113,583)
Loss After Taxation and Levy	(492,155)	(470,191)

The Company's financial performance for the quarter reflects a challenging environment, with a significant decline in key indicators. Net sales revenue fell by 48%, leading to a gross profit decline of 49%. Operating profit decreased by 44%, while finance costs, although reduced, remain substantial at Rs. 1,109 million. The Company reported a pre-tax loss of Rs. 429 million, compared to a loss of Rs. 114 million in the corresponding period, with an after-tax loss of Rs. 492 million.

FUTURE OUTLOOK

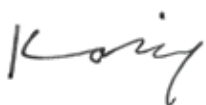
Pakistan's macroeconomic indicators are showing signs of improvement. Inflation and interest rates are declining, the rupee has stabilized, and the current account is well managed. Additionally, the IMF has approved a Stand-by Arrangement (SBA) of USD 7 billion stabilizing Pakistan's external account. However, despite these positive developments, the demand for cement remains sluggish, and electricity prices in the country remain significantly high. The decline in interest rates is encouraging and we anticipate that this will eventually lead to increased demand. The government is also committed to reduce electricity prices.

The Board remains hopeful that the combination of lower interest rates, reduced electricity costs, and a surge in cement demand will bring much-needed relief to the Company in the remaining period of the current financial year and beyond.

ACKNOWLEDGEMENT

The Directors express sincere gratitude for the commitment and contributions of all employees, as well as the trust placed in the Company by stakeholders.

For and on behalf of Board of Directors



Muhammad Kashif Habib
Chief Executive Officer



Muhammad Arif Habib
Chairman

Karachi
October 28, 2024





Financial Statements

FOR THE FIRST QUARTER ENDED
SEPTEMBER 30, 2024

Condensed Interim Statement of Financial Position

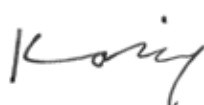
AS AT SEPTEMBER 30, 2024

	Note	(Unaudited) September 30, 2024	(Audited) June 30, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	5	34,481,884	34,309,305
Right-of-use asset		95,913	-
Long-term investments		28,645	28,268
Deferred tax asset		3,186,709	3,186,709
Long-term deposits		56,069	56,069
		37,849,220	37,580,351
Current assets			
Inventories	6	3,043,020	2,019,890
Stores, spares and loose tools	7	2,722,247	3,532,483
Trade receivables - considered good	8	386,910	294,896
Advances and other receivables - unsecured, considered good		1,093,102	758,588
Taxation - payments less provision		377,218	393,418
Derivative financial asset		1,934,547	2,186,893
Trade deposits and short-term prepayments		87,524	117,438
Tax refund due from government - sales tax		49,686	359,252
Short-term investments		31,099	31,099
Cash and bank balances	9	369,639	503,468
		10,094,992	10,197,425
TOTAL ASSETS		47,944,212	47,777,776

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



Chief Financial Officer



Chief Executive



Director

Condensed Interim Statement of Financial Position

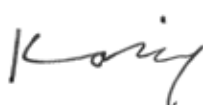
AS AT SEPTEMBER 30, 2024

	Note	(Unaudited) September 30, 2024	(Audited) June 30, 2024
(Rupees in '000)			
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital			
	10		
Ordinary shares		11,120,185	11,118,852
Cumulative preference shares		2,081,323	2,082,323
		13,201,508	13,201,175
Reserves			
Capital Reserve			
Share premium		739,493	739,493
Difference on conversion of cumulative preference shares into ordinary shares		(121,511)	(121,178)
Revenue Reserve			
Hedging reserve		98,355	-
Accumulated loss		(6,592,524)	(6,100,369)
		(5,876,187)	(5,482,054)
Contribution from associated undertakings		15,050,000	11,700,000
TOTAL EQUITY		22,375,321	19,419,121
LIABILITIES			
Non-current liabilities			
Long-term financing - secured		13,734,054	14,877,802
Long-term trade payables		299,545	356,493
Long-term lease liability		71,612	-
Staff retirement benefits		257,626	234,977
		14,362,837	15,469,272
Current liabilities			
Trade and other payables		4,801,256	3,186,426
Unclaimed dividend		126	126
Accrued mark-up		1,019,219	2,044,231
Short-term financing - secured		3,919,186	6,269,067
Current portion of long-term lease liability		21,504	-
Current portion of long-term financing		1,444,763	1,389,533
		11,206,054	12,889,383
TOTAL LIABILITIES		25,568,891	28,358,655
Contingencies and commitments			
	11		
TOTAL EQUITY AND LIABILITIES		47,944,212	47,777,776

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



Chief Financial Officer



Chief Executive



Director

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income - Unaudited

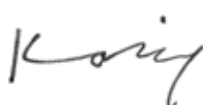
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Note	First Quarter Ended	
		September 30, 2024	September 30, 2023
			Restated
		(Rupees in '000)	
Revenue from contracts with customers	12	5,047,490	9,735,942
Cost of sales		(3,809,133)	(7,297,695)
Gross profit		1,238,357	2,438,247
Selling and distribution expenses	13	(436,783)	(919,829)
Administrative expenses		(124,082)	(112,274)
Other income / (expense)		2,489	(195,963)
		(558,376)	(1,228,066)
Profit from operations		679,981	1,210,181
Finance income		7,162	6,293
Finance cost		(1,116,061)	(1,330,057)
		(1,108,899)	(1,323,764)
Loss before taxation and levy		(428,918)	(113,583)
Levy		(13,491)	(62,330)
Taxation		(49,746)	(294,278)
Loss after taxation and levy		(492,155)	(470,191)
Other comprehensive income / (loss)			
Items that are or may be reclassified subsequently to profit or loss			
Changes in fair value of cash flow hedges		(252,346)	(630,288)
Adjustment for amounts transferred to profit or loss		413,584	594,531
		161,238	(35,757)
Related deferred tax		(62,883)	(34,982)
Hedging Reserve		98,355	(70,739)
Total comprehensive loss for the period		(393,800)	(540,930)
		----- (Rupee) -----	
Loss per share - Basic & Diluted	14	(0.55)	(0.53)

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



Chief Financial Officer



Chief Executive



Director

Condensed Interim Statement of Changes in Equity – Unaudited

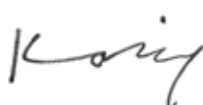
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Issued, subscribed and paid up capital	Difference on conversion of cumulative preference shares into ordinary shares	Capital Reserve	Revenue Reserve		Contribution from associated undertakings	Total Equity
			Share Premium	Hedging Reserve	Accumulated loss		
(Rupees in '000)							
Balance as at July 1, 2023	13,201,138	(121,141)	739,493	125,309	(3,376,772)	7,000,000	17,568,027
Contribution received	-	-	-	-	-	-	-
Cumulative preference shares of Rs.10 each converted into 1.333 Ordinary Shares of Rs. 10 each during the period	3	(3)	-	-	-	-	-
	3	(3)	-	-	-	-	-
Total comprehensive loss for the period							
Loss for the period	-	-	-	-	(470,191)	-	(470,191)
Other comprehensive loss for the period	-	-	-	(70,739)	-	-	(70,739)
	-	-	-	(70,739)	(470,191)	-	(540,930)
Balance as at September 30, 2023	<u>13,201,141</u>	<u>(121,144)</u>	<u>739,493</u>	<u>54,570</u>	<u>(3,846,963)</u>	<u>7,000,000</u>	<u>17,027,097</u>
Balance as at July 1, 2024	13,201,175	(121,178)	739,493	-	(6,100,369)	11,700,000	19,419,121
Contribution received	-	-	-	-	-	3,350,000	3,350,000
Cumulative preference shares of Rs.10 each converted into 1.333 Ordinary Shares of Rs. 10 each during the period	333	(333)	-	-	-	-	-
	333	(333)	-	-	-	3,350,000	3,350,000
Total comprehensive income / (loss) for the period							
Loss for the period	-	-	-	-	(492,155)	-	(492,155)
Other comprehensive income for the period	-	-	-	98,355	-	-	98,355
	-	-	-	98,355	(492,155)	-	(393,800)
Balance as at September 30, 2024	13,201,508	(121,511)	739,493	98,355	(6,592,524)	15,050,000	22,375,321

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



Chief Financial Officer



Chief Executive



Director

Condensed Interim Statement of Cash Flows – Unaudited

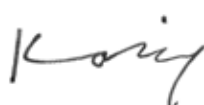
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

Note	September 30, 2024	September 30, 2023
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	2,217,758	953,279
Gratuity paid	(756)	(3,199)
Income tax paid	(47,037)	(99,786)
Finance cost paid	(2,154,992)	(1,890,421)
	(2,202,785)	(1,993,406)
Net cash generated / (used in) operating activities	14,973	(1,040,127)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure - operations	(369,220)	(23,621)
Proceeds from sale of property, plant and equipment	1,287	1,395
Finance income received	6,123	5,942
Net cash used in investing activities	(361,810)	(16,284)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term financing	(774,079)	(770,209)
Proceeds of short term financing - net	850,000	4,300,000
Lease rentals paid	(13,032)	(4,565)
Proceeds of contribution from associated undertakings	7,466,000	1,105,700
Repayment of contribution from associated undertakings	(4,116,000)	(1,105,700)
Net cash generated from financing activities	3,412,889	3,525,226
Net increase in cash and cash equivalents	3,066,052	2,468,815
Cash and cash equivalents at beginning of the period	(4,415,599)	(3,702,177)
Cash and cash equivalents at end of the period	(1,349,547)	(1,233,362)

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



Chief Financial Officer



Chief Executive



Director

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

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 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;
- Islamic Financial Accounting Standards (IFAS) issued by the 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 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 June 30, 2024.

During the year the Institute of Chartered Accountants of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - Accounting Policies, Change in Accounting Estimates and Errors. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and loss per share as a result of this change.

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

The effects of change in accounting policy are as follows:

	For the Quarter ended September 30, 2024			For the Quarter ended September 30, 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of changes in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of changes in accounting policy
	(Rupees '000)			(Rupees '000)		
Levies	-	(13,491)	(13,491)	-	(62,330)	(62,330)
Loss before income tax	(428,918)	(13,491)	(442,409)	(113,583)	(62,330)	(175,913)
Income tax expense	(63,237)	13,491	(49,746)	(356,608)	62,330	(294,278)

2.1 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company's financial reporting.

b) Standards and amendments to approved accounting and reporting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2025. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

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 audited financial statements of the Company for the year ended June 30, 2024.

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, 2024.

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, 2024.

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Note	(Unaudited) September 30, 2024	(Audited) June 30, 2024
5. PROPERTY, PLANT AND EQUIPMENT			
		(Rupees in '000)	
Operating assets	5.1	33,593,850	33,732,846
Capital work-in-progress		108,178	45,739
Capitalisable stores and spares		779,856	530,720
		34,481,884	34,309,305
5.1 Operating assets			
Opening net book value		33,732,846	34,576,493
Additions during the period / year - at cost			
Plant and machinery		52,758	68,020
Factory building on leasehold land		-	2,570
Non factory building on leasehold land		3,562	-
Factory and laboratory equipments		-	7,747
Computers and peripherals		645	5,448
Office equipment		125	219
Furniture and fixtures		-	967
Vehicles		554	5,335
		57,644	90,306
Disposals during the period / year - Net book value		(1,582)	(394)
Depreciation for the period / year		(195,058)	(933,559)
		(196,640)	(933,953)
Closing net book value		33,593,850	33,732,846
6. INVENTORIES			
Raw material		132,889	139,243
Packing material		200,750	259,610
Semi-finished goods		2,077,405	1,291,018
Work-in-process		16,859	21,849
Finished goods		615,117	308,170
		3,043,020	2,019,890
7. STORES, SPARES AND LOOSE TOOLS			
Stores		978,347	996,985
Coal & Other Fuels		230,157	945,687
Spares		1,524,743	1,601,441
Loose tools		7,991	7,361
		2,741,238	3,551,474
Less: Provision for net realisable value written down		(18,991)	(18,991)
		2,722,247	3,532,483

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

8. TRADE RECEIVABLES - considered good	Note	(Unaudited) September 30, 2024	(Audited) June 30, 2024
(Rupees in '000)			
Secured		-	33
Unsecured			
- Due from related parties		51,743	58,815
- Other parties		407,873	308,754
		459,616	367,602
Less: Loss allowance on trade receivables		(72,706)	(72,706)
		386,910	294,896
9. CASH AND BANK BALANCES			
Cash at bank			
Conventional			
- In current accounts		2,614	2,496
- In savings accounts		-	-
		2,614	2,496
Islamic			
- In current accounts		174,602	281,826
- In savings accounts	9.1	95,594	122,348
		270,196	404,174
- Term Deposit Receipts (TDRs)		96,100	96,100
Cash in hand		729	698
		369,639	503,468

9.1 These accounts are maintained with Islamic banks at rates ranging from 10% - 11% (June 30, 2024:10% - 11%) per annum.

10. SHARE CAPITAL

10.1 Authorised share capital

(Unaudited) September 30, 2024	(Audited) June 30, 2024		(Unaudited) September 30, 2024	(Audited) June 30, 2024
----- (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

10.2 Issued, subscribed and paid-up capital

10.2.1 Ordinary Shares

(Unaudited) September 30, 2024	(Audited) June 30, 2024		(Unaudited) September 30, 2024	(Audited) June 30, 2024
----- (Number of Shares) -----			(Rupees in '000)	
		Fully paid ordinary shares of Rs. 10 each issued:		
1,051,234,846	1,051,234,846	For cash	10,512,348	10,512,348
840,000	840,000	For consideration other than cash	8,400	8,400
11,339,588	11,339,588	Bonus shares	113,396	113,396
48,604,053	48,470,720	Converted from preference shares	484,041	484,708
1,112,018,487	1,111,885,154		11,120,185	11,118,852

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

10.2.2 Cumulative Preference Shares

(Unaudited) September 30, 2024	(Audited) June 30, 2024		(Unaudited) September 30, 2024	(Audited) June 30, 2024
----- (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
(36,453,043)	(36,353,043)	Converted into ordinary shares	(364,530)	(363,530)
208,132,277	208,232,277		2,081,323	2,082,323

- 10.3** 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, 2024 the undeclared dividend on Cumulative Preference Shares amounted to Rs. 1,393.43 million (June 30, 2024: Rs 1,277.70 million).

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There is no change in the status of the contingencies as disclosed in note 27 to the annual financial statements for the year ended June 30, 2024, except as mentioned below:

- 11.1.1** As disclosed in note 27.8.2 of the annual audited financial statements, the Commissioner Inland Revenue (CIR) has preferred an appeal before the Appellate Tribunal Inland Revenue (ATIR) against order # 41 of 2017 passed by CIR (Appeals –II) on 27 September 2017. Subsequent to the reporting date, the ATIR has upheld the CIR (Appeals –II) order and decided in favor of the Company vide order number STA No.570/KB/2017 dated October 4, 2024.

11.2 Commitments

	(Unaudited) September 30, 2024	(Audited) June 30, 2024
	(Rupees in '000)	
Commitments against open letter of credit for:		
Coal	976,333	1,029,346
Stores and spares	165,997	400,738
Commitments against letter of guarantees	10,105,794	9,716,460
Commitments against Ijarah rentals	179,009	175,693
Total Commitments	11,427,133	11,322,237

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

12. REVENUE FROM CONTRACTS WITH CUSTOMERS

	(Unaudited) September 30, 2024	(Unaudited) September 30, 2023
	(Rupees in '000)	
Local Sales	5,668,591	6,667,717
Sales tax	(951,589)	(1,112,587)
Federal excise duty	(1,007,091)	(710,842)
Commission	(11,508)	(58,728)
	3,698,403	4,785,560
Exports	1,349,087	4,986,385
Freight	-	(36,003)
	1,349,087	4,950,382
	5,047,490	9,735,942

13. Selling and distribution expenses include Rs. 351.89 million (September 30, 2023: Rs 881.9 million) incurred in respect of export sales.

14. LOSS PER SHARE - BASIC

14.1 BASIC

Loss after taxation and levy attributable to ordinary shareholders	(492,155)	(470,191)
Adjustment for cumulative preference share dividend	(115,730)	(119,554)
Loss after taxation and levy for calculation of basic loss per share	(607,885)	(589,745)
Weighted average number of ordinary shares outstanding at the end of period (in thousands)	1,111,994	1,111,871
Loss per share - Basic (Rupee)	(0.55)	(0.53)

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Note	(Unaudited) September 30, 2024	(Unaudited) September 30, 2023
15. CASH GENERATED FROM OPERATIONS			
(Rupees in '000)			
Loss before taxation and levy		(428,918)	(113,583)
Adjustment for:			
Depreciation and amortisation		200,107	266,667
Finance cost on short-term financing		348,894	384,052
Finance cost on long-term financing		745,085	922,106
Mark up on long-term trade payables		14,814	17,796
Mark up on lease liability		5,187	368
Exchange loss - net		506	197,156
Loss / (Gain) on disposal of property, plant equipment		295	(1,182)
Loss from Sale of Coal		3,611	-
Finance income		(7,162)	(6,293)
Provision for gratuity		23,405	16,794
		1,334,742	1,797,464
Operating profit before working capital changes		905,824	1,683,881
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		810,236	(730,895)
Inventories		(1,023,130)	1,172,086
Trade receivables		(92,014)	(602,826)
Advances and other receivables		(334,514)	(406,629)
Tax refund due from government - sales tax		309,566	(69,070)
Trade deposits and short-term prepayments		29,914	7,464
		(299,942)	(629,870)
Increase / (decrease) in current liabilities		1,611,876	(100,732)
Net cash generated from operations		2,217,758	953,279
16. CASH AND CASH EQUIVALENTS			
Cash and bank balances	9	369,639	541,131
Short-term financing		(1,719,186)	(1,774,493)
		(1,349,547)	(1,233,362)

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions with related parties during the period are as follows:

Name of the related party	Relationship	Transactions during the period	(Unaudited)	(Unaudited)
			September 30, 2024	September 30, 2023
			(Rupees in '000)	
Aisha Steel Mills Limited	Associated company by virtue of common directorship	- Sharing of expense	1,500	-
		- Payments made	2,000	-
Safe Mix Concrete Limited	Associated company by virtue of common directorship	- Sale of goods	104,737	82,223
		- Payments received	89,865	69,043
Javedan Corporation Limited	Associated company by virtue of common directorship	- Sale of goods	2,412	12,753
		- Payments received	23,548	-
		- Services received	-	139
Green Store (Private) Limited	Associated company by virtue of common directorship	- Purchase of goods	622	-
		- Payment made	622	-
Biomasdar (Pakistan) Limited	Associated company by virtue of common directorship	- Sale of goods	-	1,386
		- Payments received	-	1,386
Globe Residency REIT	Associated undertaking by virtue of common directorship	- Sale of goods	9,616	5,266
		- Payments received	10,046	-
Rahat Residency REIT	Associated undertaking by virtue of common directorship	- Sale of goods	1,442	1,214
		- Payments received	213	607
Signature Residency REIT	Associated undertaking by virtue of common directorship	- Sale of goods	962	-
		- Payments received	2,569	-
Memon Health & Education Foundation	Associated company by virtue of common directorship	- Sale of goods	-	2,029
		- Payment received	-	2,029
EFU Life Assurance Limited	Associated company by virtue of common directorship	- Services received	4,487	2,792
		- Payments made	4,487	2,792
Fatima Packaging Limited	Associated company by virtue of common directorship	- Purchase of goods	159,152	366,594
		- Payments made	4,189	355,844

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

Name of the related party	Relationship	Transactions during the period	(Unaudited)	(Unaudited)
			September 30, 2024	September 30, 2023
			(Rupees in '000)	
Fatima Fertilizer Company Limited	Associated company by virtue of common directorship	- Purchase of goods	168	-
Pakarab Fertilizer Company Limited	Associated company by virtue of common directorship	- Purchase of goods - Payments made	- -	2,676 2,246
Pakistan Oxygen Limited	Associated company by virtue of common directorship*	- Purchase of goods - Payments made	523 14	32 826
Arif Habib Corporation Limited	Associated company by virtue of common directorship	- Guarantee commission accrued - Guarantee commission paid	212 212	239 239
Rotocast Engineering Company (Private) Limited	Associated company by virtue of common directorship	- Services received - Lease rental - Payments made	7,562 13,032 2,181	5,426 9,130 14,375
Arif Habib Equity (Private) Limited	Associated company by virtue of common directorship	- Contribution received - Loan repaid - Mark-up accrued - Mark-up paid	4,116,000 154,380 41,343 101,107	1,105,700 154,380 117,436 121,420
Mr. Arif Habib	Substantial shareholder / Director	- Contribution received - Contribution repaid	3,350,000 4,116,000	- 1,105,700
Samba Bank Limited	Associated company by virtue of common directorship*	- Mark-up Paid - Mark-up Accrued - Bank Charges Paid - Loan repaid	7,056 5,873 63 10	5,178 6,536 103 10
Staff retirement benefit fund	Staff benefit plan	- Charge during the period - Contribution during the period	23,405 756	16,794 3,199
All members of Company's Management Team and Directors	Key management	- Remuneration and other benefits - Directors' fees - Advances disbursed to employees - Advances repaid by employees	128,570 275 18,792 11,393	92,890 - 17,422 17,034

*Mr. Javed Kureishi has resigned on October 10, 2024.

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FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	(Unaudited) September 30, 2024	(Audited) June 30, 2024
Balances with related parties		
(Rupees in '000)		
Aisha Steel Mills Limited		
- Advance from customer	69	69
- Amount payable	500	1,000
Safe Mix Concrete Limited		
- Receivable from customer	24,445	9,573
Javedan Corporation Limited		
- Receivable from customer	11,832	32,968
Globe Residency REIT		
- Receivable from customer	11,770	12,200
Rahat Residency REIT		
- Receivable from customer	1,873	644
Signature Residency REIT		
- Receivable from customer	1,823	3,430
Memon Health & Education Foundation		
- Advance from customer	192	192
Fatima Packaging Limited		
- Amount payable	492,705	337,742
Fatima Fertilizer Company Limited		
- Advance to Vendor	-	168
Pakistan Oxygen Limited		
- Advance to Vendor	91	600
Arif Habib Corporation Limited		
- Guarantee commission payable	211	211
Rotocast Engineering Company (Private) Limited		
- Contribution outstanding	1,066,000	1,066,000
- Amount payable	22,775	4,362
Arif Habib Equity (Private) Limited		
- Contribution outstanding	7,408,700	3,292,700
- Loan payable (including mark-up)	613,116	827,260
Mr. Arif Habib		
- Contribution outstanding	6,575,300	7,341,300
- Mark-up payable	292,722	292,722
Samba Bank Limited		
- Payable against Long Term Loan	956	966
- Payable against running finance	269,356	270,443
- Mark-up payable	5,862	7,045
Key management personnel		
- Advances to employees	49,333	41,934
Staff retirement benefit fund		
- Payable to gratuity fund	257,626	234,977

Notes to The Condensed Interim Financial Statements - Unaudited

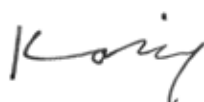
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements has been authorized for issue on October 28, 2024 by the Board of Directors.



Chief Financial Officer



Chief Executive










Director










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