



**HALF YEARLY REPORT  
DECEMBER 31,**

**2021**

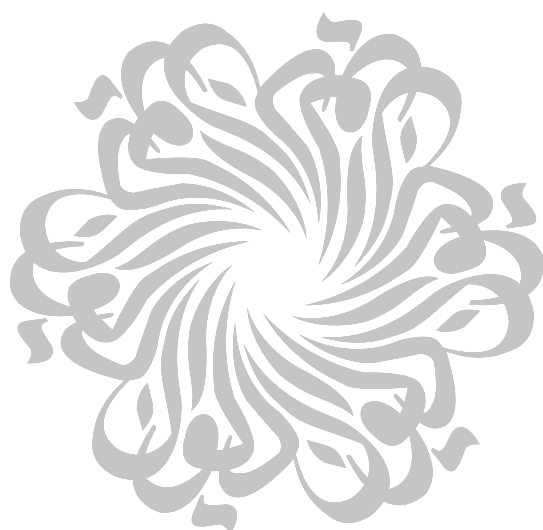
**DEWAN CEMENT LIMITED**



**YD** | A YOUSUF DEWAN COMPANY

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## Company Information

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Malik Bilal Omar  
Mr. Haroon Iqbal  
Syed Maqbool Ali

Chief Executive Officer

#### Non-Executive Directors

Mr. Ishtiaq Ahmad  
Mr. Ghazanfar Babar Siddiqui  
Mrs. Nida Jamil

Chairman Board of Directors

#### Independent Director

Mr. Aziz-ul-Haque

### AUDIT COMMITTEE MEMBERS

Mr. Aziz-ul-Haque  
Mr. Ishtiaq Ahmad  
Mr. Ghazanfar Babar Siddiqui

Chairman  
Member  
Member

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Aziz-ul-Haque  
Mr. Malik Bilal Omar  
Mr. Ishtiaq Ahmad

Chairman  
Member  
Member

### CHIEF FINANCIAL OFFICER

Mr. Imran Ahmed Javed

### COMPANY SECRETARY

Mr. Muhammad Hanif German

### AUDITORS

Faruq Ali & Co.  
Chartered Accountants

### LEGAL ADVISOR

Muhammad Azhar Faridi (Advocate)

### SHARES REGISTRAR TRANSFER AGENT

BMF Consultants Pakistan (Pvt.) Limited  
Anum Estate, Room No. 310 & 311, 3<sup>rd</sup> Floor,  
49, Darul Aman Society, Main Shahrah-e-Faisal,  
Adjacent to Baloch Colony Bridge, Karachi, Pakistan.

### REGISTERED ADDRESS

Dewan Centre, 3-A, Lalazar, Beach Hotel Road,  
Karachi, Pakistan.

### CORPORATE OFFICE

Block-A, 2<sup>nd</sup> Floor, Finance & Trade Centre,  
Shahrah-e-Faisal, Karachi, Pakistan.

### FACTORY

1. Deh Dhand, Dhabeji  
District, Malir, Karachi.
2. Kamilpur Near Hattar  
District, Haripur, Khyber Pakhtoonkhuwa.

### WEBSITE

www.yousufdewan.com

## Directors' Report

### IF YE GIVE THANKS, I WILL GIVE YOU MORE (HOLY QURAN)

The Directors are pleased to present un-audited financial results for the half year ended December 31, 2021 duly reviewed by the auditors.

### Overview of Cement Industry

Negative growth was recorded, signifying downward trend of 4.13%. Meager increase in Local sales of 1.90% and adverse decrease in exports of 32.46% was registered. Local sales gained from 23.62 to 24.06 million tons and exports shrank from 5.02 to 3.39 million tons.

### Overview of Your Company

#### Production

	<b>Upto December 2021 (In tons)</b>	<b>Upto December 2020 (In tons)</b>	<b>Variance (% Age)</b>
Clinker	739,583	170,327	334.21
Cement	855,966	135,938	529.67

#### Dispatches

	<b>Upto December 2021 (In tons)</b>	<b>Upto December 2020 (In tons)</b>	<b>Variance (% Age)</b>
Local Sales-Cement	859,665	119,871	617.16
Local Sales-GGBS	2,321	333	596.99
Local Sales-Clinker	-	26,185	(100.00)
<b>Total</b>	<b>861,986</b>	<b>146,389</b>	<b>488.83</b>

### Operating Performance

The operating results of the Company for the current half year and that of the corresponding period last year are highlighted below:

DEWAN CEMENT LIMITED

	<b>Upto December 2021</b> <b>(Rs. '000')</b>	<b>Upto December 2020</b> <b>(Rs. '000')</b>	<b>Variance</b> <b>(% Age)</b>
Net Sales	7,171,737	948,170	656.38
Cost of goods sold	(6,478,939)	(1,200,259)	(439.79)
Gross (Loss)/Profit	692,798	(252,089)	374.82
Expenses & Taxes	(849,588)	(130,621)	(550.42)
Net Profit	(156,790)	(382,710)	59.03

Overall sales volume and net sales increased by 488 % and 656 % comparing with the same period last year. The main reason of increase was due to recovery from pandemic situation, government lifting of lock down and overall improvement of company's financial position as compare to same period last year.

#### **Future Outlook**

GDP growth is expected to go up in future from 3.9% to 5.37%. Cement demand will rise in short and medium term owing to CPEC, PSDP, dams and million homes/year project.

Covid-19 is receding and economic indicators are positive. Profits may dampen due to increase in input costs.

Local Sales is projected to improve slightly.

#### **Observations in the Auditors' Review Report**

The auditors have qualified their report on the following basis, which are duly explained.

#### **Advance for Pre-IPO Investment:**

The auditors do not concur with the management assertion regarding the classification of advance for Pre-IPO investment amounting to Rs. 2,910 million as long-term liability.

The management is of the view that since IPO was not closed by the arrangers so TFC's could not be issued. We have offered them revised terms of restructuring and are very hopeful that it will be closed in near future. It is pertinent to mention here that almost 27% of the loan was restructured and timely payment are being made as committed.

**Provision for markup:**

The Company has not made provision of markup for the period amounting to Rs. 362.232 million. The management has approached its bankers / financial institutions for restructuring of its long term and short-term obligations. The management is confident that the Company's restructuring proposals will be accepted by the financial institutions / bankers. Therefore, the Company has not made any provision of mark-up.

The auditors have also added an emphasis of matter paragraph on:

- the company's ability to continue as going concern as more fully explained in note 2 to the condensed interim financial information and
- non-payment of excise duty and sales tax within the stipulated time as prescribed in respective laws.

**Acknowledgement**

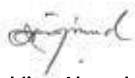
The Board of Directors places on record its gratitude to its valued customers, Federal and Provincial Governments, dealers and employees of the Company, for their continued co-operation & support.

In conclusion, we bow, beg and pray to **Almighty Allah, Rahman-ur-Rahim**, in the name of our beloved Prophet Mohammad (peace be upon him), for continued showering of His blessings, guidance, strength, health, and prosperity to us, our Company, Country and Nation and also pray to Almighty Allah to bestow peace, harmony, brotherhood and unity in true Islamic spirit to whole of Muslim Ummah, Ameen, Summa Ameen.

**LO-MY LORD IS INDEED HEARER OF PRAYER (AL-QURAN)**

**Note:** Chief Executive of the company is presently not available in Pakistan, therefore these financial statement have been signed by two directors duly authorized in this behalf.

For and on behalf of Board of Directors



**Ishfaq Ahmed**  
Chairman Board of Directors



**Haroon Iqbal**  
Director

**Dated: February 25, 2022**

**Place: Karachi**



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 Main Karsaz Road, : (021) 34301967  
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 Email: info@fac.com.pk : (021) 34301969  
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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dewan Cement Limited

### Report on review of Condensed Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Dewan Cement Limited ('the Company') as at 31 December 2021, the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2021.

#### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Basis for qualified conclusion

- a) The Company has classified 'advances for investment in term finance certificates' amounting to Rs.2,910 million as long term liability. We do not concur with the management's assertion regarding its classification as long-term liability. In our opinion the entire liability should be classified as current liability as per terms of agreement with the investors.
- b) The Company has not made provision of markup for the period amounting to Rs. 362.232 million (up to 31 December 2021: Rs. 7,001.256 million) (refer note 13) keeping in view of the settlement reached with lenders. In our opinion, since the Company admitted the liability in the standstill agreements executed with the lenders during the year and for which consent decrees were obtained, the provision of markup should have been made in these financial statements. Had the provision of markup been made in the condensed interim financial statement, the profit for the period would have been lower by Rs.362.232 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs. 7,001.256 million.

#### Qualified conclusion

Based on our review, except for the matters described in Para (a) and (b) above, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statement are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.



**Emphasis of matter**

Without further qualifying our conclusion, we draw attention of the members to the following:

- a) Note 2 to the financial statements which indicates loss after taxation of Rs.156.790 million, and as of that date its current liabilities exceeded its current assets by Rs.3,345.112 million, a consent decree was obtained by the majority of the lenders on the terms and conditions stipulated in standstill agreement and certain lenders have gone into litigation for recovery of their liabilities through attachment and sale of the Company's hypothecated / mortgaged properties and some of the lenders have also filed winding up petitions. These conditions, along with other matters as set forth in note 2, indicate the existence of material uncertainty which may cast significant doubt about Company's ability to continue as going concern therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The amounts of current liabilities reported in said note do not include the effect of matters discussed in basis for qualified conclusion.
- b) Note 11 to the financial statements which indicated non-payment of excise duty and sales tax within the stipulated time as prescribed in respective laws.

The engagement partner on the review engagement resulting in this independent auditor's review report is Muhammad Faisal Nini.



**CHARTERED ACCOUNTANTS**

Place: Karachi

Dated: 26 FEB 2022

UDIN: RR202110178hCRuiGA28

DEWAN CEMENT LIMITED

Condensed Interim Statement of Financial Position

As At December 31, 2021

(Un-audited) (Audited)  
December 31, June 30,  
2021 2021

Notes ----- Rupees in '000' -----

**ASSETS**

**NON-CURRENT ASSETS**

Property, plant and equipment	6	33,665,145	34,054,273
Long term deposits		127,881	127,881
Long term loans		5,503	6,233
		33,798,529	34,188,387

**CURRENT ASSETS**

Stores and spare parts		1,510,890	1,337,135
Stock in trade		463,380	271,939
Trade debts - Unsecured		468,931	405,216
Loans and advances - Unsecured, considered good		356,314	212,451
Trade deposits and short term prepayments		19,396	19,857
Other receivables		136,033	113,306
Short term investments		373	289
Advance tax - Net		364,039	321,472
Cash and bank balances		122,008	61,734
		3,441,364	2,743,399
		37,239,893	36,931,786

**EQUITY AND LIABILITIES**

**SHARE CAPITAL AND RESERVES**

Authorised Share capital			
850,000,000 (June 2021: 850,000,000) Ordinary shares of Rs. 10/- each		8,500,000	8,500,000
Issued, subscribed and paid-up share capital		4,841,133	4,841,133
Revenue reserve			
Un-appropriated profit		3,974,463	3,972,237
Capital reserves			
Merger reserve		629,444	629,444
Surplus on revaluation of property, plant & equipment	7	11,333,547	11,492,563
		20,778,587	20,935,377

**NON-CURRENT LIABILITIES**

Long term financing	8	57,084	36,359
Advances for investment in term finance certificates	9	2,910,000	3,110,000
Long term deposits and payables		693,595	704,585
Deferred tax liability - Net	10	6,014,151	5,869,030
		9,674,830	9,719,974

**CURRENT LIABILITIES**

Trade and other payables	11	3,344,290	2,856,559
Short term borrowings		579,159	579,159
Mark-up payable		792,661	792,661
Current and overdue portion of non-current liabilities		2,055,660	2,033,350
Dividend payable		12,926	12,926
Unpaid and unclaimed dividend		1,780	1,780
		6,786,476	6,276,435

**CONTINGENCIES AND COMMITMENTS**

	12	--	--
		37,239,893	36,931,786

The annexed notes form an integral part of these financial statements.

**Note:** Chief Executive of the Company is presently not available in Pakistan, therefore, these financial statements have been signed by two directors duly authorized in this behalf.

  
**Ishtiaq Ahmed**  
Chairman Board of Directors

  
**Imran Ahmed Javed**  
Chief Financial Officer

  
**Haroon Iqbal**  
Director

**Condensed Interim Statement of Profit or Loss - (Un-audited)**  
**For The Half Year Ended December 31, 2021**

	Half Year Ended		Quarter Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Notes</b>	<b>-----Rupees in '000'-----</b>			
Turnover - Net	7,171,737	948,170	4,149,556	931,644
Cost of sales	(6,478,939)	(1,200,259)	(3,752,907)	(1,095,954)
Gross (loss) / profit	692,798	(252,089)	396,649	(164,310)
<b>Operating expenses</b>				
Distribution cost	(56,097)	(29,200)	(35,784)	(15,325)
Administrative expenses	(524,615)	(258,919)	(271,010)	(153,959)
Other operating expenses	(46,234)	(900)	(21,034)	(900)
	(626,946)	(289,019)	(327,828)	(170,184)
Operating profit / (loss)	65,852	(541,108)	68,821	(334,494)
Other income	15,681	15,330	14,646	12,022
Finance cost	13 (3,555)	(7,723)	(1,526)	(7,295)
Profit / (loss) before taxation	77,978	(533,501)	81,941	(329,767)
Taxation - Net	(234,768)	150,791	48,797	63,176
<b>Loss for the period</b>	<b>(156,790)</b>	<b>(382,710)</b>	<b>130,738</b>	<b>(266,591)</b>
<b>Loss per share -</b>				
<b>Basic and diluted (Rupee)</b>	<b>14 (0.32)</b>	<b>(0.79)</b>	<b>0.27</b>	<b>(0.55)</b>

The annexed notes form an integral part of these financial statements.

**Note:** Chief Executive of the Company is presently not available in Pakistan, therefore, these financial statements have been signed by two directors duly authorized in this behalf.

  
**Ishtiaq Ahmed**  
Chairman Board of Directors

  
**Imran Ahmed Javed**  
Chief Financial Officer

  
**Haroon Iqbal**  
Director

DEWAN CEMENT LIMITED

**Condensed Interim Statement of Comprehensive Income - (Un-audited)  
For The Half Year Ended December 31, 2021**

	Half Year Ended		Quarter Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
----- Rupees in '000' -----				
Loss for the period	(156,790)	(382,710)	130,738	(266,591)
<b>Other comprehensive income:</b>				
<b>Items that will not be subsequently reclassified to profit or loss:</b>				
Effect of reduction in effective tax rate	--	(6,593)	--	(6,593)
<b>Total comprehensive (loss) / income for the period</b>	<b><u>(156,790)</u></b>	<b><u>(389,303)</u></b>	<b><u>130,738</u></b>	<b><u>(273,184)</u></b>

The annexed notes form an integral part of these financial statements.

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**Ishtiaq Ahmed**  
Chairman Board of Directors

  
**Imran Ahmed Javed**  
Chief Financial Officer

  
**Haroon Iqbal**  
Director

**Condensed Interim Statement of Cash Flows - (Un-audited)**  
**For The Half Year Ended December 31, 2021**

		December 31, 2021	December 31, 2020
	Notes	Rupees in '000'	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	15	496,415	(2,600)
<b>Payment for:</b>			
Taxes net of refund received		(132,214)	(9,619)
Finance cost		(1,290)	(856)
Net cash (outflows) / inflows from operating activities		362,911	(13,075)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures		(110,639)	(7,841)
Net change in long term loans		—	1,050
Long term loans recovered		1,695	—
Net cash outflows from investing activities		(108,944)	(6,791)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term loans		(144,957)	—
Net increase / (decrease) in long term deposits and payables		(48,736)	9,007
Net cash inflows / (outflows) from financing activities		(193,693)	9,007
Net (decrease) / increase in cash and cash equivalents		60,274	(10,859)
Cash and cash equivalents at the beginning of the period		61,734	90,542
<b>Cash and cash equivalents at the end of the period</b>		<b>122,008</b>	<b>79,683</b>

The annexed notes form an integral part of these financial statements.

**Note:** Chief Executive of the Company is presently not available in Pakistan, therefore, these financial statements have been signed by two directors duly authorized in this behalf.

  
**Ishtiaq Ahmed**  
Chairman Board of Directors

  
**Imran Ahmed Javed**  
Chief Financial Officer

  
**Haroon Iqbal**  
Director

**Condensed Interim Statement of Changes in Equity - (Un-audited)**  
**For The Half Year Ended December 31, 2021**

Issued, subscribed and paid-up share capital	Revenue Reserves Un-appropriated profit	Capital reserves			Total equity
		Merger reserve	Surplus on revaluation of Property, Plant and equipment	Total Capital reserves	

----- Rupees in '000' -----

Balance as on 1 July 2020	4,841,133	4,243,709	629,444	11,887,52	12,516,973	21,601,815
Loss for the period ended 31 December 2020	—	(382,710)	—	—	—	(382,710)
Other comprehensive loss	—	—	—	(6,593)	(6,593)	(6,593)
Total comprehensive loss for the period	—	(382,710)	—	(6,593)	(6,593)	(389,303)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	—	59,098	—	(59,098)	(59,098)	—
<b>Balance as at 31 December 2020</b>	<b>4,841,133</b>	<b>3,920,097</b>	<b>629,444</b>	<b>11,821,838</b>	<b>12,451,282</b>	<b>21,212,512</b>
<b>Balance as on 1 July 2021</b>	<b>4,841,133</b>	<b>3,972,237</b>	<b>629,444</b>	<b>11,492,563</b>	<b>12,122,007</b>	<b>20,935,377</b>
Loss for the period ended 31 December 2021	—	(156,790)	—	—	—	(156,790)
Other comprehensive loss	—	—	—	—	—	—
Total comprehensive income for the period	—	(156,790)	—	—	—	(156,790)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	—	159,016	—	(159,016)	(159,016)	—
<b>Balance as at 31 December 2021</b>	<b>4,841,133</b>	<b>3,974,463</b>	<b>629,444</b>	<b>11,333,547</b>	<b>11,962,991</b>	<b>20,778,587</b>

The annexed notes form an integral part of these financial statements.

**Note:** Chief Executive of the Company is presently not available in Pakistan, therefore, these financial statements have been signed by two directors duly authorized in this behalf.

  
**Ishtiaq Ahmed**  
 Chairman Board of Directors

  
**Imran Ahmed Javed**  
 Chief Financial Officer

  
**Haroon Iqbal**  
 Director

## **Notes To The Condensed Interim Financial Information - (Un-audited) For The Half Year Ended December 31, 2021**

### **1 THE COMPANY AND ITS OPERATIONS**

Dewan Cement Limited ('the Company / DCL') was incorporated in Pakistan as a public limited company in March, 1980. Its shares are quoted in the Pakistan Stock Exchange. The principal activity of the Company is manufacturing and selling of cement.

The registered office of the Company is situated at Dewan Centre, 3-A, Lalazar, Beach Hotel Road, Karachi, Pakistan. The Company has two production facilities at Deh Dhand, Dhabeji Karachi, Sindh and Kamilpur Hattar Industrial Estate, district Khyber Pakhtunkhwa. The Company has regional offices located in Islamabad .

### **2 GOING CONCERN ASSUMPTION**

The condensed interim financial statements for the period ended 31 December 2021 reflects loss after taxation of Rs.156.790 million (Jun 2021: Rs.666.483 million), and as of that date its current liabilities exceeded its current assets by Rs.3,345.112 million (June 2021: Rs.3,533.036 million). The Company's short-term borrowing facilities have expired and not been renewed and the Company has been unable to ensure scheduled payments of long term borrowings due to the liquidity problems. Following course, majority of the lenders had gone into litigation for repayment of liabilities through attachment and sale of Company's hypothecated / mortgaged properties and certain lenders had also filed winding up petitions as more fully explained in the annual financial statements of the Company for the year ended 30 June 2021. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company is fully committed to discharge its admitted liability in stand still agreements as more fully explained in the annual financial statements of the Company for the year ended 30 June 2021. Furthermore, the Company has increased its performance over the period of years, its cash flows are positive and expected growth in the economy are positively linked to the Company's growth. Accordingly, these condensed interim financial statements have been prepared on a going concern basis.

### **3 BASIS OF PREPARATION**

**3.1** These condensed interim financial statements of the Company for the half year ended 31 December 2021 have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where 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.

**3.2** These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2021.

**3.3** The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended 31 December 2021 and 31 December 2020.

#### **4 SIGNIFICANT ACCOUNTING POLICIES**

**4.1** The accounting policies and methods of computation adopted in the preparation of these condensed interim financial information are consistent with those applied in the preparation of annual audited financial statements of the Company for the year ended 30 June 2021.

#### **5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual audited financial statements for the year ended 30 June 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended 30 June 2021.



		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Notes	----- Rupees in '000' -----	
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets - At cost			
less accumulated depreciation	6.1	32,588,644	32,257,720
Right of use assets		245	273
Capital work in progress - At cost	6.2	1,076,256	1,796,280
		<u>33,665,145</u>	<u>34,054,273</u>
<b>6.1 Operating fixed assets - At cost less accumulated depreciation</b>			
Opening carrying value		32,257,720	32,943,427
Additions / transfers from			
CWIP during the period / year	6.1.1	830,663	7,770
Depreciation charged during the			
period / year		(499,739)	(693,477)
Closing carrying value		<u>32,588,644</u>	<u>32,257,720</u>
<b>6.1.1 Additions / transfers from CWIP and disposals during the period (Operating fixed assets)</b>			
		December 31, 2021	
		Additions Cost	Disposals Cost
		----- Rupees in '000' -----	
Freehold land		372	--
Buildings on leasehold land and			
quarry development		193,137	--
Plant and machinery		601,987	--
Furniture and fixture		310	--
Office equipment		7,089	--
Computers		91	--
Vehicles		27,677	--
		<u>830,663</u>	<u>--</u>
		(Un-audited) December 31, 2021	(Audited) June 30, 2021
		----- Rupees in '000' -----	
<b>6.2 Capital work-in-progress</b>			
Opening balance		1,796,280	1,796,280
Additions during the period / year		75,100	--
		<u>1,871,380</u>	<u>1,796,280</u>
Capitalized during the period / year		(795,124)	--
		<u>1,076,256</u>	<u>1,796,280</u>

DEWAN CEMENT LIMITED

(Un-audited) (Audited)  
December 31, June 30,  
2021 2021

Notes ----- Rupees in '000' -----

**7 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**

Gross surplus	15,723,700	15,947,212
Related deferred tax liability	(4,390,153)	(4,454,649)
	<u>11,333,547</u>	<u>11,492,563</u>

**8 LONG TERM FINANCINGS**

Long-term loan from financial institutions - Secured	1,950,393	2,035,350
Restructuring during the period <b>8.1</b>	140,000	--
	<u>2,090,393</u>	<u>2,035,350</u>
Present value adjustment	(74,532)	(60,259)
Total interest charged to profit and loss account	55,673	53,408
	<u>2,071,534</u>	<u>2,028,499</u>
Current maturity of long term financing	(121,199)	(27,866)
Overdue portion of long term financing	(1,893,251)	(1,964,274)
	<u>57,084</u>	<u>36,359</u>

**8.1** During the period, advance for investment in term finance certificates from a lender has been restructured for which a settlement agreement has been made dated 15 December 2021 thereby the liability has been acknowledged at principal outstanding amount of Rs.200 million out of which Rs.60 million has been paid as upfront payment and remaining balance is now repayable in 6 equal quarterly installments of Rs.23.333 million each commencing from 31 March 2022. Further, the outstanding markup and cost of fund have been acknowledged at Rs.321.531 million along with future cost of funds, repayments terms whereof will be decided mutually in the line with other financial institutions.

Upon successful settlement the cases will be withdrawn by the lenders and the difference of settlement amount over the recorded liabilities will be taken to profit and loss account.

**8.2** Principal terms and conditions of outstanding loans have remained the same as disclosed in the financial statements of the Company for the year ended June 30, 2021 except following restructuring have been made during the period.

**9 ADVANCES FOR INVESTMENT IN TERM FINANCE CERTIFICATES**

**9.1** During the period under consideration settlements have been reached with a lender for liabilities to the extent of Rs.200 million, which have now been transferred to long term financing and have been included in liabilities disclosed in note 8 to the condensed interim financial statements.

## 10 DEFERRED TAX LIABILITY - Net

Deferred taxation comprises temporary difference relating to:

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	----- Rupees in '000' -----	
Accelerated tax depreciation	3,754,863	3,702,564
Surplus on revaluation of fixed assets	4,390,153	4,454,649
Provisions and others	(72,918)	(61,963)
	8,072,098	8,095,250
Accumulated tax losses and available tax credits	(2,057,947)	(2,226,220)
	<u>6,014,151</u>	<u>5,869,030</u>

## 11 TRADE AND OTHER PAYABLES / SALES TAX PAYABLE

As at reporting date, the Company has unpaid liabilities against excise duty and sales tax amounting to Rs.1,098.488 million (June 2021: Rs.1,041.722 million) and Rs.791.856 million (June 2021: Rs.504.560 million) respectively which the Company was unable to pay within the stipulated time as prescribed in respective laws. The Company is making payments in instalments.

## 12 CONTINGENCIES AND COMMITMENTS

There are no significant change in the status of contingencies and commitments as reported in note 26 to the annual audited financial statements of the Company for the year ended 30 June 2021.

## 13 FINANCE COST

Company has not made the provision of mark-up for the period amounting to Rs.362.232 million (Up to 31 December 2021: Rs.7,001.256 million) keeping in view that the admitted liability will be reduced to the principle amounts on account of settlement of liabilities in accordance with the standstill agreements with lenders executed during the period. Had the provision been made the profit for the period would have been lower by Rs.362.232 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.7,001.256 million. The said non-provisioning is a departure from the requirements of IAS-23 'Borrowing Costs'.

## 14 EARNING PER SHARE - Basic and diluted

	Half Year Ended		Quarter Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	-----Rupees in '000' -----			
Loss after taxation	(156,790)	(382,710)	130,738	(266,591)
	----- No. of Shares '000' -----			
Weighted average number of outstanding shares	484,113	484,113	484,113	484,113
	----- Rupee -----			
(Loss)/earning per share - Basic and diluted	(0.32)	(0.79)	0.27	(0.55)

DEWAN CEMENT LIMITED

15 CASH GENERATED FROM OPERATIONS

	(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
----- Rupees in '000' -----		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	77,978	(533,501)
<b>Adjustments for non-cash charges &amp; other items:</b>		
Depreciation	499,767	193,165
Interest on Workers' Participation Fund	--	795
Unwinding of discount	2,265	6,071
Finance cost	1,290	857
Gain on remeasurement of short term investments	(84)	(86)
Exchange loss / (gain)	37,746	(15,005)
Cash inflows / (outflows) before working capital changes	611,581	(347,704)
<b>Movement in working capital</b>		
<i>(Increase) / decrease in current assets</i>		
Stores and spare parts	(173,755)	1,046
Stock in trade	(191,441)	(177,704)
Trade debts - Unsecured	(63,715)	(173,068)
Loans and advances - Unsecured	(144,828)	(28,935)
Trade deposits and short term prepayments	461	(1,008)
Other receivables - Considered good	(22,727)	(974)
	(596,005)	(380,643)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	480,839	664,845
Sales tax payable	--	60,902
	480,839	725,747
Cash generated from / (used in) operations	496,415	(2,600)

16 TRANSACTIONS WITH RELATED PARTIES

Related parties include subsidiaries, associated entities, directors, the other key management personnel and close family members of directors and other key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

	(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
----- Rupees in '000' -----		
<b>Employee Provident Fund Trust</b>		
Company's and employees contributions during the period	24,741	25,529

## **17 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

### **17.1 Financial risk factors**

The Company is exposed to the credit risks, liquidity risks and market risks (including currency rate risk and other price risk) from its use of financial instruments.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

The Company's objective in managing risk is the creation and protection of shareholders value. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

There have been no changes in the risk management policies during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

### **17.2 Fair value hierarchy**

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

#### **Fair value hierarchy**

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

DEWAN CEMENT LIMITED

	Level 1	Level 2	Level 3
	--- (Rupees in '000') ---		
<b>31 December 2021</b>			
<b>Short term investments</b>			
Investments - Fair value through profit and loss	373	--	--
<b>30 June 2021</b>			
<b>Short term investments</b>			
Investments - Fair value through profit and loss	289	--	--

## 18 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", condensed interim statement of financial position has been compared with the balances of annual financial statements, whereas condensed interim statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

## 19 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements was authorized for issue on **February 25, 2022** by the Board of Directors of the Company.

## 20 GENERAL

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

The annexed notes form an integral part of these financial statements.

**Note:** Chief Executive of the Company is presently not available in Pakistan, therefore, these financial statements have been signed by two directors duly authorized in this behalf.



**Ishtiaq Ahmed**  
Chairman Board of Directors



**Imran Ahmed Javed**  
Chief Financial Officer



**Haroon Iqbal**  
Director

آڈیٹرز نے درج ذیل کو بھی شامل کرنے پر زور دیا ہے:

- ☆ مجموعی عبوری مالیاتی معلومات کیلئے نوٹ 2 میں مکمل طور پر وضاحت کردہ توثیقی مفروضے کو جاری رکھنے کیلئے کمپنی کی صلاحیت اور
- ☆ مقررہ وقت کے اندر متعلقہ قوانین کے مشورہ کے مطابق ایکسائز ڈیوٹی اور سیلز ٹیکس کی عدم ادائیگی۔

#### اظہار تشکر:

بورڈ آف ڈائریکٹرز اپنے محترم صارفین، وفاقی اور صوبائی حکومت میں کام کرنے والوں، ڈیلرز اور کمپنی کے ملازمین کا ان کی جانب سے مستقل تعاون اور سپورٹ پر شکریہ ادا کرنا چاہتے ہیں۔


ہم آخر میں اللہ تعالیٰ رحمن و رحیم سے دعا کرتے ہیں اور حضرت محمد ﷺ سے فضل و کرم کی دعا مانگتے ہیں کہ ہماری کمپنی، ہمارے ملک کو ترقی و طاقت عطا کرے، ہم اللہ تعالیٰ سے یہ بھی دعا کرتے ہیں کہ وہ تمام مسلم ائمہ کے مابین صحیح اسلامی جذبہ، اخوت اور بھائی چارگی پیدا کرے۔ آمین شہہ آمین۔

نوٹ: چیف ایگزیکٹو اس وقت ملک میں موجود نہیں ہیں جس کی وجہ سے مالیاتی حسابات پر دونوں ڈائریکٹرز نے دستخط کیے ہیں۔

میرا پروردگار یقیناً ہماری دعاؤں کو سنتا ہے۔ (قرآن کریم)  
بورڈ آف ڈائریکٹرز کی جانب سے



بارون اقبال  
ڈائریکٹر



اشتقاق احمد  
چیرمین بورڈ آف ڈائریکٹرز

کراچی؛

مورخہ: 25 فروری 2022ء

فروخت کے حجم اور کل فروخت میں مجموعی طور پر 488 فیصد اور 656 فیصد کا اضافہ ہوا جس کا موازنہ گزشتہ سال کی اسی مدت سے کیا جاسکتا ہے۔ اس اضافہ کی بنیادی وجہ کورونا وبا میں کمی، حکومت کی جانب سے لاک ڈاؤن ختم کرنا اور گزشتہ سال کی اسی مدت کے مقابلے میں کمپنی مالی حالت میں مجموعی طور پر بہتری تھی۔

#### مستقبل کا نظریہ:

توقع ہے کہ مستقبل میں GDP کی شرح نمو 3.9 فیصد سے 5.37 فیصد ہو جائے گی۔ PSDP، CPEC، ڈیز اور لاکھوں گھروں/سالانہ منصوبہ کے باعث مختصر اور درمیانی مدت میں سینٹ کی طلب میں اضافہ ہوگا۔

معاشی اشارے مثبت ہیں اور کورونا وبا میں کمی آرہی ہے۔ ان پٹ لاگت میں اضافہ منافع پر دباؤ ڈال سکتا ہے۔ مقامی فروخت میں بہتری کا امکان ہے۔

#### آڈیٹرز کی جائزہ رپورٹ کا مشاہدہ:

آڈیٹرز نے اپنی رپورٹ کو درج ذیل بنیادوں پر اہل قرار دیا ہے جس کی وضاحت کی گئی ہے۔

#### پری آئی پی او انویسٹمنٹ کے لئے ایڈوانس:

آڈیٹرز انتظامیہ کے ساتھ پری آئی پی او انویسٹمنٹ کیلئے ایڈوانس کی درجہ بندی مبلغ 2,910 ملین روپے بطور طویل مدتی قرضہ جات پر متفق نہیں ہیں۔

انتظامیہ کی رائے کے مطابق آئی پی او کو منتظمین نے بند نہیں کیا تھا لہذا ایف سی جاری نہیں کی جاسکی۔ ہم نے انہیں دوبارہ ترمیم کیلئے نظر ثانی کی پیشکش کی تھی اور پوری امید ہے کہ یہ مستقبل قریب میں حل ہو جائے گا۔ یہاں یہ بھی تحریر کرنا ضروری ہے کہ تقریباً 27% قرضہ جات پر نظر ثانی کی جا چکی ہے۔

#### مارک اپ کیلئے قواعد:

کمپنی اس مدت کیلئے مارک اپ مبلغ 362.232 ملین روپے کا حساب درج نہیں کیا۔ انتظامیہ نے طویل مدتی اور قلیل مدتی قرضہ جات کے سلسلے میں اپنے بینکروں/مالیاتی اداروں سے رابطہ قائم کیا ہے اور انتظامیہ کو یقین ہے کہ کمپنی کی یہ تجاویز جو کہ انتظامیہ نے دی ہے اسے مالیاتی ادارے/بینکروں منظور کر لیں گے۔ لہذا کمپنی نے مارک اپ درج نہیں کیا ہے کیونکہ مارک اپ کی ادائیگی نہیں کی جائے گی۔



### ڈائریکٹرز رپورٹ

ڈائریکٹرز 31 دسمبر 2021ء کو ختم ہونے والی ششماہی کیلئے آڈیٹرز کی جانب سے نظر ثانی شدہ غیر آڈٹ شدہ مالیاتی حسابات پیش کر رہے ہیں۔

#### سیمنٹ انڈسٹری کا جائزہ:

دوران مدت منفی شرح نموریکارڈ کی گئی، جو کہ 4.13 فیصد کمی کی نشاندہی کرتا ہے۔ مقامی فروخت میں 1.90 فیصد کا اضافہ اور برآمدات میں 32.46 فیصد کی منفی شرح نموریکارڈ کی گئی۔ مقامی فروخت 23.26 سے 24.06 ملین ٹن رہی، جبکہ برآمدات 3.34 سے 5.02 ملین ٹن رہی۔

مقامی فروخت میں 1.90 فیصد کا معمولی اضافہ ہوا اور برآمدات میں 32.46 فیصد کی شرح نمودرج کی گئی۔

#### کمپنی کا جائزہ:

پیداوار:

دسمبر 2021ء تک (ٹن میں)	دسمبر 2020ء تک (ٹن میں)	متغیر (فیصد)
739,583	170,327	334.21
855,966	135,938	529.67

کلنکر

سیمنٹ

ترسیلات:

دسمبر 2021ء تک (ٹن میں)	دسمبر 2020ء تک (ٹن میں)	متغیر (فیصد)
859,665	119,871	617.16
2,321	333	596.99
-	26,185	(100.00)
861,986	146,389	488.83

مقامی ترسیلات - سیمنٹ

مقامی ترسیلات - GGBS

مقامی ترسیلات - کلنکر

ٹوٹل

#### عملی کارکردگی:

موجودہ ششماہی کیلئے کمپنی کے عملی نتائج اور گزشتہ سال اسی مدت کی تفصیلات درج ذیل ہیں:

دسمبر 2021ء تک (روپے '000)	دسمبر 2020ء تک (روپے '000)	متغیر (فیصد)
7,171,737	948,170	656.38
(6,478,939)	(1,200,259)	(439.79)
6,92,798	(252,089)	374.82
(849,588)	(130,621)	(550.42)
(156,790)	(382,710)	59.03

کل فروخت

فروخت کردہ مال کی قیمت

کل منافع

اخراجات اور ٹیکسز

کل منافع