



**Cherat Cement  
Company Limited**  
A Ghulam Faruque Group Company

STANDING  
**STRONG**

**1<sup>st</sup> Quarterly Report  
September 30, 2024**

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# COMPANY INFORMATION

## Board of Directors

Mr. Omar Faruque  
Mr. Azam Faruque  
Mr. Akbarali Pesnani  
Mr. Arif Faruque  
Mr. Arifur Islam  
Mr. Abrar Hasan  
Mrs. Zeeba Ansar  
Mr. Yasir Masood

Chairman  
Chief Executive  
Director  
Director  
Director  
Director  
Director  
Director

## Audit Committee

Mr. Arifur Islam  
Mr. Akbarali Pesnani  
Mr. Arif Faruque

Chairman  
Member  
Member

## Human Resource & Remuneration Committee

Mr. Abrar Hasan  
Mr. Omar Faruque  
Mr. Azam Faruque

Chairman  
Member  
Member

## Director & Chief Operating Officer

Mr. Yasir Masood

## Chief Financial Officer

Mr. Ijaz Ahmed

## Company Secretary

Mr. Asim H. Akhund

## Head of Internal Audit

Mr. Aamir Saleem

## External Auditors

M/s. Grant Thornton Anjum Rahman  
Chartered Accountants

## Cost Auditors

UHY Hassan Naeem & Co.  
Chartered Accountants

## Shariah Advisor

Alhamd Shariah Advisory Services (Private) Limited

## Legal Advisor

K.M.S. Law Associates

## Bankers

Allied Bank Limited  
Bank Al Habib Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Industrial & Commercial Bank of China  
MCB Bank Limited  
National Bank of Pakistan  
Samba Bank Limited  
Soneri Bank Limited  
The Bank of Punjab  
United Bank Limited

## Non-Banking Financial Institution

Pakistan Kuwait Investment Co. (Private) Limited

## Islamic Bankers

Bank Alfalah Limited  
Bank-Islami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
The Bank of Khyber

## Credit Rating

Long-term rating: A+  
Short-term rating: A1  
Outlook: Stable  
by The Pakistan Credit Rating  
Agency Limited (PACRA)

## Share Registrar

CDC Share Registrar Services Limited  
CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shahr-e-Faisal  
Karachi-74400  
Tel: 0800-23275  
UAN: 111-111-500  
Email: info@cdcsrsl.com

## Contact Information

UAN: 111-000-009  
Email: info@gfg.com.pk  
Web: www.gfg.com.pk



## Registered Office / Factory

Village Lakrai, P.O. Box 28,  
Nowshera  
Tel: +9291 5270531-4  
Fax: +9291 5270536

## Head Office

Modern Motors House,  
Beaumont Road  
Karachi-75530  
Tel: +9221 35683566-7, 35689538  
Fax: +9221 35683425

## Sales Offices

Peshawar:  
1st Floor, Betani Arcade,  
University Road  
Tel: +9291 5842285, 5842272  
Fax: +9291 5840447

Lahore:  
3, Sunder Das Road  
Tel: +9242 36286249-50, 36308259  
Fax: +9242 36286204

## Islamabad:

1st Floor, Razia Sharif Plaza  
Jinnah Avenue, Blue Area  
Tel: +9251 2344531-33  
Fax: +9251 2344534, 2344550

# DIRECTORS' REVIEW

The Board of Directors is pleased to present the un-audited financial results of the Company for the first quarter ended September 30, 2024.

## Overview

Pakistan's economy moved towards stability in the latter part of FY2024, with lower inflation, improved current and fiscal accounts deficit, and a stable exchange rate. Moreover, the external account also improved due to a constrain on imports, while exports and remittances also increased. This trajectory is expected to continue in the later part of the financial year. To further strengthen stability, government has finalized a deal with IMF on a 37-months extended fund facility Arrangement (EFF) for \$7 billion. Moreover, in line with the downward trend of inflation, SBP has further reduced the discount rate by 200 basis points to 17.5%. International oil prices have come down in view of fears of global recession which has given some fiscal space to the government. However, rising tensions in the Middle East could further disrupt supply chains, leading to higher oil and commodities prices. Pakistan is particularly vulnerable to these supply-side shocks.

In the Federal Budget 2024-25, the government significantly increased taxation in general, but especially for the cement sector. Protest by cement and other retailers during this quarter on account of new measures introduced in the Budget, low developmental spending by the government, and political uncertainty badly impacted the domestic demand for cement during this quarter. Despite these challenges, the Company continued its efforts toward enhancing efficiencies and reducing leverage to ensure long-term growth and stability.

During the period under review, domestic demand for cement decreased by 19.7%. However, exports continued to grow and increased by 22.3%, driven mainly by a 23.3% rise in exports via the sea. Furthermore, exports to Afghanistan grew by 18.4%. As a result, the overall industry demand declined by 13.5% during this quarter.

## Dispatches

Comparative dispatch figures of the Company for the current period and that of the corresponding period last year are as follow:

### Description

Description	September 2024	September 2023
	(in Tons)	
• Domestic Sales	442,168	571,910
• Export Sales	146,119	127,421
	<u>588,287</u>	<u>699,331</u>

In quantitative terms, the Company's total sales volume dropped by 16%, with domestic sales declining by 23% and exports rising by 15% from the corresponding period last year.

## Operating Performance

Sales revenue of the Company decreased by 4% mainly due to reduction in cement dispatches despite increase in sales price as an adjustment to higher input costs. Furthermore, cost of sales decreased by 17%, due to lower Cement and Clinker production by 10% and 6% respectively as compared to same period last year. Production cost also increased due to higher power cost and other fixed overheads. The Company has implemented measures to enhance operational efficiency by optimising coal and power mix, to offset the increasing production costs. There was substantial decrease in finance cost mainly due to scheduled and early repayments of long-term loans made in the preceding financial year. Surplus liquidity has yielded additional returns. As fully explained in note no. 11.2 to these condensed interim financial statements, management decided to record the tax credit of Rs. 720 million pertaining to section 65 B of the Income tax Ordinance 2001 based on a recent Supreme Court order. As a result, the Company posted an after-tax profit of Rs. 2,878 million for the first quarter of this financial year.

## Future Outlook

In the fiscal year 2024-2025, Pakistan may face a range of socio-economic challenges, including rising prices, stagnant income levels, and increasing taxes and utility costs. Recent hikes in taxes and federal excise duties (FED) are anticipated to suppress domestic demand, posing short-term growth obstacles for the cement sector and the wider business community. Despite these immediate challenges, the long-term outlook remains optimistic as the government has secured a new IMF program, a move expected to stabilize the country's economic conditions. Early indicators suggest that inflation may further ease, and interest

rates could further decline, fostering a more favorable economic environment. Additionally, the government's increased allocation to the Public Sector Development Program (PSDP) may bring optimism for growth in the cement industry, which stands to benefit from enhanced infrastructure spending.

For the cement sector specifically, domestic sales are projected to remain relatively subdued in the near term. Nonetheless, significant growth opportunities are anticipated from exports. Demand for cement in Afghanistan which is our relevant export market is expected to remain strong. However, political issues may cause disruptions.

In response to the rising costs of coal and energy tariffs, the Company is focused on adopting an optimal fuel mix, including alternative energy sources, to mitigate the impact of these escalating expenses. Work on installation of additional 9 MW solar power plant is going on full speed and will be operational in third quarter of this financial year. Furthermore, the Company remains committed to investing in cost-effective production technologies to improve shareholders' value and optimize working capital.

### **Acknowledgment**

The management would like to thank all customers, financial institutions, suppliers and staff members who have been associated with the Company for their support and cooperation.

### **On behalf of the Board of Directors**

  
**Omar Faruque**  
Chairman

  
**Azam Faruque**  
Chief Executive

Karachi: October 28, 2024

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

	Note	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Property, plant & equipment	4	28,128,344	28,332,117
Intangible assets		578,281	595,196
		<u>28,706,625</u>	<u>28,927,313</u>
Long-term investments	5	467,947	550,412
Long-term loans		49,837	49,932
Long-term deposits		5,081	4,931
		<u>522,865</u>	<u>605,275</u>
		<u>29,229,490</u>	<u>29,532,588</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		5,829,370	5,253,535
Stock-in-trade		2,507,711	1,790,431
Trade debts		1,335,939	1,373,131
Loans and advances		316,074	107,495
Trade deposits and short-term prepayments		77,999	12,227
Other receivables		17,688	12,778
Short-term investments	6	5,369,968	2,522,353
Cash and bank balances		704,165	429,514
		<u>16,158,914</u>	<u>11,501,464</u>
<b>TOTAL ASSETS</b>		<u><b>45,388,404</b></u>	<u><b>41,034,052</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
225,000,000 (June 30, 2024: 225,000,000)			
ordinary shares of Rs. 10/- each		<u>2,250,000</u>	<u>2,250,000</u>
Share capital		1,942,950	1,942,950
Reserves		26,395,374	23,599,979
		<u>28,338,324</u>	<u>25,542,929</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financings	7	2,728,177	2,714,802
Lease liabilities		22,621	25,334
Long-term security deposits		33,610	32,460
Government grant		1,164,105	1,173,478
Deferred taxation		4,238,262	4,187,445
		<u>8,186,775</u>	<u>8,133,519</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		4,670,906	3,653,411
Contract liabilities		390,950	128,911
Accrued mark-up		51,326	105,799
Short-term borrowings		2,018,495	1,888,995
Current maturity of long-term financings	7	114,558	108,966
Current portion of lease liabilities		13,337	13,852
Current portion of government grant		64,372	64,372
Taxation-net		1,428,507	1,282,175
Unclaimed dividend		76,287	76,439
Unpaid dividend		34,567	34,684
		<u>8,863,305</u>	<u>7,357,604</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>45,388,404</b></u>	<u><b>41,034,052</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
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The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

September 30, 2024

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# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2024

	Note	September 30, 2024	September 30, 2023 (Restated)
----- (Rupees in '000) -----			
Turnover - net	9	9,659,012	10,071,489
Cost of sales		(5,792,199)	(6,999,807)
<b>Gross profit</b>		<b>3,866,813</b>	<b>3,071,682</b>
Distribution costs		(207,870)	(163,661)
Administrative expenses		(148,889)	(128,174)
Other expenses		(180,192)	(122,869)
		(536,951)	(414,704)
Other income		348,418	48,120
<b>Operating profit</b>		<b>3,678,280</b>	<b>2,705,098</b>
Finance costs		(155,209)	(424,534)
<b>Profit before income tax and final taxes</b>		<b>3,523,071</b>	<b>2,280,564</b>
Final taxes	10	(53,147)	(21,002)
<b>Profit before income tax</b>		<b>3,469,924</b>	<b>2,259,562</b>
<b>Income tax</b>			
Current		(1,262,206)	(260,105)
Prior		720,959	-
Deferred		(50,817)	(466,396)
	11	(592,064)	(726,501)
<b>Profit after tax</b>		<b>2,877,860</b>	<b>1,533,061</b>
<b>Earnings per share - basic and diluted</b>		<b>Rs. 14.81</b>	<b>Rs. 7.89</b>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UNAUDITED)**  
FOR THE PERIOD ENDED SEPTEMBER 30, 2024

	September 30, 2024	September 30, 2023
	----- (Rupees in '000) -----	-----
Profit after tax	2,877,860	1,533,061
Other comprehensive income / (loss)		
Items that will not be reclassified subsequently to statement of profit or loss		
Unrealized loss on remeasurement of equity investments at fair value through other comprehensive income	(82,465)	(41,217)
<b>Total comprehensive income</b>	<b>2,795,395</b>	<b>1,491,844</b>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2024

	September 30, 2024	September 30, 2023
Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax and final taxes	3,523,071	2,280,564
<b>Adjustments for:</b>		
Depreciation on operating property, plant and equipment	4 419,751	427,332
Depreciation on right-of-use assets	4.3 4,964	4,533
Amortisation	16,915	1,102
Gain on disposals of operating property, plant and equipment	(281)	(10,587)
Gratuity expense	33,679	27,148
Finance costs	155,209	424,534
Exchange loss	450	38
	<u>630,687</u>	<u>874,100</u>
	4,153,758	3,154,664
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	(575,835)	904,297
Stock-in-trade	(717,280)	169,581
Trade debts	37,192	(187,020)
Loans and advances	(208,579)	(59,769)
Trade deposits and short-term prepayments	(65,772)	(65,061)
Other receivables	(4,910)	(19,373)
	<u>(1,535,184)</u>	<u>742,655</u>
	2,618,574	3,897,319
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	983,366	684,501
Contract liabilities	262,039	(90,088)
	<u>1,245,405</u>	<u>594,413</u>
<b>Cash generated from operations</b>	3,863,979	4,491,732
Income tax paid	(448,062)	(116,923)
Long-term loans and deposits - net	(55)	(329)
<b>Net cash generated from operating activities</b>	<u>3,415,862</u>	<u>4,374,480</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(201,603)	(246,649)
Proceed from disposals of operating property, plant and equipment	2,209	12,270
<b>Net cash used in investing activities</b>	<u>(199,394)</u>	<u>(234,379)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term financings - net	9,594	(423,534)
Lease rentals paid	(4,714)	(5,411)
Long-term deposits	1,150	-
Dividend paid	(269)	(2,330)
Finance costs paid - net	(229,463)	(212,416)
<b>Net cash used in financing activities</b>	<u>(223,702)</u>	<u>(643,691)</u>
<b>Net increase in cash and cash equivalents</b>	2,992,766	3,496,410
<b>Cash and cash equivalents as at the beginning of the period</b>	<u>1,062,872</u>	<u>(1,413,232)</u>
<b>Cash and cash equivalents as at the end of the period</b>	12 <u>4,055,638</u>	<u>2,083,178</u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF  
CHANGES IN EQUITY (UNAUDITED)**  
FOR THE PERIOD ENDED SEPTEMBER 30, 2024

Issued, subscribed and paid-up capital	Reserves						Total reserves	Total
	Capital reserves		Revenue reserves					
	Share premium	Other	General reserves	Unappropri- ated profit	Actuarial loss on defined benefit plan - net of deferred tax	Unrealised loss on equity investments		

(Rupees in '000)

<b>Balance as at July 01, 2023</b>	1,942,950	1,047,658	50,900	420,000	17,292,598	(37,227)	162,139	18,936,068	20,879,018
Profit after tax	-	-	-	-	1,533,061	-	-	1,533,061	1,533,061
Other comprehensive loss	-	-	-	-	-	-	(41,217)	(41,217)	(41,217)
Total comprehensive income / (loss)	-	-	-	-	1,533,061	-	(41,217)	1,491,844	1,491,844
<b>Balance as at September 30, 2023</b>	<u>1,942,950</u>	<u>1,047,658</u>	<u>50,900</u>	<u>420,000</u>	<u>18,825,659</u>	<u>(37,227)</u>	<u>120,922</u>	<u>20,427,912</u>	<u>22,370,862</u>
<b>Balance as at July 1, 2024</b>	1,942,950	1,047,658	50,900	420,000	21,918,021	(72,924)	236,324	23,599,979	25,542,929
Profit after tax	-	-	-	-	2,877,860	-	-	2,877,860	2,877,860
Other comprehensive loss	-	-	-	-	-	-	(82,465)	(82,465)	(82,465)
Total comprehensive income / (loss)	-	-	-	-	2,877,860	-	(82,465)	2,795,395	2,795,395
<b>Balance as at September 30, 2024</b>	<u>1,942,950</u>	<u>1,047,658</u>	<u>50,900</u>	<u>420,000</u>	<u>24,795,881</u>	<u>(72,924)</u>	<u>153,859</u>	<u>26,395,374</u>	<u>28,338,324</u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

September 30, 2024

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# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2024

## 1. CORPORATE INFORMATION

Cherat Cement Company Limited (the Company) was incorporated in Pakistan as a public company limited by shares in the year 1981. The Company is listed on the Pakistan Stock Exchange Limited. Its main business activities are manufacturing, marketing and sale of cement. The registered office of the Company is situated at Village Lakrai, District Nowshera, Khyber Pakhtunkhwa province.

## 2. BASIS OF PREPARATION

2.1 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 (the Act); and
- Provisions of and directives issued under the Act.

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.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2024.

## 3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements for the year ended June 30, 2024.

	Note	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
		----- (Rupees in '000) -----	
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Opening net book value		<b>25,974,002</b>	26,566,937
Additions during the period / year - at cost	4.1	<b>90,822</b>	1,168,764
		<b>26,064,824</b>	27,735,701
Depreciation charged during the period / year		<b>(419,751)</b>	(1,744,287)
Disposals for the period / year at net book value		<b>(1,928)</b>	(17,412)
Closing net book value		<b>25,643,145</b>	25,974,002
Capital work-in-progress	4.2	<b>2,443,933</b>	2,311,885
Right-of-use assets	4.3	<b>41,266</b>	46,230
		<b>28,128,344</b>	28,332,117

September 30,  
2024  
(Unaudited)  
----- (Rupees in '000) -----

June 30,  
2024  
(Audited)

#### 4.1 Additions during the period / year

Building on leasehold land	13,402	389,461
Plant and machinery	3,305	521,723
Power and other installations	1,886	2,083
Furniture and fittings	10,026	12,644
Quarry, factory and laboratory equipment	15,787	22,883
Motor vehicles	29,539	158,863
Office equipment	4,312	36,501
Computers	12,565	24,606
	<u>90,822</u>	<u>1,168,764</u>

4.1.1 Additions and depreciation on property, plant and equipment during the corresponding period ended September 30, 2023 were Rs. 123.38 million and Rs. 427.33 million respectively.

September 30,  
2024  
(Unaudited)  
----- (Rupees in '000) -----

June 30,  
2024  
(Audited)

#### 4.2 Capital work-in-progress

Opening balance	2,311,885	2,320,362
Capital expenditure incurred / advances made during the period / year	<u>222,870</u>	<u>1,792,816</u>
	2,534,755	4,113,178
Transferred to operating fixed assets	<u>(90,822)</u>	<u>(1,801,293)</u>
Closing balance	4.2.1 <u>2,443,933</u>	<u>2,311,885</u>

#### 4.2.1 Capital work-in-progress

Freehold land	84,255	81,185
Building on leasehold land	98,139	58,481
Plant and machinery	2,123,325	2,064,455
Power and other installations	11,868	13,056
Furniture and fittings	3,189	-
Quarry, factory and laboratory equipment	82,500	76,262
Motor vehicles	38,031	14,906
Office equipment	-	200
Computers	-	714
Intangible assets	2,626	2,626
	<u>2,443,933</u>	<u>2,311,885</u>

#### 4.3 Right-of-use assets

Opening balance	46,230	47,667
Additions during the period / year	-	17,550
Depreciation for the period / year	<u>(4,964)</u>	<u>(18,987)</u>
Closing balance	<u>41,266</u>	<u>46,230</u>

4.3.1 The Company has recognised right-of-use assets in respect of sales offices and head office under the rental agreements.

	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
	----- (Rupees in '000) -----	
<b>5. LONG-TERM INVESTMENTS</b>		
<b>Investment in associated companies</b>		
At fair value through other comprehensive income	5.1	459,601
Investment in a Joint venture - UniEnergy Limited	<u>8,346</u>	<u>8,346</u>
	<u><b>467,947</b></u>	<u><b>550,412</b></u>
<b>5.1 At fair value through other comprehensive income</b>		
<b>Cherat Packaging Limited</b>		
3,606,524 (June 30, 2024: 3,606,524) fully paid ordinary shares of Rs. 10/- each.	<b>358,885</b>	425,714
<b>Mirpurkhas Sugar Mills Limited</b>		
3,594,435 (June 30, 2024: 3,594,435) fully paid ordinary shares of Rs. 10/- each.	<u>100,716</u>	<u>116,352</u>
	<u><b>459,601</b></u>	<u><b>542,066</b></u>
<b>6. SHORT-TERM INVESTMENTS</b>		
<b>Investments at fair value through profit or loss</b>		
Conventional investments	<u>3,521,638</u>	<u>1,666,953</u>
Shariah compliant investments	<u>1,632,445</u>	<u>795,305</u>
	<u><b>5,154,083</b></u>	<u><b>2,462,258</b></u>
<b>Investment at amortised cost</b>		
Conventional investments	<u>215,885</u>	<u>60,095</u>
	<u><b>5,369,968</b></u>	<u><b>2,522,353</b></u>
<b>7. LONG-TERM FINANCINGS – secured</b>		
<b>Islamic banks</b>		
Islamic Finance Facility for Renewable Energy	<b>1,049,030</b>	1,039,327
<b>Conventional banks</b>		
Temporary Economic Refinance Facility	<b>1,450,658</b>	1,444,589
Finance Scheme for Renewable Energy	<b>143,047</b>	139,852
Term Finance Facility	<u>200,000</u>	<u>200,000</u>
	<u><b>2,842,735</b></u>	<u><b>2,823,768</b></u>
Current maturities	<u>(114,558)</u>	<u>(108,966)</u>
	<u><b>2,728,177</b></u>	<u><b>2,714,802</b></u>
<b>8. CONTINGENCIES AND COMMITMENTS</b>		
<b>8.1 Contingencies</b>		
There are no material changes in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2024.		

<b>September 30,</b> <b>2024</b> <b>(Unaudited)</b>	June 30, 2024 (Audited)
----- (Rupees in '000) -----	

## 8.2 Commitments

Letters of credit - Islamic and Conventional banks	<u>83,741</u>	<u>106,260</u>
Letters of guarantee - Islamic and Conventional banks	<u>1,209,995</u>	<u>1,209,995</u>
Capital commitments	<u>305,000</u>	<u>305,000</u>

## 9. TURNOVER - NET

Includes export sales amounting to Rs.1,849.52 million (September 30, 2023: Rs 1,633.40 million).

## 10. FINAL TAX

This represents final taxes paid under Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21 / IAS 37. Prior period figure has been reclassified accordingly. Consequently, there is no change in profit after tax due to this reclassification, the three column impact in the context of restatement in the Company's condensed interim financial statements, is not material.

## 11. INCOME TAX

11.1 Provision for current taxation is based on taxable income at the current rates of taxation.

11.2 As reported in note 37.3 to the annual audited financial statements of the Company for the year ended June 30, 2024, during the year ended June 30, 2019, the Company recorded tax credit under section 65B of ITO, 2001 @ 10% on commissioning and installation of Line-III as per law. Through Finance Act, 2019, the government has reduced tax credit under section 65B of ITO, 2001 from 10% to 5% retrospectively for the tax year 2019 and abolished the same for subsequent years. The management challenged the same in Peshawar High Court (PHC) and initially obtained a stay based on which the management claimed full tax credit in the tax returns. However, as a matter of prudence the same credit was not taken in the financial statements. Later on, PHC vide its order dated September 07, 2023 decided the case in favour of the Company. The department has filed CPLA against the judgement of PHC before the Honorable Supreme Court of Pakistan (SCP) and during current quarter, the SCP vide order dated September 24, 2024, allowed the Company to claim a 10% tax credit for plant and machinery purchased and installed on or before June 30, 2019. After reviewing the legal and accounting requirements, management has decided to recognise Rs. 720.96 million being 5% balance tax credit under section 65B as prior year tax income in these condensed interim financial statements.

<b>September 30,</b> <b>2024</b> <b>(Unaudited)</b>	September 30, 2023 (Unaudited)
----- (Rupees in '000) -----	

## 12 CASH AND CASH EQUIVALENTS

Cash and bank balances	<b>704,165</b>	385,483
Short-term borrowings	<b>(2,018,495)</b>	(1,032,669)
Short-term investments	<u>5,369,968</u>	<u>2,730,364</u>
	<u>4,055,638</u>	<u>2,083,178</u>

## 13 FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2024. There have been no changes in any risk management policies since the year end.

### 13.1 Fair value measurement

Fair value is the price 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 fair values.

The following table shows assets recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities,

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		September 30, 2024 (Unaudited)					
		Carrying amount			Fair value		
		Fair value through statement of profit or loss	Fair value through OCI	Total	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>							
	<b>Note</b>	----- (Rupees in '000)-----					
Long-term investments	5.1	-	459,601	459,601	459,601	-	-
Short-term investments	6	5,369,968	-	5,369,968	5,369,968	-	-
		<u>5,369,968</u>	<u>459,601</u>	<u>5,829,569</u>	<u>5,829,569</u>	<u>-</u>	<u>-</u>
		June 30, 2024 (Audited)					
		Carrying amount			Fair value		
		Fair value through statement of profit or loss	Fair value through OCI	Total	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>							
		----- (Rupees in '000)-----					
Long-term investments	5.1	-	542,066	542,066	542,066	-	-
Short-term investments	6	2,522,353	-	2,522,353	2,522,353	-	-
		<u>2,522,353</u>	<u>542,066</u>	<u>3,064,419</u>	<u>3,064,419</u>	<u>-</u>	<u>-</u>

During the period, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

**13.1.1** Financial instruments which are tradeable in an open market are revalued at the market prices prevailing on the statement of financial position date.

#### 14. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprises of associated companies, directors, retirement funds, companies with common directorship and key management personnel of the Company. Amounts due from / to related parties, if any, are disclosed in respective notes to these financial statements. The Company enters into transactions with related parties on agreed terms as approved by the Board of Directors. Transactions with related parties other than those disclosed elsewhere in the financial statements, are as follows:

Relationship	Nature of transactions	September 30,	September 30,
		2024	2023
		(Unaudited)	(Unaudited)
		----- (Rupees in '000) -----	
Associated companies	Purchase of raw and packing materials	706,834	772,351
	Purchase of fixed assets	9,106	10,178
	Royalty and excise duty	204,993	119,803
	Services received	64	58
	IT support charges	10,436	6,078
	Insurance premium paid	25,641	21,945
	Remuneration to key management personnel	385,847	327,750
	Contribution to staff provident and gratuity funds	24,543	28,461

14.1 In addition, certain administrative expenses are being shared amongst the group companies.

#### 15. OPERATING SEGMENTS

These condensed interim financial statements have been prepared on the basis of a single reportable segment.

#### 16. DIVIDEND AND APPROPRIATIONS

Subsequent to year ended June 30, 2024, the Board of Directors in its meeting held on August 22, 2024 has proposed final cash dividend @ Rs. 4.00 per share amounting to Rs. 777.18 million (2023: Rs. 3.00 per share amounting to Rs. 582.88 million) which has been approved by the members at the Annual General Meeting held on October 16, 2024. This is in addition to the interim cash dividend @ Rs. 1.50/- per share amounting to Rs. 291.44 million (2023: Rs. 1.50 per share amounting to Rs. 291.44 million) approved by the Board of Directors for the year ended June 30, 2024. Being a non-adjusting subsequent event, it has not been accounted for in these condensed interim financial statements.

#### 17. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on October 28, 2024 by the Board of Directors of the Company.

#### 18. GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER







GHULAM FARUQUE  
GROUP

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