



DEWAN CEMENT LIMITED



YD | A YOUSUF DEWAN COMPANY



**HALF YEARLY REPORT
DECEMBER 31, 2024**

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COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Ghazanfar Babar Siddiqui Chief Executive Officer
Mr. Abdul Basit
Syed Maqbool Ali

Non-Executive Directors

Mr. Ishtiaq Ahmad Chairman Board of Directors
Mr. Waseem-ul-Haque Ansari
Mrs. Nida Jamil

Independent Director

Mr. Azizul Haque

AUDIT COMMITTEE MEMBERS

Mr. Azizul Haque Chairman
Mr. Waseem-ul-Haque Ansari Member
Mr. Ishtiaq Ahmed Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Azizul Haque Chairman
Mr. Ishtiaq Ahmed Member
Mr. Ghazanfar Babar Siddiqui Member

CHIEF FINANCIAL OFFICER

Mr. Hazrat Ali

COMPANY SECRETARY

Mr. Muhammad Hanif German

REGISTERED OFFICE

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

CORPORATE OFFICE

Block-A, 2nd Floor, Finance & Trade Centre,
Shahra-e-Faisal, Karachi, Pakistan.

FACTORY

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

AUDITORS

Faruq Ali & Company
Chartered Accountants

SHARE REGISTRAR / TRANSFER AGENT

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

LEGAL ADVISORS

Muhammad Azhar Faridi (Advocate)

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, 2024 duly reviewed by the auditors.

Overview of Cement Industry

The cement industry has encountered substantial challenges over the past six months due to prevailing economic conditions, resulting in a 3.95% decline in total dispatches. Domestic sales contracted by 10.38%, dropping from 20.22 million tons to 18.12 million tons, primarily impacted by weak demand in the first quarter of the fiscal year. However, the second quarter showed relative improvement, indicating early signs of economic recovery and a more stable market outlook.

In contrast, the export sector performed exceptionally well, recording a substantial growth of 31.66%, with volumes increasing from 3.65 million tons to 4.81 million tons. This surge underscores strong external market demand, which has helped offset the decline in domestic sales.

COMPANY'S PERFORMANCE

Production

	December 2024 (In Tonnes)	December 2023 (In Tonnes)	Variance (%age)
Clinker	560,016	603,012	(7.13)
Cement	651,877	811,807	(19.70)

Dispatches

Local Dispatches - Cement	643,181	826,569	(22.19)
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Operating Performance

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

	December 2024 (In Tonnes)	December 2023 (In Tonnes)	Variance (%age)
	------(Rupees in '000)-----		
Net Sales	9,973,813	11,628,347	(14.23)
Cost of goods sold	(9,430,583)	(11,399,668)	17.27
Gross profit	543,230	228,679	137.55
Expenses & Taxes	(840,697)	(570,458)	(47.37)
Net Loss	(297,467)	(341,779)	12.97

Sales have decreased due to periodic maintenance at manufacturing facilities during the period under review however increase in net retention puts favorable impact on overall revenue of company.

Cost shows positive impact due to decrease in fuel cost due to lower coal price and self-energy generation. Favorable USD pk parity compare to last year same period and improvement in plant efficiency due to periodic maintenance.

Future Outlook

Looking ahead to FY25, inflation is projected to range between 5.5% and 7.5%, driven by commodity price volatility, tariff adjustments, and fiscal measures.

While declining inflation, lower interest rates, and a stable rupee offer a cautiously optimistic outlook, the industry continues to face structural challenges, including sluggish domestic demand and high energy costs.

Nonetheless, government-led initiatives aimed at reducing electricity tariffs and easing monetary policies are expected to provide much-needed relief. Additionally, the Prime Minister's Housing Task Force is set to drive construction activity, while the Sindh Government's increased infrastructure investments could further support cement demand.

For long-term sustainability and resilience, the industry requires comprehensive structural and fiscal reforms to enhance efficiency, competitiveness, and overall market stability.

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 the same will be closed in near future. It is pertinent to mention here that almost 27% of the loan was restructured and timely payments are being made as committed.

Provision for markup:

The Company has not made provision of markup for the period amounting to Rs. 480.695 million as the management approached bankers / financial institutions for restructuring principal amount 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 that has been fully explained by the management in note 2 to the condensed interim financial information and
- * non-payment of excise duty and sales tax within the stipulated time, for which the management is confident to pay the outstanding amounts by generating additional cashflows and further these liabilities are expected to be eased out by the department.

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 upon whole of Muslim Ummah, Ameen, Summa Ameen.

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

For and on behalf of Board of Directors



Ghazanfar Babar Siddiqui
Chief Executive Officer



Syed Maqbool Ali
Director

Dated: February 26, 2025

Place: Karachi

Independent Auditors' Report To The Members 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 2024, the related condensed interim statement of profit or loss, condensed interim statement of 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 condensed interim statement of comprehensive income for the quarters ended 31 December 2024 and 31 December 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2024.

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. 480.695 million (up to 31 December 2024: Rs. 9,708.579 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. 480.695 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs. 9,708.579 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. 297.467 million, and as of that date its current liabilities exceeded its current assets by Rs. 3,243.416 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, sales tax and withholding taxes 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 Umer Farooq.



CHARTERED ACCOUNTANTS
UDIN: **RR202410707qVtbO6DgY**

Dated: **February 26, 2025**

Place: **Karachi**

Condensed Interim Statement of Financial Position As at December 31, 2024

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
Notes		----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
	6	43,918,059	43,714,896
Property, plant and equipment		132,311	132,311
Long term deposits		3,111	2,482
Long term loans		44,053,481	43,849,689
CURRENT ASSETS			
		2,007,619	1,909,774
Stores and spare parts		926,305	841,176
Stock in trade		1,032,978	976,206
Trade debts - Unsecured		542,258	366,791
Loans and advances - Unsecured, considered good		48,438	13,603
Deposits and prepayments		43,618	44,719
Other receivables		597	612
Short term investments		121,502	610,349
Advance tax - Net		59,534	159,266
Cash and bank balances		4,782,849	4,922,496
		48,836,330	48,772,185
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		8,500,000	8,500,000
850,000,000 (June 2024 850,000,000) Ordinary shares of Rs. 10/- each			
Issued, subscribed and paid-up share capital		4,841,133	4,841,133
Revenue reserves		3,100,074	3,197,283
Un-appropriated profit		629,444	629,444
Capital reserve		18,103,560	18,303,818
Merger reserve		26,674,211	26,971,678
Surplus on revaluation of property, plant and equipment	7		
NON-CURRENT LIABILITIES			
Long term borrowings	8	82,528	90,419
Advances for investment in term finance certificates	9	2,910,000	2,910,000
Long term deposits and payables		566,571	467,644
Deferred tax liability - Net	10	10,585,955	10,504,942
		14,145,054	13,973,005

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
Notes		----- (Rupees in '000) -----	
CURRENT LIABILITIES			
Trade and other payables	11	4,891,423	4,690,706
Short term borrowings		579,159	579,159
Mark-up payable		792,661	792,661
Current and overdue portion of non-current liabilities		1,739,116	1,750,270
Dividend payable		12,926	12,926
Unpaid and unclaimed dividend		1,780	1,780
		8,017,065	7,827,502
CONTINGENCIES AND COMMITMENTS			
	12	--	--
		48,836,330	48,772,185

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



Ghazanfar Babar Siddiqui
Chief Executive Officer



Hazrat Ali
Chief Financial Officer



Syed Maqbool Ali
Director

**Condensed Interim Statement of Profit or Loss
For the Half Year Ended December 31, 2024 - Unaudited**

	Notes	Half Year Ended		Quarter Ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		----- (Rupees in '000) -----			
Sales - Net		9,973,813	11,628,347	5,153,008	6,008,352
Cost of sales		(9,430,583)	(11,399,668)	(4,906,626)	(6,082,324)
Gross profit / (loss)		543,230	228,679	246,382	(73,972)
Operating expenses					
Distribution cost		(67,772)	(71,797)	(29,325)	(46,823)
Administrative expenses		(562,848)	(520,689)	(241,037)	(231,507)
Other operating expenses		(5,827)	(1,476)	(2,716)	4,088
		(636,447)	(593,962)	(273,078)	(274,242)
Operating loss		(93,217)	(365,283)	(26,696)	(348,214)
Other income		11,848	12,455	8,574	9,935
Finance cost	13	(6,361)	(8,953)	(3,089)	(3,003)
Loss before income taxation and levies		(87,731)	(361,781)	(21,212)	(341,282)
Levies		(124,753)	(145,442)	(64,451)	(68,533)
Loss before income tax		(212,484)	(507,223)	(85,663)	(409,815)
Taxation - Net		(84,983)	165,444	40,369	183,994
Loss for the period		(297,467)	(341,779)	(45,294)	(225,821)
Loss per share - Basic and diluted (Rupees)		(0.61)	(0.71)	(0.09)	(0.47)

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



Ghazanfar Babar Siddiqui
Chief Executive Officer



Hazrat Ali
Chief Financial Officer



Syed Maqbool Ali
Director

Condensed Interim Statement of Comprehensive Income For The Half Year Ended December 31, 2024 - Unaudited

	Half Year Ended		Quarter Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
----- (Rupees in '000) -----				
Loss for the period	(297,467)	(341,779)	(45,294)	(225,821)
Other comprehensive income	--	--	--	--
Total comprehensive income/(loss) for the period	(297,467)	(341,779)	(45,294)	(225,821)

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



Ghazanfar Babar Siddiqui
Chief Executive Officer



Hazrat Ali
Chief Financial Officer



Syed Maqbool Ali
Director

Condensed Interim Statement of Cash Flows
For The Half Year Ended December 31, 2024 - Unaudited

	Notes	December 31, 2024 ----- (Rupees in '000) -----	December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	245,770	489,406
Payment for:			
Taxes net of refund received		360,124	(264,461)
Finance cost		(86)	(1,275)
Net cash inflows from operating activities		605,808	223,670
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(778,517)	(57,996)
Net movement in long term loans		(629)	272
Net cash outflows from investing activities		(779,146)	(57,724)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long term borrowings		(25,321)	(18,933)
Net movement in long term deposits and payables		98,927	(123,326)
Net cash inflows / (outflows) from financing activities		73,606	(142,259)
Net increase / (decrease) in cash and cash equivalents		(99,732)	23,687
Cash and cash equivalents at the beginning of the year		159,266	84,956
Cash and cash equivalents at the end of the year	15	59,534	108,643

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



Ghazanfar Babar Siddiqui
Chief Executive Officer



Hazrat Ali
Chief Financial Officer



Syed Maqbool Ali
Director

Condensed Interim Statement Of Changes In Equity For The Half Year Ended December 31, 2024 - Unaudited

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 at 1st July 2023	4,841,133	3,264,738	629,444	18,746,075	19,375,519	27,481,390
Loss for the period ended 31 December 2023	-	(341,779)	-	-	-	(341,779)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	(341,779)	-	-	-	(341,779)

Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	-	213,391	-	(213,391)	(213,391)	-
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Balance as at 31 December 2023	4,841,133	3,136,350	629,444	18,532,684	19,162,128	27,139,611
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Balance as at 1st July 2024	4,841,133	3,197,283	629,444	18,303,818	18,933,262	26,971,678
Loss for the period ended 31 December 2024	-	(297,467)	-	-	-	(297,467)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	(297,467)	-	-	-	(297,467)

Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	-	200,258	-	(200,258)	(200,258)	-
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Balance as at 31 December 2024	4,841,133	3,100,074	629,444	18,103,560	18,733,004	26,674,211
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The annexed notes form an integral part of these condensed interim financial statements.


Ghazanfar Babar Siddiqui
 Chief Executive Officer


Hazrat Ali
 Chief Financial Officer


Syed Maqbool Ali
 Director

Notes To The Condensed Interim Financial Information For The Half Year Ended December 31, 2024 - Unaudited

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 Dhando, 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 2024 reflects loss after taxation of Rs.297.467 million (June 2024: Rs.509.712 million), and as of that date its current liabilities exceeded its current assets by Rs.3,234.216 million (June 2024:Rs. 2,905.006 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 2024. 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 2024. 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 2024 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 2024.
- 3.3 The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2024 and 31 December 2023 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 2024 and 31 December 2023.

4 MATERIAL ACCOUNTING POLICY INFORMATION

- 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 2024.

4.2 Restatement

In May 2024, the Institute of Chartered Accountants of Pakistan (ICAP) had 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 tax regime (which is not adjustable against the future income tax liability) 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 condensed interim financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. This requirement was already applied in the financial statements of the Company for the year ended June 30, 2024. Accordingly, the figures of prior period in these condensed interim financial statements have been restated. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

The effects of change in accounting policy are as follows:

	For the half year ended December 31, 2024			For the half year ended December 31, 2024		
	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 in '000) -----					
For the half year ended December 31,						
Loss before income tax and levies	(87,731)	-	(87,731)	(361,781)	-	(361,781)
Levies	-	(124,753)	(124,753)	-	(145,442)	(145,442)
Taxation - Net	(209,736)	124,753	(84,983)	20,002	145,442	165,444
Loss for the year	(297,467)	-	(297,467)	(341,779)	-	(341,779)

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 2024.

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 2024.

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
Notes		----- (Rupees in '000) -----	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - At cost			
less accumulated depreciation	6.1	43,153,303	43,552,506
Right of use assets		125	139
Capital work in progress - At cost	6.2	764,630	162,251
		<u>43,918,059</u>	<u>43,714,896</u>
6.1 Operating fixed assets - Tangible			
Opening book value		43,552,506	44,503,633
Additions / Transfer during the period / year	6.1.1	176,137	461,926
Disposal during the period / year (WDF)		--	(126)
Depreciation charged during the period / year		(575,340)	(1,412,927)
Closing carrying value		<u>43,153,303</u>	<u>43,552,506</u>
6.1.1 Additions / transfers from CWIP and disposals during the period (Operating fixed assets)			
		December 31, 2024	
		Additions/ Transfers	Disposals
		Cost	Cost
		----- (Rupees in '000) -----	
Freehold land		3,705	--
Electric Installation		538	--
Solar power plant		140,000	--
Office equipment		518	--
Computers		837	--
Vehicles		30,539	--
		<u>176,137</u>	<u>--</u>

(Un-audited) (Audited)
December 31, June 30,
2024 2024
----- (Rupees in '000) -----

6.2 Capital work in progress

Opening balance	162,251	101,590
Additions during the period / year	671,181	490,558
	833,432	592,148
Less: Capitalized during the period / year	(68,802)	(429,897)
	764,630	162,251

7 SURPLUS ON REVALUATION OF FIXED ASSETS - Net of tax

Gross surplus	26,403,876	26,701,854
Less: Related deferred tax	(8,300,316)	(8,398,036)
	18,103,560	18,303,818

8 LONG TERM FINANCING

Long-term loan from financial institutions - Secured	1,811,239	1,836,560
Present value adjustment	(138,174)	(138,174)
Total interest charged to profit and loss account	107,369	101,093
	1,780,434	1,799,479
Current maturity of long term financing	(36,711)	(47,866)
Overdue portion of long term financing	(1,661,195)	(1,661,194)
	82,528	90,419

- 8.1 Principal terms and conditions of outstanding loans have remained the same as disclosed in the financial statements of the Company for the year ended 30 June 2024.

9 ADVANCES FOR INVESTMENT IN TERM FINANCE CERTIFICATES

Principal terms and conditions of advances for investment in term finance certificates have remained the same as disclosed in the financial statements of the Company for the year ended 30 June 2024.

10 DEFERRED TAX LIABILITY - Net

Deferred taxation comprises temporary difference relating to:

Accelerated tax depreciation	4,316,400	4,308,982
Surplus on revaluation of fixed assets	8,300,316	8,398,036
Provisions and others	(33,666)	(31,590)
	12,583,049	12,675,428
Accumulated tax losses and available tax credits	(1,997,094)	(2,170,486)
	10,585,955	10,504,942

11 TRADE AND OTHER PAYABLES / SALES TAX PAYABLE

11.1 As at reporting date, the Company has unpaid liabilities against excise duty and sales tax amounting to Rs. 1,701.553 million (June 2024: Rs.1,385.805 million) and Rs. 921.875 million (June 2024: Rs. 773.736 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.

11.2 As at reporting date, the Company has unpaid tax withheld on salaries, purchase of goods, services and expenses amounting to Rs. 255.727 million (June 2024: Rs. 217.56 million), which it was unable to pay within the stipulated time as prescribed in respective laws. Arrangements are being made for the payment against withholding tax payable.

12 CONTINGENCIES AND COMMITMENTS

There are no significant changes in the status of contingencies and commitments as reported in note 28 to the annual audited financial statements of the Company for the year ended 30 June 2024, except for a commitment of Rs. 71.198 million against installation of Solar power plant.

13 FINANCE COST

The Company has not made the provision of mark-up for the period amounting to Rs. 480.695 million (Up to 31 December 2024: Rs. 9,708.579 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. Had the provision been made the profit for the period would have been lower by Rs. 480.695 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.9,708.579 million. The said non-provisioning is a departure from the requirements of IAS-23 'Borrowing Costs'.

14 LOSS PER SHARE - BASIC AND DILUTED

	Half Year Ended		Quarter Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	----- (Rupees in '000) -----			
Loss for the period after taxation	<u>(297,467)</u>	<u>(341,779)</u>	<u>(45,294)</u>	<u>(225,821)</u>
	----- (Number of shares '000) -----			
Weighted average number of shares in issue	<u>484,113</u>	<u>484,113</u>	<u>484,113</u>	<u>484,113</u>
	----- (Rupees in '000) -----			
Loss per share - Basic and diluted	<u>(0.61)</u>	<u>(0.71)</u>	<u>(0.09)</u>	<u>(0.47)</u>

	(Un-audited) December 31, 2024	(Un-audited) December 31, 2023
	----- (Rupees in '000) -----	
15 CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(87,731)	(361,781)
Adjustments for non-cash and other items:		
Depreciation	575,354	659,513
Unwinding of discount	6,276	7,678
Workers' Welfare Fund	4,827	576
Gain/(Loss) on remeasurement of short term investments	15	(129)
Finance cost	86	1,275
Cash inflows before working capital changes	498,827	307,132
Movement in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spare parts	(97,845)	44,568
Stock in trade	(85,129)	(29,169)
Trade debts - Unsecured	(56,772)	(2,993)
Loans and advances - Unsecured, considered good	(175,467)	(67,235)
Trade deposits and short term prepayments	(34,834)	14,940
Other receivables	1,101	44,852
	(448,946)	4,963
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	195,889	177,311
	195,889	177,311
Cash generated from operations	245,770	489,406

16 TRANSACTIONS WITH RELATED PARTIES

Related parties include 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 year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name of related party	Transaction during the period	(Un-audited) December 31, 2024	(Un-audited) December 31, 2023
		----- (Rupees in '000) -----	
Employees' Provident Fund Trust	Expense in relation to provident fund	37,764	32,492

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.

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).

	Level 1 -----	Level 2 (Rupees in '000)	Level 3 -----
31 December 2024			
Short term investments			
Investments - Fair value through profit and loss	<u>597</u>	<u>--</u>	<u>--</u>
31 December 2023			
Short term investments			
Investments - Fair value through profit and loss	<u>551</u>	<u>--</u>	<u>--</u>

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 26th February, 2025 by the Board of Directors of the Company.

20 GENERAL

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



Ghazanfar Babar Siddiqui
Chief Executive Officer



Hazrat Ali
Chief Financial Officer



Syed Maqbool Ali
Director

آڈیٹرز نے مادے کے پیراگراف پر بھی زور دیا ہے

تشویش کے طور پر جاری رکھنے کی کمپنی کی قابلیت جس کی انتظامیہ نے نوٹ 2 میں مکمل طور پر وضاحت کی ہے کنڈنسٹ عبوری مالیاتی معلومات اور

ایکسائز ڈیوٹی اور سیلز ٹیکس کی مقررہ مدت کے اندر عدم ادائیگی، جس کے لیے انتظامیہ اضافی کیش فلو پیدا کر کے بقایا رقم ادا کرنے کے لیے پراعتماد ہے اور محکمہ کی جانب سے ان ذمہ داریوں میں مزید نرمی کی امید ہے۔

نتیجہ


بورڈ آف ڈائریکٹرز اپنے قابل قدر صارفین، وفاقی اور صوبائی حکومتوں، کمپنی کے ڈیلرز اور ملازمین کا مسلسل تعاون اور تعاون کے لیے شکریہ ادا کرتا ہے۔

آخر میں اللہ تعالیٰ رحمن الرحیم سے اپنے پیارے نبی حضرت محمد صلی اللہ علیہ وسلم کے نام پر سجدہ، التجا اور دعا کرتے ہیں کہ وہ ہم پر، ہماری کمپنی، ملک اور قوم کے لیے اپنی رحمتوں، رہنمائی، طاقت، صحت اور خوشحالی کی بارش جاری رکھے اور اللہ تعالیٰ سے دعا ہے کہ وہ پوری امت مسلمہ میں امن، ہم آہنگی، بھائی چارے، اتحاد و اتفاق اور حقیقی معنوں میں امت مسلمہ کو امن و امان، ہم آہنگی، بھائی چارہ اور اتحاد و اتفاق کی فضا عطا فرمائے۔ آمین

میرا رب یقیناً دعاؤں کا سننے والا ہے (القرآن)

بورڈ آف ڈائریکٹرز کی جانب سے


سید مقبول علی
ڈائریکٹر


غضنفر بابر صدیقی
چیف ایگزیکٹو آفیسر

زیر جائزہ مدت کے دوران مینوفیکچرنگ سہولیات پر وقفہ وقفہ سے دیکھ بھال کی وجہ سے فروخت میں کمی آئی ہے تاہم خالص برقراری میں اضافہ کمپنی کی مجموعی آمدنی پر سازگار اثر ڈالتا ہے۔

کوئلے کی کم قیمت اور خود توانائی پیدا کرنے کی وجہ سے ایندھن کی لاگت میں کمی کی وجہ سے لاگت مثبت اثر دکھاتی ہے۔ گزشتہ سال کی اسی مدت کے مقابلے میں سازگار ڈالر/روپے کی برابری اور وقتاً فوقتاً دیکھ بھال کی وجہ سے پلانٹ کی کارکردگی میں بہتری، اس نتیجے میں مزید تعاون کرتی ہے۔

مستقبل کا نقطہ نظر

مالی سال 2025 کو دیکھتے ہوئے، افراط زر کی شرح 5.5% اور 7.5% کے درمیان رہنے کا امکان ہے، جس کی وجہ اجناس کی قیمتوں میں اتار چڑھاؤ، ٹیرف ایڈجسٹمنٹ، اور مالیاتی اقدامات ہیں۔

گرتی ہوئی افراط زر، کم شرح سود، اور مستحکم روپیہ محتاط طور پر پرامید نقطہ نظر پیش کرتا ہے، صنعت کو ساختی چیلنجوں کا سامنا کرنا پڑ رہا ہے، بشمول سست گھریلو طلب اور توانائی کی بلند قیمت۔

بہر حال، حکومت کے زیر قیادت اقدامات جن کا مقصد بجلی کے نرخوں کو کم کرنا اور مالیاتی پالیسیوں میں نرمی کرنا ہے، بہت زیادہ ضروری ریلیف فراہم کرنے کی توقع ہے۔ مزید برآں، وزیر اعظم ہاؤسنگ ٹاسک فورس تعمیراتی سرگرمیوں کو آگے بڑھانے کے لیے تیار ہے، جبکہ سندھ حکومت کی جانب سے انفراسٹرکچر میں بڑھتی ہوئی سرمایہ کاری سیمنٹ کی طلب کو مزید تقویت دے سکتی ہے۔

طویل مدتی پائیداری اور لچک کے لیے، صنعت کو کارکردگی، مسابقت، اور مجموعی طور پر مارکیٹ کے استحکام کو بڑھانے کے لیے جامع ساختی اور مالیاتی اصلاحات کی ضرورت ہے۔

آڈیٹرز کی جائزہ رپورٹ میں مشاہدات

آڈیٹرز نے مندرجہ ذیل بنیادوں پر اپنی رپورٹ کو اہل بنایا ہے جس کی وضاحت کی گئی ہے

سرمایہ کاری کے لیے پیشگی IPO پری

سرمایہ کاری کے لیے پیشگی کی درجہ بندی کے حوالے سے انتظامیہ کے دعوے سے متفق نہیں ہیں جس کی رقم روپے IPO آڈیٹرز پری ہے۔ 2,910 ملین طویل مدتی ذمہ داری کے طور پر۔

جاری نہیں کیا جا سکتا۔ ہم نے انہیں تنظیم نو کی نظر ثانی TFC منتظمین نے بند نہیں کیا تھا اس لیے IPO انتظامیہ کا موقف ہے کہ چونکہ شدہ شرائط پیش کی ہیں اور بہت پر امید ہیں کہ مستقبل قریب میں اسے بند کر دیا جائے گا۔ یہاں یہ بات قابل ذکر ہے کہ تقریباً 27 فیصد قرض کی تنظیم نو کی گئی تھی اور اس کی بروقت ادائیگی کی جا رہی ہے۔

مارک اپ کی فراہمی

کمپنی نے روپے کی مدت کے لیے مارک اپ کا انتظام نہیں کیا ہے۔ 480.695 ملین جیسا کہ انتظامیہ نے اپنی طویل مدتی اور قلیل مدتی ذمہ داریوں کی اصل رقم کی تنظیم نو کے لیے بینکرز/مالیاتی اداروں سے رابطہ کیا۔ انتظامیہ کو یقین ہے کہ کمپنی کی تنظیم نو کی تجاویز کو مالیاتی اداروں / بینکرز قبول کر لیں گے۔ لہذا، کمپنی نے کوئی مارک اپ ریکارڈ نہیں کیا ہے۔

ڈائریکٹرز رپورٹ

ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والے ششماہی کے لیے غیر آڈٹ شدہ مالیاتی نتائج پیش کرتے ہوئے خوش ہیں جن کا آڈیٹرز کے ذریعے جائزہ لیا گیا ہے۔

جائزہ

موجودہ اقتصادی حالات کی وجہ سے سیمنٹ کی صنعت کو گزشتہ چھ ماہ کے دوران کافی چیلنجز کا سامنا کرنا پڑا ہے، جس کے نتیجے میں کل ترسیلات میں 3.95 فیصد کمی واقع ہوئی ہے۔ ملکی فروخت میں 10.38 فیصد کمی ہوئی، جو 20.22 ملین ٹن سے کم ہو کر 18.12 ملین ٹن رہ گئی، بنیادی طور پر مالی سال کی پہلی سہ ماہی میں کمزور مانگ سے متاثر ہوا۔ تاہم، دوسری سہ ماہی میں نسبتاً بہتری دکھائی دی، جو کہ معاشی بحالی کے ابتدائی آثار اور زیادہ مستحکم مارکیٹ آؤٹ لک کی نشاندہی کرتی ہے۔

اس کے برعکس برآمدی شعبے نے غیر معمولی کارکردگی کا مظاہرہ کرتے ہوئے 31.66 فیصد کی خاطر خواہ نمو ریکارڈ کی، حجم 3.65 ملین ٹن سے بڑھ کر 4.81 ملین ٹن تک پہنچ گیا۔ یہ اضافہ بیرونی مارکیٹ کی مضبوط طلب کی نشاندہی کرتا ہے، جس نے گھریلو فروخت میں کمی کو پورا کرنے میں مدد کی ہے۔

کمپنی کی کارکردگی

پیداوار

تغیر	دسمبر 2023	دسمبر 2024
فیصد	ٹن میں	ٹن میں
(7.13)	603,012	560,016
(19.70)	811,807	651,877

کلنکر

سیمنٹ

ترسیل

تغیر	دسمبر 2023	دسمبر 2024
فیصد	ٹن میں	ٹن میں
(22.19)	826,569	643,181

مقامی ترسیل- سیمنٹ

آپریٹنگ کارکردگی

موجودہ ششماہی کے لیے کمپنی کے آپریٹنگ نتائج اور پچھلے سال کی اسی مدت کے نتائج ذیل میں نمایاں ہیں

تغیر	دسمبر 2023	دسمبر 2024
فیصد	'000 روپے	'000 روپے
(14.23)	11,628,347	9,973,813
17.27	(11,399,668)	(9,430,583)
137.55	228,679	543,230
(47.37)	(570,458)	(840,697)
12.97	(341,779)	(297,467)

خالص فروخت

فروخت شدہ اشیا کی لاگت

مجموعی (نقصان)/منافع

اخراجات اور ٹیکس

خالص نقصان