

# HALF YEARLY REPORT DECEMBER 31, 2023

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**DEWAN CEMENT LIMITED**

 **YD** | A YOUSUF DEWAN COMPANY



**Contents**

Company Information.....	3
Directors' Report .....	4
Auditor's Review Report.....	7
Statement of Financial Position .....	9
Statement of Profit or Loss .....	10
Statement of Comprehensive Income.....	11
Statement of Cash Flows.....	12
Statement of Changes in Equity .....	13
Notes to the Account.....	14
Directors' Report - Urdu .....	25



## Company Information

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Ghazanfar Babar Siddiqui  
Mr. Abdul Basit  
Syed Maqbool Ali

Chief Executive Officer

#### Non-Executive Directors

Mr. Ishtiaq Ahmad  
Mr. Waseem-ul-Haque Ansari  
Mrs. Nida Jamil

Chairman Board of Directors

#### Independent Director

Mr. Aziz-ul-Haque

### AUDIT COMMITTEE MEMBERS

Mr. Aziz-ul-Haque  
Mr. Waseem-ul-Haque Ansari  
Mr. Ghazanfar Babar Siddiqui

Chairman  
Member  
Member

### HUMAN RESOURCE & REMUNERATION COMMITTEE

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

Chairman  
Member  
Member

### CHIEF FINANCIAL OFFICER

Mr. Hazrat Ali

### 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](http://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, 2023 duly reviewed by the auditors.

#### Overview of Cement Industry

Positive growth was recorded, signifying on the whole an increase of 9.70%. Growth of local sales was minor at 0.96% from the supply of 20.03 million tons to 20.22 million tons whereas exports depicted a significant increase of 110.66% from the quantity of 1.73 million tons to 3.65 million tons of the comparable period of last year.

#### Company's Performance

##### Production

	<u>Upto December 2023</u> <u>(In tons)</u>	<u>Upto December 2022</u> <u>(In tons)</u>	<u>Variance</u> <u>(% Age)</u>
Clinker	603,012	602,902	0.02
Cement	811,807	724,809	12

##### Dispatches

	<u>Upto December 2023</u> <u>(In tons)</u>	<u>Upto December 2022</u> <u>(In tons)</u>	<u>Variance</u> <u>(% Age)</u>
Local Sales-Cement	826,569	726,856	13.72
Local Sales-GGBS	--	435	(100)
<b>Total</b>	<b>826,569</b>	<b>727,291</b>	<b>13.65</b>

##### Operational

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

	<u>Upto December 2023</u> <u>(Rs. '000')</u>	<u>Upto December 2022</u> <u>(Rs. '000')</u>	<u>Variance</u> <u>(% Age)</u>
Net Sales	11,628,347	9,173,707	26.76
Cost of goods sold	(11,399,668)	(9,282,687)	(22.81)
Gross (Loss)/Profit	228,679	(108,980)	309.83
Expenses & Taxes	(570,458)	(621,403)	(8.20)
Net Loss	(341,779)	(730,383)	53.21

Sales have increased due to increase in sales price and dispatches during the period as compared to same period last year.

Cost showed increasing trend due to overall raise in the rates of constituents of cost of production, exchange rate, power cost together with supply chain issues. All such factors put pressure on cost of production to higher side.

Furthermore the results of the Company were also affected due to the lower power generation capacity, plant efficiency and increased cost of coal to the Company.

#### **Future Outlook**

Hopefully, the political landscape will stabilize and pave the way for a steadfast government to lead for the next five years. This stability should bolster confidence in IMF programs and lenders. The economy is expected to get benefit by the emergence of a constructive political administration.

Cement and other related industries, such as steel etc, may also experience pressure due to less construction activities due to escalating costs of the projects.

Factors like currency devaluation, soaring inflation, and high interest rates are likely to dampen demand. Initiatives like PSDP and CPEC are expected to receive a significant push, stimulating demand.

#### **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. 604.35 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 to whole of Muslim Ummah, Ameen, Summa Ameen.

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

For and on behalf of Board of Directors



**Ghazanfar Baber Siddiqi**  
Chief Executive Officer



**Syed Maqbool All**  
Director

**Dated: February 26, 2024**  
**Place: Karachi**



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## 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 2023, 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 2023 and 31 December 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2023.

### 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

- 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.
- The Company has not made provision of markup for the period amounting to Rs. 604.35 million (up to 31 December 2023: Rs. 8,640.98 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. 604.35 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs. 8,640.98 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. 341.78 million, and as of that date its current liabilities exceeded its current assets by Rs. 3,242.19 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.

**Dated: February 26, 2024**  
**Place: Islamabad**

Engagement partner: Umer Farooq  
UDIN : RR2023107070FdPWvsjm



CHARTERED ACCOUNTANTS

**Condensed Interim Statement of Financial Position**  
**As At December 31, 2023**

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	44,003,880	44,605,397
Long term deposits		604,311	604,311
Long term loans		3,083	3,355
		<u>44,611,274</u>	<u>45,213,063</u>
<b>CURRENT ASSETS</b>			
Stores and spare parts		1,593,864	1,638,432
Stock in trade		775,915	746,746
Trade debts - Unsecured		823,160	820,167
Loans and advances - Unsecured, considered good		337,403	270,168
Deposits and prepayments		29,365	44,305
Other receivables		60,937	105,789
Short term investments		551	422
Advance tax - Net		739,213	620,194
Cash and bank balances		108,643	84,956
		<u>4,469,051</u>	<u>4,331,179</u>
		<u>49,080,325</u>	<u>49,544,242</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised Share capital			
850,000,000 (June 2023: 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		3,136,350	3,264,738
Capital reserves			
Merger reserve		629,444	629,444
Surplus on revaluation of property, plant & equipment	7	18,532,684	18,746,075
		<u>27,139,611</u>	<u>27,481,390</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	8	105,805	123,449
Advances for investment in term finance certificates	9	2,910,000	2,910,000
Long term deposits and payables		493,317	616,643
Deferred tax liability - Net	10	10,720,352	10,885,796
		<u>14,229,474</u>	<u>14,535,888</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	4,568,888	4,391,001
Short term borrowings		579,159	579,159
Mark-up payable		792,661	792,661
Current and overdue portion of non-current liabilities		1,755,826	1,749,437
Dividend payable		12,926	12,926
Unpaid and unclaimed dividend		1,780	1,780
		<u>7,711,240</u>	<u>7,526,964</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12	--	--
		<u>49,080,325</u>	<u>49,544,242</u>

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, 2023 - Unaudited**

	Half Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
<b>Notes -----Rupees in '000' -----</b>				
Turnover - Net	11,628,347	9,173,707	6,008,352	5,642,051
Cost of sales	(11,399,668)	(9,282,687)	(6,082,324)	(5,430,536)
Gross profit / (loss)	228,679	(108,980)	(73,972)	211,515
Distribution cost	(71,797)	(68,698)	(46,823)	(33,589)
Administrative expenses	(520,689)	(407,417)	(231,507)	(162,874)
Other operating expenses	(1,476)	(38,520)	4,088	(2,682)
	(593,962)	(514,635)	(274,242)	(199,145)
Operating (loss) / profit	(365,283)	(623,615)	(348,214)	12,370
Other income	12,455	4,680	9,935	2,265
Finance cost	13 (8,953)	(12,947)	(3,003)	(6,618)
(Loss) / profit before taxation	(361,781)	(631,882)	(341,282)	8,017
Taxation - Net	20,002	(98,501)	115,461	(56,558)
<b>Loss for the period</b>	<b>(341,779)</b>	<b>(730,383)</b>	<b>(225,821)</b>	<b>(48,541)</b>
<b>Loss per share - Basic and diluted (Rupee)</b>	<b>14 (0.71)</b>	<b>(1.51)</b>	<b>(0.47)</b>	<b>(0.10)</b>

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, 2023 - Unaudited**

	Half Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- Rupees in '000' -----				
Loss for the year	(341,779)	(730,383)	(225,821)	(48,541)
Other comprehensive income	--	--	--	--
<b>Total comprehensive income / (loss) for the period</b>	<b>(341,779)</b>	<b>(730,383)</b>	<b>(225,821)</b>	<b>(48,541)</b>

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, 2023 - Unaudited**

		December 31, 2023	December 31, 2022
	Notes	----- Rupees in '000' -----	
Cash generated from operations	15	489,406	515,456
<b>Payment for:</b>			
Taxes net of refund received		(264,461)	(190,494)
Finance cost		(1,275)	(547)
Net cash inflows from operating activities		223,670	324,415
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures		(57,996)	(7,631)
Long term loans recovered		272	770
Net movement in long term deposits		-	(162,631)
Net cash outflows from investing activities		(57,724)	(169,492)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of long term borrowings		(18,933)	(70,599)
Net movement in long term deposits and payables		(123,326)	(112,142)
Net cash outflows from financing activities		(142,259)	(182,741)
Net increase / (decrease) in cash and cash equivalents		23,687	(27,818)
Cash and cash equivalents at the beginning of the year		84,956	157,927
<b>Cash and cash equivalents at the end of the year</b>	<b>15</b>	<b>108,643</b>	<b>130,109</b>

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, 2023 - 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 on 1 July 2022	4,841,133	3,581,982	629,444	10,565,35	11,194,796	19,617,911
Loss for the period ended 31 December 2022	--	(730,383)	--	--	--	(730,383)
Other comprehensive loss	--	--	--	--	--	--
Total comprehensive loss for the period	--	(730,383)	--	--	--	(730,383)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	126,071	--	(126,071)	(126,071)	--
<b>Balance as at 31 December 2022</b>	<b>4,841,133</b>	<b>2,977,670</b>	<b>629,444</b>	<b>10,439,281</b>	<b>11,068,725</b>	<b>18,887,528</b>
<b>Balance as on 1 July 2023</b>	<b>4,841,133</b>	<b>3,264,738</b>	<b>629,444</b>	<b>18,746,075</b>	<b>19,375,519</b>	<b>27,481,390</b>
Loss for the period ended 31 December 2023	--	(341,779)	--	--	--	(341,779)
Other comprehensive loss	--	--	--	--	--	--
Total comprehensive loss for the year	--	(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)	--
<b>Balance as at 31 December 2023</b>	<b>4,841,133</b>	<b>3,136,350</b>	<b>629,444</b>	<b>18,532,684</b>	<b>19,162,128</b>	<b>27,139,611</b>

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, 2023 - 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 Dhand, Dhabeji Karachi, Sindh and Kamipur 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 2023 reflects loss after taxation of Rs.341.78 million (Jun 2023: Rs.586.30 million), and as of that date its current liabilities exceeded its current assets by Rs.3,242.19 million (June 2023:Rs.3,195.79 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 2023. 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 2023. 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 2023 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 2023.
- 3.3** The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2023 and 31 December 2022 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 2023 and 31 December 2022.

#### **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 2023.

#### **4.2 Change in accounting standards, interpretations, and amendments to published accounting and reporting standards**

##### **4.2.1 Amendments to published accounting and reporting standards that became effective during the period:**

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

##### **4.2.2 Amendments to published accounting and reporting standards that are not yet effective:**

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.



## 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 2023.

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 2023.

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Notes -----	Rupees in '000' -----

## 6 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - At cost			
less accumulated depreciation	6.1	43,856,314	44,503,633
Right of use assets		156	174
Capital work in progress - At cost	6.2	147,410	101,590
		<u>44,003,880</u>	<u>44,605,397</u>

### 6.1 Operating fixed assets - At cost less accumulated depreciation

Opening carrying value		44,503,633	32,893,573
Additions / transfers from CWIP during the period / year	6.1.1	12,176	323,457
Revaluation		--	12,279,118
Depreciation charged during the period / year		(659,495)	(992,515)
Closing carrying value		<u>43,856,314</u>	<u>44,503,633</u>

	December 31, 2023	
	Additions Cost	Disposals Cost
	----- Rupees in '000' -----	
Freehold land	5,645	--
Furniture and fixture	669	--
Office equipment	3,555	--
Computers	2,091	--
Vehicles	216	--
	<u>12,176</u>	<u>--</u>

DEWAN CEMENT LIMITED

(Un-audited) (Audited)  
December 31, June 30,  
2023 2023  
----- Rupees in '000' -----

**6.2 Capital work-in-progress**

Opening balance	101,590	304,708
Additions during the period / year	45,820	101,590
	147,410	406,298
Capitalized during the period / year	--	(304,708)
	147,410	101,590

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

Gross surplus	27,042,521	27,360,091
Related deferred tax liability	(8,509,837)	(8,614,016)
	18,532,684	18,746,075

**8 LONG TERM FINANCINGS**

Long-term loan from financial institutions - Secured	1,864,660	1,883,593
Present value adjustment	(152,447)	(152,447)
Total interest charged to profit and loss account	108,208	100,530
	1,820,421	1,831,676
Current maturity of long term financing	(53,422)	(47,033)
Overdue portion of long term financing	(1,661,194)	(1,661,194)
	105,805	123,449

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 2023.

**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 2023.

**10 DEFERRED TAX LIABILITY - Net**

Deferred taxation comprises temporary difference relating to:	(Un-audited) (Audited) December 31, June 30, 2023 2023 ----- Rupees in '000' -----
Accelerated tax depreciation	4,313,342 4,336,729
Surplus on revaluation of fixed assets	8,509,838 8,614,017
Provisions and others	(29,222) (26,683)
	12,793,958 12,924,063
Accumulated tax losses and available tax credits	(2,073,606) (2,038,267)
	10,720,352 10,885,796

## 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.1,148.876 million (June 2023: Rs.1,245.331 million) and Rs.927.316 million (June 2023: Rs.619.883 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. 424.459 million (June 2023: Rs. 364.167 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 change 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 2023 except for the settlement made with SSGC in respect of gas bill and security deposit.

## 13 FINANCE COST

The Company has not made the provision of mark-up for the period amounting to Rs.604.35 million (Up to 31 December 2023: Rs.8,640.98 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.604.35 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.8,640.98 million. The said non-provisioning is a departure from the requirements of IAS-23 'Borrowing Costs'.

## 14 EARNINGS PER SHARE - Basic and diluted

	Half Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	-----Rupees in '000'-----			
Loss after taxation	(341,779)	(730,383)	(225,821)	(48,541)
	----- No. of Shares '000' -----			
Weighted average number of outstanding shares	484,113	484,113	484,113	484,113
	----- Rupee -----			
Loss per share - Basic and diluted	(0.71)	(1.51)	(0.47)	(0.10)

DEWAN CEMENT LIMITED

	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
<b>15 CASH GENERATED FROM OPERATIONS</b>		
Notes ----- Rupees in '000' -----		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	(361,781)	(631,882)
<b>Adjustments for non-cash charges &amp; other items:</b>		
Depreciation	659,513	431,023
Unwinding of discount	7,678	12,400
Workers' Welfare Fund	576	-
Gain on remeasurement of short term investments	(129)	(8)
Finance cost	1,275	547
Exchange loss	--	37,620
Cash (outflows) / inflows before working capital changes	307,132	(150,300)
<b>Movement in working capital</b>		
<i>(Increase) / decrease in current assets</i>		
Stores and spare parts	44,568	238,759
Stock in trade	(29,169)	(99,354)
Trade debts - Unsecured	(2,993)	204,369
Loans and advances - Unsecured, considered good	(67,235)	(195,482)
Trade deposits and short term prepayments	14,940	2,471
Other receivables	44,852	(22,228)
	4,963	128,535
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	177,311	537,221
	177,311	537,221
Cash generated from operations	489,406	515,456

**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 the related party	Transactions during the year	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
		----- Rupees in '000' -----	
Mr. Yousuf Dewan (Group Chairman)	Provided interest free loan to the Company	--	87,600
Employees' Provident Fund Trust	Expense in relation to provident fund	32,492	26,007

## 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
	<u>--- (Rupees in '000') ---</u>		
<b>31 December 2023</b>			
<b>Short term investments</b>			
Investments - Fair value through profit and loss	551	--	--
<b>31 December 2022</b>			
<b>Short term investments</b>			
Investments - Fair value through profit and loss	349	--	--

**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 26, 2024** 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

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 امہ کے مابین صحیح اسلامی جذبہ، اخوت اور بھائی چارگی پیدا کرے۔ آمین ثناء آمین۔

میرا پروردگار یقیناً ہماری دعاؤں کو سنتا ہے۔ (قرآن کریم)

بورڈ آف ڈائریکٹرز کی جانب سے

  
سید مقبول علی  
ڈائریکٹر

  
غصنفر بار صدیقی  
چیف ایگزیکٹو آفیسر

کراچی؛

مورخہ: 26 فروری 2024ء

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 بی او انویسٹمنٹ کے لئے ایڈوائس:

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

انتظامیہ کی رائے کے مطابق آئی بی او کو تنظیمیں 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 604.35 ملین روپے کا پروویژن درج نہیں کیا۔ انتظامیہ نے طویل مدتی اور قلیل مدتی قرضہ جات کے سلسلے میں اپنے بینکرز/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/بینکرز منظور کر لیں گے۔ لہذا کمپنی نے مارک اپ درج نہیں کیا ہے کیونکہ مارک اپ کی ادائیگی نہیں کی جائے گی۔

آڈیٹرز نے درج ذیل کو بھی شامل کرنے پر 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 کنڈسڈ عبوری مالیاتی معلومات اور

☆ مقررہ وقت کے اندر ایکسائز ڈیوٹی اور سیلز ٹیکس کی عدم ادائیگی، جس کے لیے انتظامیہ اضافی کیش فلو پیدا کر کے بقایا رقم کی ادائیگی کے لیے پر اعتماد ہے اور محکمہ کی طرف سے ان واجبات میں مزید نرمی کی توقع ہے۔



متغیر (فیصد)	دسمبر 2022 تک (روپے '000)	دسمبر 2023 تک (روپے '000)	
26.76	9,173,707	11,628,347	صافی فروخت
(22.81)	(9,282,687)	(11,399,668)	فروخت کردہ مال کی قیمت
309.83	(108,980)	228,679	مجموعی (خسارہ)/ منافع
(8.20)	(621,403)	(570,458)	اخراجات اور ٹیکسز
53.21	(730,383)	(341,779)	صافی منافع

گزشتہ سال کی اسی مدت کے مقابلے میں اس مدت کے دوران سیلز کی قیمتوں اور ترسیل میں اضافے کی وجہ سے فروخت میں اضافہ ہوا ہے۔

پیداواری لاگت، شرح مبادلہ، بجلی کی قیمت کے ساتھ سپلائی چین کے مسائل کے اجزاء کی شرحوں میں مجموعی طور پر اضافے کی وجہ سے لاگت میں اضافے کا رجحان ظاہر ہوا۔ ایسے تمام عوامل پیداواری لاگت پر دباؤ ڈالتے ہیں۔

مزید برآں بجلی پیدا کرنے کی کم صلاحیت، پلانٹ کی کارکردگی اور کمپنی کو کولنگ کی بڑھتی ہوئی قیمت کی وجہ سے کمپنی کے نتائج بھی متاثر ہوئے۔

### مستقبل کا نظریہ:

امید ہے کہ سیاسی منظر نامے میں استحکام آئے گا اور اگلے پانچ سالوں کے لیے ثابت قدم حکومت کی قیادت کرنے کی راہ ہموار ہوگی۔ اس استحکام سے آئی ایم ایف کے پروگراموں اور قرض دہندگان پر اعتماد بڑھنا چاہیے۔ ایک تعمیری سیاسی انتظامیہ کے وجود میں آنے سے معیشت کو فائدہ پہنچنے کی امید ہے۔

سینٹ اور دیگر متعلقہ صنعتیں، جیسے کہ اسٹیل وغیرہ، بھی منصوبوں کی بڑھتی ہوئی لاگت کی وجہ سے کم تعمیراتی سرگرمیوں کی وجہ سے دباؤ کا سامنا کر سکتی ہیں۔

کرنسی کی قدر میں کمی، بڑھتی ہوئی افراط زر، اور بلند شرح سود جیسے عوامل طلب کو کم کر سکتے ہیں۔ پی ایس ڈی پی اور سی پی ای سی جیسے اقدامات سے ایک اہم دھکا حاصل کرنے کی توقع ہے، جس سے طلب کو تقویت ملے گی۔

## ڈائریکٹرز رپورٹ

ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والے ششماہی کے لیے غیر آڈٹ شدہ مالیاتی نتائج پیش کرنے پر خوش ہیں جن کا آڈیٹرز کے ذریعہ جائزہ لیا گیا ہے۔

## جائزہ:

مثبت نموریکارڈ کی گئی جو کہ مجموعی طور پر 9.70 فیصد کے اضافے کی نشاندہی کرتی ہے۔ مقامی فروخت میں 20.03 ملین ٹن کی سپلائی سے 20.22 ملین ٹن تک 0.96 فیصد اضافہ ہوا جب کہ برآمدات میں 1.73 ملین ٹن کی مقدار سے 110.66 فیصد کا نمایاں اضافہ ظاہر کیا گیا جو گزشتہ سال کے مقابلے کی مدت کے مقابلے میں 3.65 ملین ٹن ہے۔

## کمپنی کی کارکردگی:

## پیداوار:

متغیر (فیصد)	دسمبر 2022 تک (ٹن میں)	دسمبر 2023 تک (ٹن میں)	
0.02	602,902	603,012	کلنر
12	724,809	811,807	سینٹ

## ترسیلات:

متغیر (فیصد)	دسمبر 2022 تک (ٹن میں)	دسمبر 2023 تک (ٹن میں)	
13.72	726,856	826,569	مقامی ترسیلات۔ سینٹ
(100)	435	--	مقامی ترسیلات۔ GGBS
<b>13.65</b>	<b>727,291</b>	<b>826.569</b>	ٹوٹل

## عملی کارکردگی:

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