



Our Cemented Commitment to Progress: **Forging a Sustainable Future**

NINE MONTHS ENDED
MARCH 31, 2024

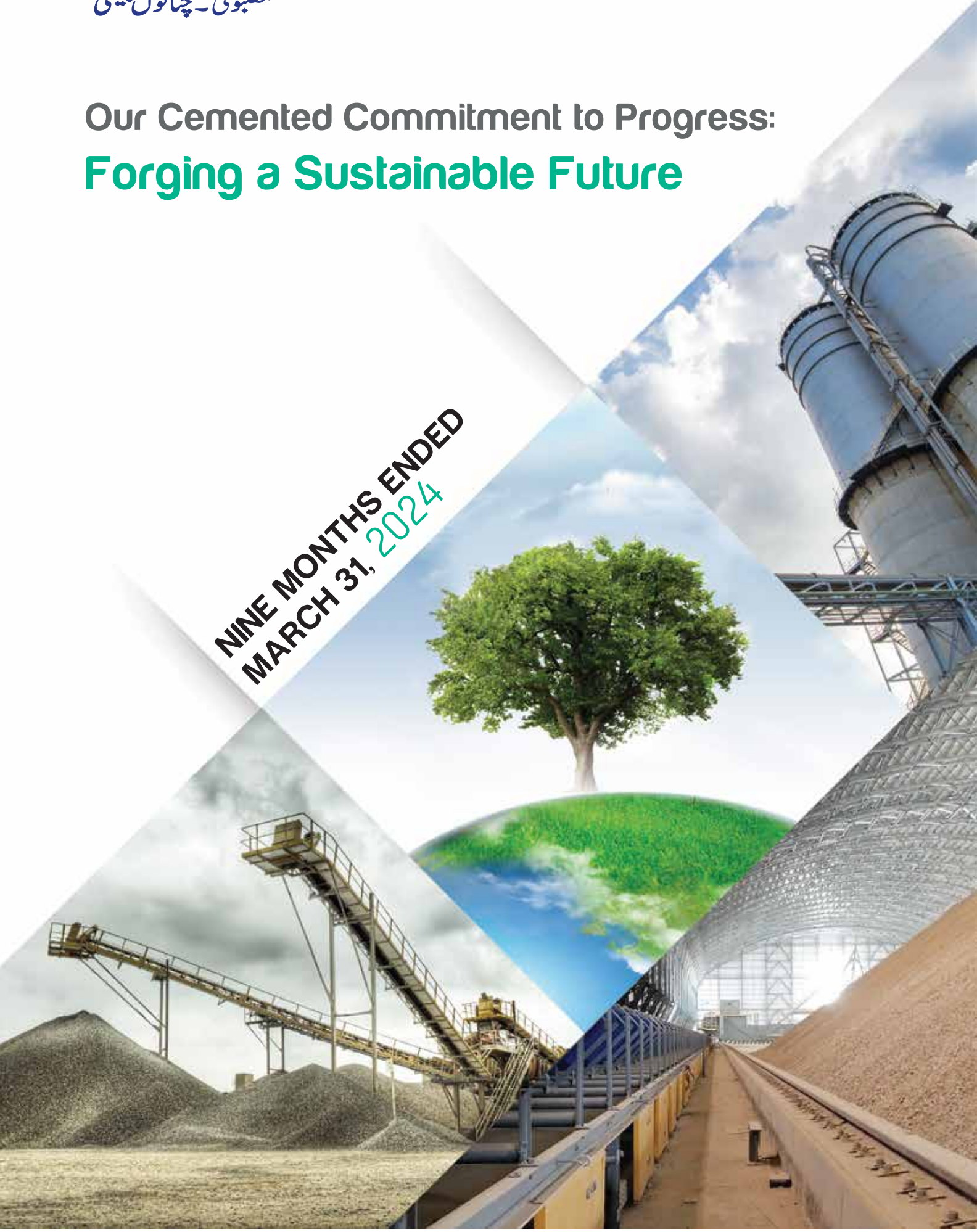
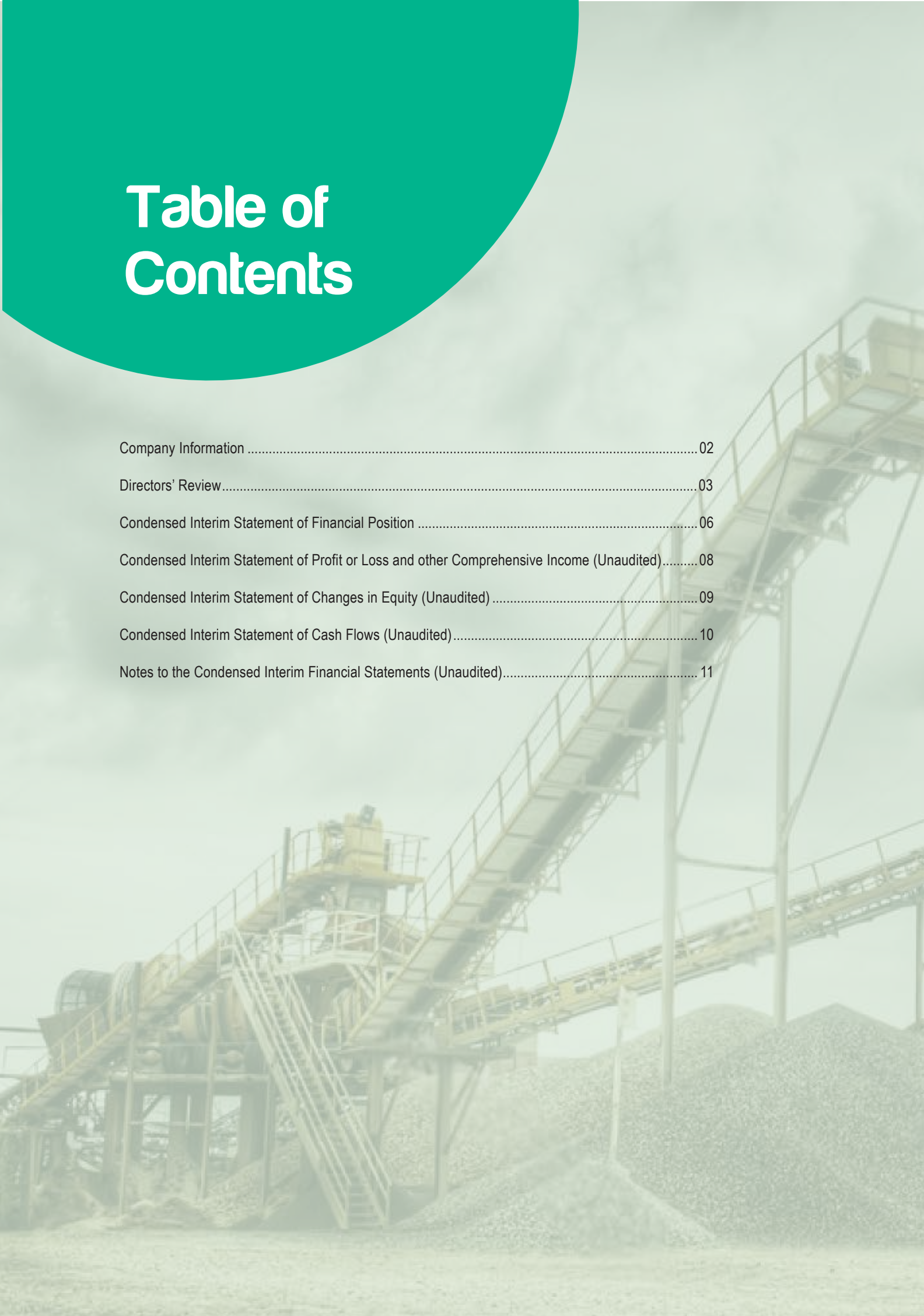


Table of Contents

Company Information	02
Directors' Review	03
Condensed Interim Statement of Financial Position	06
Condensed Interim Statement of Profit or Loss and other Comprehensive Income (Unaudited).....	08
Condensed Interim Statement of Changes in Equity (Unaudited)	09
Condensed Interim Statement of Cash Flows (Unaudited).....	10
Notes to the Condensed Interim Financial Statements (Unaudited).....	11



Company Information

Board of Directors

Mr. Nasim Beg
Mr. Muhammad Kashif Habib
Mr. Samad A. Habib
Syed Salman Rashid
Mr. Anders Paludan-Müller
Mr. Javed Kureishi
Mr. Khursheed Anwer Jamal
Ms. Zainab Kashif

Chairman, Non-Executive Director
Chief Executive Officer
Non-Executive Director
Non-Executive Director
Non-Executive Director
Independent Director
Independent Director
Non-Executive Director

Audit Committee

Mr. Khursheed Anwer Jamal
Syed Salman Rashid
Mr. Samad A. Habib

Chairman
Member
Member

Human Resource & Remuneration Committee

Mr. Javed Kureishi
Syed Salman Rashid
Mr. Muhammad Kashif Habib

Chairman
Member
Member

Chief Financial Officer

Muhammad Taha Hamdani

Company Secretary

Mr. Salman Gogan

External Auditors

A.F. Ferguson & Co. Chartered Accountants

Legal Advisor

Mr. Asad Iftikhar

Share Registrar

CDC Share Services Limited
CDC House, 99-B, Block-B, SMCHS,
Main Shahrah-e-Faisal, Karachi - 74400

Bankers / Lenders of the Company

Local Banks / DFIs

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

Foreign Banks / DFIs

DEG - Deutsche Investitionsund
Entwicklungsgesellschaft mbH - Germany
The OPEC Fund for International Development
("OFID") – Austria
Islamic Corporation for the Development
of the Private Sector ("ICD") – Saudi Arabia

Registered Office

Arif Habib Centre, 23, M.T. Khan Road, Karachi

Factory

Nooriabad Industrial Area, Deh Kalo, Kohar,
District Jamshoro, Sindh

Website

www.powercement.com.pk

Contact Number

021-32468231-2
021-32468350-1

Fax Number

021-32463209

DIRECTORS' REVIEW

The Board of Directors of your Company present herewith their review on the financial and operational performance of the Company for the nine months period ended March 31, 2024.

ECONOMIC OVERVIEW

Amidst economic challenges, Pakistan demonstrated resilience and progress in the fiscal year. Despite inflation and currency depreciation, the country achieved modest growth. Furthermore, the GDP growth of Pakistan is projected at 2% in 2024 and 2.3% in 2025 according to the United Nations 'Economic and Social Survey of Asia and the Pacific 2024'. Notably, inflation dropped to 23.1% in February 2024, with projections indicating further decreases. Measures such as maintaining policy rate to 22% have helped to manage inflationary pressures. Despite challenges like raw material shortages and high input costs, the nation's resolve remained firm. Additionally, the Pakistan Stock Exchange experienced a remarkable 60% surge in FY-2024, showcasing Pakistan's ability to navigate global uncertainties and seize opportunities.

INDUSTRY OVERVIEW

During the reporting period, the cement industry witnessed notable developments, with total despatches reaching 34.50 million tons, reflecting a 2.69% increase compared to the corresponding period. Notably, domestic sales experienced a slight decline of 3.8%, while exports exhibited significant growth, expanding by 68%.

In the South Zone, domestic sales faced a moderate downturn of 6.34%, with despatches reaching 5.16 million tons, compared to 5.51 million tons in the corresponding period. Conversely, export sales within the region exhibited robust growth, escalating by 80% to reach 4 million tons, in contrast to the 2.25 million tons reported during the corresponding period.

In the North Zone, domestic sales faced a moderate downturn of 3.24%, with despatches reaching 24.2 million tons, compared to 25 million tons in the corresponding period. Conversely, export sales within the region exhibited robust growth, escalating by 33.62% to reach 1 million tons, in contrast to the 0.7 million tons reported during the corresponding period.

PRODUCTION & SALES PERFORMANCE

The production and sales statistics of the Company for the nine months ended March 31, 2024 together with the corresponding period are as under:

Production	Nine Months Ended		
	March 31 2024	March 31 2023	Variance %
	In Tons		
Clinker production	1,822,924	1,626,976	12%
Cement production	1,299,530	1,529,002	(15%)

The overall capacity utilization for the nine months stood at 76% as compared to 68% in the corresponding period.

Sales Volume	Nine Months Ended		
	March 31 2024	March 31 2023	Variance %
	In Tons		
Cement/ Clinker despatches (Local)	1,048,454	1,239,106	(15%)
Cement despatches (Export)	280,586	392,238	(28%)
Clinker despatches (Export)	727,085	195,151	273%
Total	2,056,125	1,826,495	

DIRECTORS' REVIEW

FINANCIAL PERFORMANCE

An analysis of the key financial results of your Company for the nine months ended March 31, 2024 is as under:

Particulars	Nine Months Ended		Quarter Ended	
	March 31 2024	March 31 2023	March 31 2024	March 31 2023
	Rs. ' 000'		Rs. ' 000'	
Net Sales Revenue	24,939,287	21,513,126	8,091,953	8,870,180
Gross Profit	5,459,050	4,833,498	1,503,361	2,081,961
Operating Profit	2,642,042	2,674,919	708,716	1,076,984
Finance Cost	(3,882,134)	(2,795,251)	(1,346,341)	(1,004,486)
(Loss) / Profit Before Tax	(1,240,092)	(120,332)	(637,625)	72,498
(Loss) / Profit After Tax	(1,186,911)	553,427	(717,094)	133,133

Sales revenue for Power Cement Limited reached Rs. 24.94 billion, marking a 16% increase compared to the same period last year. The Company's gross profit increased to Rs. 5.46 billion, reflecting approximately 13% growth compared to FY-2023. However, higher financial costs led to a loss after tax of Rs. 1.18 billion during the nine months of FY-2024.

FUTURE OUTLOOK

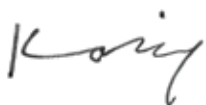
Looking ahead, Pakistan's economy anticipates growth, supported by declining commodity prices and flexible import policies. Challenges such as dwindling reserves, high interest rates, and inflation persist, requiring a cautious approach. With recent elections concluded, hopes for political stability are high. The IMF's staff-level agreement on the final review under the Stand-By Arrangement will provide access to US\$1.1 billion, bolstering market confidence.

The future outlook of the construction sector in Pakistan is expected to be challenging, with slow growth anticipated due to ongoing economic constraints, high inflation, and political instability, which may impact investment and demand for construction projects, despite potential opportunities in infrastructure development and housing. Efforts to enhance operational efficiency are crucial for financial stability. Our commitment is to optimize efficiency and implement cost rationalization measures, aligning strategies with the evolving economic landscape for sustained growth and stability.

ACKNOWLEDGEMENT

The Directors of your Company take pleasure in expressing their sincere gratitude and appreciation for commitment and contribution of all the employees and the continued trust and reliance placed in the Company by all the stakeholders.

For and on behalf of Board of Directors



Muhammad Kashif Habib
Chief Executive Officer



Nasim Beg
Chairman

April 30, 2024
Karachi

Financial Statements

FOR THE PERIOD ENDED
MARCH 31, 2024

Financial Statements

2008

Merchant

Balance

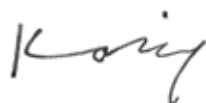
Condensed Interim Statement of Financial Position

AS AT MARCH 31, 2024

	Note	(Unaudited) March 31, 2024	(Audited) June 30, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	5	34,295,225	34,853,984
Right-of-use asset		3,091	12,362
Long-term investments		32,621	26,873
Deferred tax asset		3,949,519	3,649,907
Long-term deposits		53,667	63,359
		38,334,123	38,606,485
Current assets			
Inventories	6	1,992,474	2,593,218
Stores, spares and loose tools	7	4,189,038	1,636,761
Trade receivables - considered good	8	706,618	276,087
Advances and other receivables - unsecured, considered good		885,479	584,575
Taxation - payments less provision		276,282	122,617
Derivative financial asset		2,218,785	3,509,149
Trade deposits and short-term prepayments		167,698	102,852
Tax refunds due from government - sales tax		1,053,094	662,657
Short-term investments		26,399	26,399
Cash and bank balances	9	636,414	409,823
		12,152,281	9,924,138
TOTAL ASSETS		50,486,404	48,530,623



Chief Financial Officer



Chief Executive Officer



Director

Condensed Interim Statement of Financial Position

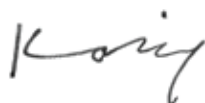
AS AT MARCH 31, 2024

	Note	(Unaudited) March 31, 2024	(Audited) June 30, 2023
(Rupees in '000)			
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital			
	10		
Ordinary shares		11,118,838	11,118,705
Cumulative preference shares		2,082,333	2,082,433
		13,201,171	13,201,138
Reserves			
Capital Reserve			
Share premium		739,493	739,493
Difference on conversion of cumulative preference shares into ordinary shares		(121,174)	(121,141)
Revenue Reserve			
Hedging reserve		39,113	125,309
Accumulated loss		(4,563,683)	(3,376,772)
		(3,906,251)	(2,633,111)
Contribution from associated undertakings		11,700,000	7,000,000
		20,994,920	17,568,027
LIABILITIES			
Non-current liabilities			
Long-term financing - secured		14,927,260	17,328,806
Long-term trade payables		346,356	470,634
Staff retirement benefits		199,617	170,307
		15,473,233	17,969,747
Current liabilities			
Trade and other payables		5,117,222	4,527,395
Unclaimed dividend		126	126
Accrued mark-up		1,238,633	1,923,466
Short-term financing - secured		6,270,220	5,012,000
Current portion of long-term lease liability		2,517	17,326
Current portion of long-term financing		1,389,533	1,512,536
		14,018,251	12,992,849
TOTAL LIABILITIES		29,491,484	30,962,596
Contingencies and commitments			
	11		
TOTAL EQUITY AND LIABILITIES		50,486,404	48,530,623

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



Chief Financial Officer



Chief Executive Officer



Director

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

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

	Note	Nine months period ended		Quarter ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----					
Revenue from contracts with customers	12	24,939,287	21,513,126	8,091,953	8,870,180
Cost of sales		(19,480,237)	(16,679,628)	(6,588,592)	(6,788,219)
Gross profit		5,459,050	4,833,498	1,503,361	2,081,961
Selling and distribution expenses	13	(2,313,922)	(1,149,252)	(819,947)	(544,159)
Administrative expenses		(328,420)	(274,004)	(109,733)	(100,208)
Other (expense) / income		(174,666)	(735,323)	135,035	(360,610)
		(2,817,008)	(2,158,579)	(794,645)	(1,004,977)
Profit from operations		2,642,042	2,674,919	708,716	1,076,984
Finance income		21,082	13,528	9,345	8,627
Finance cost		(3,903,216)	(2,808,779)	(1,355,686)	(1,013,113)
		(3,882,134)	(2,795,251)	(1,346,341)	(1,004,486)
(Loss) / profit before taxation		(1,240,092)	(120,332)	(637,625)	72,498
Taxation		53,181	673,759	(79,469)	60,635
(Loss) / profit after taxation		(1,186,911)	553,427	(717,094)	133,133
Other comprehensive income / (loss)					
Items that are or may be reclassified subsequently to profit or loss					
Cash flow hedge - effective portion of changes in fair value net of deferred tax		(953,192)	1,325,218	(368,168)	1,055,676
Adjustment for amounts transferred to profit or loss		953,192	(1,325,218)	368,168	(1,055,676)
		-	-	-	-
Total comprehensive (loss) / income for the period		(1,186,911)	553,427	(717,094)	133,133

----- (Rupees) -----					
Basic earnings / (loss) per share	14	(1.41)	0.26	(0.77)	0.03

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

Chief Financial Officer

Chief Executive Officer

Director
NINE MONTHS ENDED MARCH 31, 2024

Condensed Interim Statement Of Changes In Equity - Unaudited

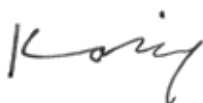
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

	Issued, subscribed and paid up capital	Difference on conversion of cumulative preference shares into ordinary shares	Capital Reserve	Revenue Reserve		Contribution from associated undertakings	Total Equity
			Share Premium	Hedging Reserve	Accumulated loss		
(Rupees in '000)							
Balance as at July 1, 2022	13,201,138	(121,141)	739,493		(3,536,035)	7,000,000	17,283,455
Total comprehensive income / (loss) for the period							
Profit for the period	-	-	-	-	553,427	-	553,427
Balance as at March 31, 2023	<u>13,201,138</u>	<u>(121,141)</u>	<u>739,493</u>	<u>-</u>	<u>(2,982,608)</u>	<u>7,000,000</u>	<u>17,836,882</u>
Balance as at July 1, 2023	13,201,138	(121,141)	739,493	125,309	(3,376,772)	7,000,000	17,568,027
Contribution received	-	-	-	-	-	4,700,000	4,700,000
Difference on conversion of Cumulative Preference Shares	33	(33)	-	-	-	-	-
Total comprehensive income / (loss) for the period							
Loss for the period	-	-	-	-	(1,186,911)	-	(1,186,911)
Other comprehensive income / (loss) for the period	-	-	-	(86,196)	-	-	(86,196)
	33	(33)	-	(86,196)	(1,186,911)	4,700,000	3,426,893
Balance as at March 31, 2024	13,201,171	(121,174)	739,493	39,113	(4,563,683)	11,700,000	20,994,920

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



Chief Financial Officer



Chief Executive Officer



Director

Condensed Interim Statement of Cash Flows - Unaudited

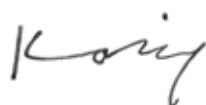
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Note	March 31, 2024	March 31, 2023
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	964,299	2,682,858
Gratuity paid		(21,074)	(25,365)
Income tax paid		(404,871)	(148,426)
Deposits received		4,992	11,000
Finance cost paid		(4,490,060)	(3,177,466)
Net cash used in operating activities		(3,946,714)	(657,399)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure - operations		(173,080)	(60,499)
Proceeds from sale of property, plant and equipment		1,395	1,134
Finance income		20,034	12,555
Net cash used in investing activities		(151,651)	(46,810)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		(1,617,618)	(2,386,039)
Proceeds of short term financing - net		3,500,000	4,181,073
Lease rentals paid		(15,646)	(12,451)
Contribution from associated undertakings - net		4,700,000	-
Net cash generated from financing activities		6,566,736	1,782,583
Net increase / (decrease) in cash and cash equivalents		2,468,371	1,078,374
Cash and cash equivalents at beginning of the period		(3,702,177)	(132,225)
Cash and cash equivalents at end of the period	16	(1,233,806)	946,149

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



Chief Financial Officer



Chief Executive Officer



Director

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE NINE MONTHS ENDED MARCH 31, 2024

1. THE COMPANY AND ITS OPERATIONS

Power Cement Limited (the Company) was incorporated in Pakistan as a private limited company on December 1, 1981 and was converted into a public limited company on July 9, 1987. The Company is listed on Pakistan Stock Exchange. The Company's principal activity is manufacturing, selling and marketing of cement. The registered office of the Company is situated at Arif Habib Centre, 23 M.T.Khan Road, Karachi and its production facility is situated at Deh Kalo Kohar, Nooriabad Industrial Estate, District Jamshoro (Sindh).

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2023.

2.1 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company's financial reporting.

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE NINE MONTHS ENDED MARCH 31, 2024

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2023.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended June 30, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2023.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	(Unaudited) March 31, 2024	(Audited) June 30, 2023
(Rupees in '000)			
Operating assets	5.1	33,933,448	34,576,493
Capital work-in-progress		11,185	-
Capitalisable stores and spares		350,592	277,491
		34,295,225	34,853,984
5.1 Operating assets			
Opening net book value		34,576,493	35,306,841
Additions during the period / year - at cost			
Plant and machinery		70,433	105,815
Land lease hold		-	88,090
Factory building on leasehold land		2,376	7,411
Non factory building on leasehold land		-	5,234
Factory and laboratory equipment		7,754	23,356
Quarry equipment		-	359
Computers and peripherals		3,837	6,027
Office equipment		442	1,189
Furniture and fixtures		-	717
Vehicles		5,152	520
		89,994	238,718
Transfer to stores and spares during the period / year		(1,200)	-
Disposals during the period / year - Net book value		(213)	(346)
Depreciation for the period / year		(731,626)	(968,720)
		(733,039)	(969,066)
Closing net book value		33,933,448	34,576,493

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Note	(Unaudited) March 31, 2024	(Audited) June 30, 2023
6. INVENTORIES			
		(Rupees in '000)	
Raw material		132,080	161,034
Packing material		310,358	204,527
Semi-finished goods		761,496	1,822,928
Work-in-process		30,364	22,842
Finished goods		758,176	381,887
		1,992,474	2,593,218
7. STORES, SPARES AND LOOSE TOOLS			
Stores		1,167,950	694,200
Coal		1,736,794	4,523
Spares		1,293,369	947,704
Loose tools		9,916	9,325
		4,208,029	1,655,752
Less: Provision for slow moving / obsolete stock		(18,991)	(18,991)
		4,189,038	1,636,761
8. TRADE RECEIVABLES - considered good			
Secured		443,828	26,353
Unsecured			
- Due from related parties		41,311	48,885
- Others		304,586	283,956
		789,725	359,194
Less: Loss allowance on trade receivables		(83,107)	(83,107)
		706,618	276,087
9. CASH AND BANK BALANCES			
Cash at bank			
Conventional			
- In current accounts		44,658	78,390
- In savings accounts		22	12
		44,680	78,402
Islamic			
- In current accounts		335,360	141,876
- In savings accounts	9.1	159,182	92,657
		494,542	234,533
- Term Deposit Receipts (TDRs)		96,100	96,100
Cash in hand		1,092	788
		636,414	409,823

9.1 These accounts are maintained with Islamic banks at rates ranging from 5% - 12% (June 30, 2023:3.5% - 8%) per annum.

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE NINE MONTHS ENDED MARCH 31, 2024

10. SHARE CAPITAL

10.1 Authorised share capital

(Unaudited) March 31, 2024	(Audited) June 30, 2023		(Unaudited) March 31, 2024	(Audited) June 30, 2023
----- (Number of Shares) -----			(Rupees in '000)	
1,390,000,000	1,390,000,000	Ordinary and Cumulative Preference Shares of Rs. 10 each	13,900,000	13,900,000

10.2 Issued, subscribed and paid-up capital

10.2.1 Ordinary Shares

(Unaudited) March 31, 2024	(Audited) June 30, 2023		(Unaudited) March 31, 2024	(Audited) June 30, 2023
----- (Number of Shares) -----			(Rupees in '000)	
		Fully paid ordinary shares of Rs. 10 each issued:		
1,051,234,846	1,051,234,846	For cash	10,512,348	10,512,348
840,000	840,000	For consideration other than cash	8,400	8,400
11,339,588	11,339,588	Bonus shares	113,396	113,396
48,469,387	48,456,054	Converted from preference shares	484,694	484,561
1,111,883,821	1,111,870,488		11,118,838	11,118,705

10.2.2 Cumulative Preference Shares

(Unaudited) March 31, 2024	(Audited) June 30, 2023		(Unaudited) March 31, 2024	(Audited) June 30, 2023
----- (Number of Shares) -----			(Rupees in '000)	
244,585,320	244,585,320	Fully paid Cumulative Preference Shares of Rs. 10 each	2,445,853	2,445,853
(36,352,043)	(36,342,043)	Converted into ordinary shares	(363,520)	(363,420)
208,233,277	208,243,277		2,082,333	2,082,433

10.3.1 If cash dividend is not paid in any year, due to loss or inadequate profits, then such unpaid cash dividend will accumulate and will be paid in the subsequent year(s) before any dividend is paid to the Ordinary Shareholders subject to approval of the Board of Directors.

As at March 31, 2024 the undeclared dividend on Cumulative Preference Shares amounted to Rs. 1,159.95 million (June 30, 2023: Rs 784.60 million).

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There is no change in the status of the contingencies as disclosed in note 28 to the annual financial statements for the year ended June 30, 2023, except as mentioned below:

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE NINE MONTHS ENDED MARCH 31, 2024

11.1.1 As disclosed in note 28.8 of the annual audited financial statements, interim relief was vacated by the Sindh High Court (SHC) during the period. Consequently, an amount of Rs. 154 million has been paid in respect of this case. However, ultimate outcome of the case is still awaited.

11.1.2 During the period, the Commissioner Inland Revenue (Appeals) passed an order vide no. STA/82/LTO/2022-23 dated November 11, 2023 confirming tax demand amounting to Rs. 15.5 million on account of late filing of sales tax returns for periods from July 2020 through June 2021. The Company has filed an appeal u/s 45B of the Sales Tax Act, 1990 before the Appellate Tribunal Inland Revenue against the said order. The management, in consultation with its tax advisor, is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

11.2 Commitments

Commitments against open letter of credit for:

Coal
Stores and spares

Commitments against letter of guarantees

Commitments against Ijarah rentals

Total Commitments

	(Unaudited) March 31, 2024	(Audited) June 30, 2023
	(Rupees in '000)	
	323,089	261,948
	408,551	-
	731,640	261,948
	9,779,608	10,512,804
	158,564	135,416
	10,669,812	10,910,168

12. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local Sales
Sales tax
Federal excise duty
Commission

Export Sales
Freight on export

	(Unaudited) March 31, 2024	(Unaudited) March 31, 2023
	(Rupees in '000)	
	19,940,482	20,831,238
	(3,301,569)	(3,325,067)
	(2,096,909)	(1,937,343)
	(39,901)	(188,736)
	14,502,103	15,380,092
	10,672,023	6,488,157
	(234,839)	(355,123)
	10,437,184	6,133,034
	24,939,287	21,513,126

13. Selling and distribution expenses include Rs. 2,052.62 million (March 31, 2023: Rs 1,043.34 million) incurred in respect of export sales.

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE NINE MONTHS ENDED MARCH 31, 2024

	(Unaudited) March 31, 2024	(Unaudited) March 31, 2023
14. EARNINGS / (LOSS) PER SHARE		
14.1 BASIC		
(Loss) / profit after taxation attributable to ordinary shareholders	(1,186,911)	553,427
Adjustment for cumulative preference share dividend	(375,350)	(261,437)
(Loss) / profit after taxation for calculation of basic earnings / (loss) per share	(1,562,261)	291,990
Weighted average number of ordinary shares outstanding at the end of period (in thousands)	1,111,879	1,111,870
Basic (loss) / earnings per share (Rupee)	(1.41)	0.26
15. CASH GENERATED FROM OPERATIONS		
Loss before taxation	(1,240,092)	(120,332)
Adjustment for:		
Depreciation and amortisation	740,898	716,210
Finance cost on short-term financing	1,146,391	659,338
Finance cost on long-term financing	2,685,223	2,051,664
Mark up on long-term trade payables	49,246	58,593
Mark up on lease liability	837	1,803
Exchange loss - net	119,206	198,087
Gain on disposal of property, plant equipment	(1,182)	(848)
Grant income	-	(1,997)
Finance income	(21,082)	(13,528)
Provision for gratuity	50,381	43,283
	4,769,918	3,712,605
Operating profit before working capital changes	3,529,826	3,592,273
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(2,552,277)	(2,425,706)
Inventories	600,744	(139,834)
Trade receivables	(430,531)	(61,393)
Advances and other receivables	(691,341)	677,014
Short-term investments	-	(96,100)
Trade deposits and short-term prepayments	(64,846)	(76,380)
	(3,138,251)	(2,122,399)
Increase / (decrease) in current liabilities	572,724	1,212,984
Net cash generated from operations	964,299	2,682,858
16. CASH AND CASH EQUIVALENTS		
Cash and bank balances	636,414	946,149
Short-term financing	(1,870,220)	-
	(1,233,806)	946,149

9

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE NINE MONTHS ENDED MARCH 31, 2024

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions with related parties during the period are as follows:

Name of the related party	Relationship	Transactions during the period	(Unaudited) March 31, 2024	(Unaudited) March 31, 2023
			(Rupees in '000)	
Aisha Steel Mills Limited	Associated company by virtue of common directorship	- Sale of goods	-	441
		- Payment received	-	447
Safe Mix Concrete Limited	Associated company by virtue of common directorship	- Sale of goods	267,874	374,697
		- Payment received	264,832	371,507
Javedan Corporation Limited	Associated company by virtue of common directorship	- Sale of goods	53,406	74,681
		- Payment received	64,022	38,021
Biomasdar (Pakistan) Limited	Associated company by virtue of common directorship	- Sale of goods	4,237	-
		- Payment received	4,237	-
Rotocast Engineering Company (Private) Limited	Associated company by virtue of common directorship	- Services received	19,707	17,431
		- Lease rental charges	13,964	12,449
		- Payments made	45,088	27,012
		- Contribution received	-	456,000
Arif Habib Corporation Limited	Associated company by virtue of common directorship	- Mark-up paid	-	16,180
		- Guarantee commission accrued	663	424
		- Guarantee commission paid	691	636
EFU Life Assurance Limited	Associated company by virtue of common directorship	- Services received	4,039	3,750
		- Payment made	4,039	3,750
Fatima Packaging Limited	Associated company by virtue of common directorship	- Purchase of goods	1,083,242	729,225
		- Payment made	709,004	576,281
Memon Health & Education Foundation	Associated company by virtue of common directorship	- Sale of goods	3,251	4,669
		- Payment received	3,862	4,575

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE NINE MONTHS ENDED MARCH 31, 2024

Name of the related party	Relationship	Transactions during the period	(Unaudited)	(Unaudited)
			March 31, 2024	March 31, 2023
			(Rupees in '000)	
Arif Habib Equity (Private) Limited	Associated company by virtue of common directorship	- Markup accrued	183,124	246,673
		- Markup paid	253,440	253,987
		- Loan repaid	308,760	309,013
		- Contribution received	1,950,700	550,000
Mr. Arif Habib	Substantial shareholder	- Markup paid	-	1,263
		- Contribution repaid	1,220,700	1,006,000
		- Contribution received	3,970,000	-
Samba Bank Limited	Associated company by virtue of common directorship	- Mark-up accrued	25,654	-
		- Mark-up paid	23,400	-
		- Bank Charges paid	13	-
FLSmith A/S	Related party by virtue of nominee director	- Purchase of goods	347,576	147,122
		- Payments made	398,301	133,203
Pakistan Stock Exchange Limited	Associated company by virtue of common directorship	- Services received	2,049	2,327
		- Payments made	2,049	2,327
Fatima Fertilizer Company Limited	Associated company by virtue of common directorship	- Purchase of goods	7,422	-
		- Payments made	5,318	-
Pakarab Fertilizer Company Limited	Associated company by virtue of common directorship	- Purchase of goods	-	4,040
		- Payments made/Transfer	2,246	5,731
Staff retirement benefit fund	Staff benefit plan	- Charge during the period	50,381	43,283
		- Contribution during the period	21,071	25,365
Key management personnel	Key management	- Remuneration and other benefits	339,932	245,099
		- Advances disbursed to employees	62,440	35,870
		- Advances repaid by employees	56,873	30,788

Notes to The Condensed Interim Financial Statements - Unaudited

FOR THE NINE MONTHS ENDED MARCH 31, 2024

	(Unaudited) March 31, 2024	(Audited) June 30, 2023
	(Rupees in '000)	
Balances with related parties		
Aisha Steel Mills Limited		
- Advance from customer	(69)	(69)
Safe Mix Concrete Limited		
- Trade receivable from Customer	15,012	11,970
Javedan Corporation Limited		
- Trade receivable from Customer	26,299	36,915
Memon Health & Education Foundation		
- Advance from customer	(803)	(192)
Rotocast Engineering Company (Private) Limited		
- Advance / (amount payable) against services received	9,644	(1,773)
- Contribution	1,236,000	1,236,000
Arif Habib Corporation Limited		
- Guarantee commission payable	211	239
Arif Habib Equity (Private) Limited		
- Loan payable (including mark-up)	812,488	1,191,564
- Contribution payable	2,757,700	807,000
Mr. Arif Habib		
- Mark-up payable	292,722	292,722
- Contribution payable	7,706,300	4,957,000
FLSmith A/S		
- Advance against goods purchased	90,534	39,809
Samba Bank Limited		
- Payable against running finance	258,569	300,000
- Payable against long term loan	966	986
- Mark-up payable	7,516	5,262
Fatima Fertilizer Company Limited		
- Amount payable against goods purchased	2,104	-
Fatima Packaging Limited		
- Amount payable against goods purchased	544,111	169,873
Pakarab Fertilizer Company Limited		
- Amount payable against goods purchased	-	2,246
Key management personnel		
- Advances to employees	48,503	48,500
Staff retirement benefit fund		
- Payable to gratuity fund	199,617	170,307

Notes to The Condensed Interim Financial Statements - Unaudited

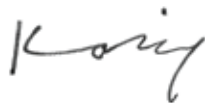
FOR THE NINE MONTHS ENDED MARCH 31, 2024

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements has been authorized for issue on April 30, 2024 by the Board of Directors.



Chief Financial Officer



Chief Executive Officer










Director










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