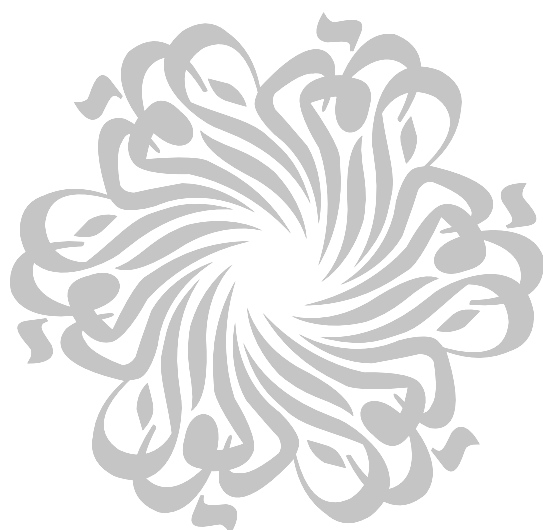


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## Company Information

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Malik Bilal Omar  
Mr. Haroon Iqbal

Chief Executive Officer

#### Non-Executive Directors

Mr. Ishtiaq Ahmad  
Mr. Waseem-ul-Haque Ansari  
Mr. Ghazanfar Babar Siddiqui  
Mr. Muhammad Baqar Jafferi

Chairman Board of Directors

#### Independent Director

Mr. Aziz-ul-Haque

### AUDIT COMMITTEE MEMBERS

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

Chairman  
Member  
Member

### HUMAN RESOURCE & REMUNERATION COMMITTEE

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

Chairman  
Member  
Member

### CHIEF FINANCIAL OFFICER

Mr. Imran Ahmed Javed

### COMPANY SECRETARY

Mr. Muhammad Hanif German

### AUDITORS

Faruq Ali & Co.  
Chartered Accountants

### LEGAL ADVISOR

Muhammad Azhar Faridi (Advocate)

### SHARES REGISTRAR TRANSFER AGENT

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

### REGISTERED ADDRESS

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

### CORPORATE OFFICE

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

### FACTORY

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

### WEBSITE

[www.yousufdewan.com](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, 2020 duly reviewed by the auditors.

### Overview of Cement Industry

Exponential growth was recorded, signifying on the whole an upward trend of 15.66%. Robust Local sales of 15.87% and solid exports of 14.71% were registered. Local sales gained from 20.37 to 23.61 million tons and exports expanded from 4.38 to 5.02 million tons.

### Overview of Your Company

#### Production

	<b>Upto December 2020 (In tons)</b>	<b>Upto December 2019 (In tons)</b>	<b>Variance (% Age)</b>
Clinker	170,327	694,429	(75.47)
Cement	135,938	696,385	(80.47)

#### Dispatches

	<b>Upto December 2020 (In tons)</b>	<b>Upto December 2019 (In tons)</b>	<b>Variance (% Age)</b>
Local Sales-Cement	119,871	675,655	(82.25)
Local Sales-GGBS	333	723	(53.94)
Export Sales-Cement	—	15,089	(100.00)
Local Sales-Clinker	26,185	25,000	4.74
<b>Total</b>	<b>146,389</b>	<b>716,467</b>	<b>(79.56)</b>

### Operating Performance

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

DEWAN CEMENT LIMITED

	Upto December 2020 (Rs. '000')	Upto December 2019 (Rs. '000')	Variance (% Age)
Net Sales	948,170	4,040,196	(76.53)
Cost of goods sold	(1,200,259)	(3,838,186)	68.73
Gross (Loss)/Profit	(252,089)	202,011	(224.79)
Expenses & Taxes	(130,621)	(374,760)	65.15
Net Profit	(382,710)	(172,749)	(121.54)

Overall sales volume and net sales decreased by 79.56 % and 76.53 % comparing with the same period last year. The main reason of decrease was due to Covid-19, so the company decided to shut down the plant for annual repair and maintenance during first quarter of the current period, however company started production in 2nd quarter and hopeful to improve its profitability in future by controlling cost of production and better marketing strategy.

#### **Future Outlook**

GDP growth is expected to go up in future from -0.4% to 1.02%. Cement demand will rise in short and medium term owing to CPEC, PSDP, dams and million homes/year project.

Economic indicators are positive and Covid-19 is receding. Increase in input costs may put pressure on the profits.

Local Sales and Exports will climb owing to economic relief package for the construction industry by the Government.

#### **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. 3,110 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 much hopeful that it will be closed in near future. It is pertinent to mention here that almost 27% of the loan was restructured and timely payment are being made as committed.

**Provision for markup:**

The Company has not made provision of markup for the period amounting to Rs. 223.597 million. The management has approached its bankers / financial institutions for restructuring of its long term and short-term obligations. The management is confident that the Company's restructuring proposals will be accepted by the financial institutions / bankers. Therefore, the Company has not made any provision of mark-up.

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

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

**Acknowledgement**

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

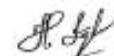
In conclusion, we bow, beg and pray to **Almighty Allah, Rahman-ur-Rahim**, in the name of our beloved Prophet Mohammad (peace be upon him), for continued showering of His blessings, guidance, strength, health, and prosperity to us, our Company, Country and Nation and also pray to Almighty Allah to bestow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

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

For and on behalf of Board of Directors



**Malik Bilal Omar**  
Chief Executive Officer



**Haroon Iqbal**  
Director

**Dated: February 22, 2021**

**Place: Karachi**



C-88 Ground Floor, KDA Scheme No.1,  
Main Karsaz Road Opp. Maritime  
Museum, Karachi-75350  
E-mail: info@fac.com.pk

Telephone : (021 34301966)  
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: (021 34301969)  
Fax : (021 34301965)

## 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 2020, the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2020.

### 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.3,110 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. 223.597 million (up to 31 December 2020: Rs. 6,419.072 million) (refer note 10) 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.223.597 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs. 6,419.072 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.382.710 million, and as of that date its current liabilities exceeded its current assets by Rs.4,146.391 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 9.1 to the financial statements which indicated non-payment of excise duty and sales tax within the stipulated time as prescribed in respective laws.

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



**Dated: February 22, 2021**  
**Place: Karachi**

CHARTERED ACCOUNTANTS

Engagement partner: Muhammad Faisal Nini



DEWAN CEMENT LIMITED

**Condensed Interim Statement of Financial Position**  
**As At December 31, 2020**

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Notes	----- Rupees in '000' -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	34,554,724	34,740,048
Long term deposits		128,256	128,256
Long term loans		7,700	8,750
		34,690,680	34,877,054
<b>CURRENT ASSETS</b>			
Stores and spare parts		1,333,116	1,334,162
Stock in trade		293,548	115,844
Trade debts - Unsecured		516,667	343,599
Loans and advances - Unsecured, considered good		180,915	151,980
Trade deposits and short term prepayments		10,277	9,269
Other receivables		102,417	101,443
Short term investments		310	224
Advance tax - Net		304,114	308,722
Cash and bank balances		79,683	90,542
		2,821,047	2,455,785
		37,511,727	37,332,839
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised Share capital			
850,000,000 (June 2020: 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		3,920,097	4,243,709
Capital reserves			
Merger reserve		629,444	629,444
Surplus on revaluation of property, plant & equipment	7	11,821,838	11,887,529
		21,212,512	21,601,815
<b>NON-CURRENT LIABILITIES</b>			
Long term financing		47,095	79,958
Advances for investment in term finance certificates		3,110,000	3,110,000
Long term deposits and payables		764,687	770,685
Deferred tax liability - Net	8	5,409,995	5,568,419
		9,331,777	9,529,062
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	2,984,771	2,319,131
Short term borrowings		579,159	579,159
Mark-up payable		792,661	792,661
Current and overdue portion of non-current liabilities		2,051,384	2,012,450
Dividend payable		12,926	12,926
Unpaid and unclaimed dividend		1,780	1,780
Sales tax payable	9	544,757	483,855
		6,967,438	6,201,962
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10	--	--
		37,511,727	37,332,839

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

  
**Malik Bilal Omar**  
Chief Executive Officer

  
**Imran Ahmed Javed**  
Chief Financial Officer

  
**Haroon Iqbal**  
Director

**Condensed Interim Statement of Profit or Loss - (Un-audited)**  
**For The Half Year Ended December 31, 2020**

	Half Year Ended		Quarter Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Notes -----Rupees in '000' -----				
Turnover - Net	948,170	4,040,196	931,644	2,245,370
Cost of sales	(1,200,259)	(3,838,185)	(1,095,954)	(2,132,525)
Gross (loss) / profit	(252,089)	202,011	(164,310)	112,845
<b>Operating expenses</b>				
Distribution cost	(29,200)	(70,362)	(15,325)	(41,602)
Administrative expenses	(258,919)	(239,559)	(153,959)	(91,975)
Other operating expenses	(900)	(900)	(900)	1,434
	(289,019)	(310,821)	(170,184)	(132,143)
Operating loss	(541,108)	(108,810)	(334,494)	(19,298)
Other income	15,330	15,769	12,022	1,442
Finance cost	11 (7,723)	(7,399)	(7,295)	(2,527)
Loss before taxation	(533,501)	(100,440)	(329,767)	(20,383)
Taxation - Net	150,791	(72,309)	63,176	(89,432)
<b>Loss for the period</b>	<b>(382,710)</b>	<b>(172,749)</b>	<b>(266,591)</b>	<b>(109,815)</b>
<b>Loss per share -</b>				
<b>Basic and diluted (Rupee)</b>	<b>12 (0.79)</b>	<b>(0.36)</b>	<b>(0.55)</b>	<b>(0.23)</b>

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

  
**Malik Bilal Omar**  
 Chief Executive Officer

  
**Imran Ahmed Javed**  
 Chief Financial Officer

  
**Haroon Iqbal**  
 Director

**Condensed Interim Statement of Comprehensive Income - (Un-audited)**  
**For The Half Year Ended December 31, 2020**

	Half Year Ended		Quarter Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
----- Rupees in '000' -----				
Loss for the period	(382,710)	(172,749)	(266,591)	(109,815)
<b>Other comprehensive income:</b>				
<b>Items that will not be subsequently reclassified to profit or loss:</b>				
Effect of change in tax rates on balance of revaluation on property, plant and equipment	(6,593)	(1,859)	(6,593)	(1,859)
<b>Total comprehensive loss for the period</b>	<b>(389,303)</b>	<b>(174,608)</b>	<b>(273,184)</b>	<b>(111,674)</b>

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

  
**Malik Bilal Omar**  
 Chief Executive Officer

  
**Imran Ahmed Javed**  
 Chief Financial Officer

  
**Haroon Iqbal**  
 Director

## Condensed Interim Statement of Cash Flows - (Un-audited) For The Half Year Ended December 31, 2020

		December 31, 2020	December 31, 2019
	Notes	Rupees in '000' -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	13	(2,600)	529,243
<b>Payment for:</b>			
Taxes net of refund received		(9,619)	(6,160)
Finance cost		(856)	(3,535)
Net cash (outflows) / inflows from operating activities		(13,075)	519,548
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures		(7,841)	(426,281)
Sale proceeds on disposal of fixed assets		--	565
Net change in long term loans		1,050	1,336
Net change in long term deposits		--	(375)
Net cash outflows from investing activities		(6,791)	(424,755)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term loans		--	(63,934)
Net change in long term deposits and payables		9,007	(24,128)
Net cash inflows / (outflows) from financing activities		9,007	(88,062)
Net (decrease) / increase in cash and cash equivalents		(10,859)	6,731
Cash and cash equivalents at the beginning of the period		90,542	71,018
<b>Cash and cash equivalents at the end of the period</b>		<b>79,683</b>	<b>77,749</b>

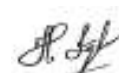
The annexed notes form an integral part of these financial statements.



**Malik Bilal Omar**  
Chief Executive Officer



**Imran Ahmed Javed**  
Chief Financial Officer



**Haroon Iqbal**  
Director

DEWAN CEMENT LIMITED

**Condensed Interim Statement of Changes in Equity - (Un-audited)**  
**For The Half Year Ended December 31, 2020**

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 2019	4,841,133	5,413,615	629,444	6,132,920	6,762,364	17,017,112
Loss for the period ended 31 December 2019	—	(172,749)	—	—	—	(172,749)
Other comprehensive loss	—	—	—	(1,859)	(1,859)	(1,859)
Total comprehensive loss for the year	—	(172,749)	—	(1,859)	(1,859)	(174,608)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	—	108,434	—	(108,434)	(108,434)	—
<b>Balance as at 31 December 2019</b>	<b>4,841,133</b>	<b>5,349,300</b>	<b>629,444</b>	<b>6,022,627</b>	<b>6,652,071</b>	<b>16,842,504</b>
<b>Balance as on 1 July 2020</b>	<b>4,841,133</b>	<b>4,243,709</b>	<b>629,444</b>	<b>11,887,529</b>	<b>12,516,973</b>	<b>21,601,815</b>
Loss for the period ended 31 December 2020	—	(382,710)	—	—	—	(382,710)
Other comprehensive loss	—	—	—	(6,593)	(6,593)	(6,593)
Total comprehensive income for the year	—	(382,710)	—	(6,593)	(6,593)	(389,303)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	—	59,098	—	(59,098)	(59,098)	—
<b>Balance as at 31 December 2020</b>	<b>4,841,133</b>	<b>3,920,097</b>	<b>629,444</b>	<b>11,821,838</b>	<b>12,451,282</b>	<b>21,212,512</b>

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

  
**Malik Bilal Omar**  
Chief Executive Officer

  
**Imran Ahmed Javed**  
Chief Financial Officer

  
**Haroon Iqbal**  
Director

## **Notes To The Condensed Interim Financial Information - (Un-audited) For The Half Year Ended December 31, 2020**

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

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

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

### **2 GOING CONCERN ASSUMPTION**

The condensed interim financial statements for the period ended 31 December 2020 reflects loss after taxation of Rs.382.710 million (Jun 2020: Rs.1,324.465 million), and as of that date its current liabilities exceeded its current assets by Rs.4,146.391 million (June 2020: Rs.3,746.177 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 2020. 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 2020. 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 2020 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 2020.
- 3.3** The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2020 and 2019 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 2020 and 2019.

#### **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 2020.

#### **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 2020.

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 2020.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Notes	----- Rupees in '000' -----	
<b>6</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets - At cost			
less accumulated depreciation	<b>6.1</b>	32,758,137	32,943,427
Right of use assets		307	341
Capital work in progress - At cost	<b>6.2</b>	1,796,280	1,796,280
		<u>34,554,724</u>	<u>34,740,048</u>
<b>6.1 Operating fixed assets - At cost less accumulated depreciation</b>			
Opening carrying value		32,943,427	25,268,498
Additions during the period / year	<b>6.1.1</b>	7,841	3,047
Revaluation		--	8,147,258
Disposal during the period / year (book value)		--	(111)
Depreciation charged during the period / year		(193,131)	(475,265)
Closing carrying value		<u>32,758,137</u>	<u>32,943,427</u>
<b>6.1.1 Additions and disposals during the period (Operating fixed assets)</b>			
		<b>December 31, 2020</b>	
		<b>Additions</b>	<b>Disposals</b>
		<b>Cost</b>	<b>Cost</b>
		----- Rupees in '000' -----	
Office equipment		7,350	--
Electric installation		491	--
		<u>7,841</u>	<u>--</u>
<b>6.2 Capital work-in-progress</b>			
Opening balance		1,796,280	1,596,288
Additions during the period / year		--	199,992
		<u>1,796,280</u>	<u>1,796,280</u>
Capitalized during the period / year		--	--
		<u>1,796,280</u>	<u>1,796,280</u>



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

Gross surplus	16,148,703	16,230,737
Related deferred tax liability	(4,326,865)	(4,343,208)
	<u>11,821,838</u>	<u>11,887,529</u>

**8 DEFERRED TAX LIABILITY - Net**

Deferred taxation comprises temporary difference relating to:

Accelerated tax depreciation	3,706,511	3,655,975
Surplus on revaluation of fixed assets	4,513,284	4,536,220
Provisions and others	(63,310)	(67,247)
	<u>8,156,485</u>	<u>8,124,948</u>

Effect of reduction in effective tax rate on  
account of transfer of income of the  
company being assessed under Final  
Tax Regime

(336,899)	(345,709)
<u>7,819,586</u>	<u>7,779,239</u>

Accumulated tax losses and available tax credits	(2,409,591)	(2,210,820)
	<u>5,409,995</u>	<u>5,568,419</u>

**9 TRADE AND OTHER PAYABLES / SALES TAX PAYABLE**

As at reporting date, the Company has unpaid liabilities against excise duty and sales tax amounting to Rs.1,098.778 million (June 2020: Rs. 988.338 million) and Rs.544.757 million (June 2020: Rs. 483.855 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.

**10 CONTINGENCIES AND COMMITMENTS**

There are no significant change in the status of contingencies and commitments as reported in note 26 to the annual audited financial statements of the Company for the year ended 30 June 2020.

**11 FINANCE COST**

Company has not made the provision of mark-up for the period amounting to Rs.223.597 million (Up to 31 December 2020: Rs.6,419.072 million) keeping in view that the admitted liability will be reduced to the principle amounts on account of settlement of liabilities in accordance with the standstill agreements with lenders executed during the period. Had the provision been made the profit for the period would have been lower by Rs.223.597 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.6,419.072 million. The said non-provisioning is a departure from the requirements of IAS-23 'Borrowing Costs'.

## 12 EARNING PER SHARE - Basic and diluted

	Half Year Ended		Quarter Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
-----Rupees in '000'-----				
Loss after taxation	(382,710)	(172,749)	(266,591)	(109,815)
----- 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	(0.79)	(0.36)	(0.55)	(0.23)

## 13 CASH GENERATED FROM OPERATIONS

	(Un-audited) December 31, 2020	(Un-audited) December 31, 2019
----- Rupees in '000' -----		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(533,501)	(100,440)
<b>Adjustments for non-cash charges &amp; other items:</b>		
Depreciation	193,165	331,953
Workers' Profit Participation Fund	--	--
Interest on Workers' Participation Fund	795	1,196
Unwinding of discount	6,071	3,864
Workers' Welfare Fund	--	--
Finance cost	857	3,535
Exchange (gain) / loss	(15,005)	(16,470)
Gain on remeasurement of short term investments	(86)	--
Gain on disposal of short term investment	--	(10)
Loss on disposal of operating fixed assets	--	(454)
Cash (outflows) / inflows before working capital changes	(347,704)	223,174
<b>Movement in working capital</b>		
<i>(Increase) / decrease in current assets</i>		
Stores and spare parts	1,046	47,794
Stock in trade	(177,704)	93,705
Trade debts - Unsecured	(173,068)	(65,924)
Loans and advances - Unsecured	(28,935)	(26,662)
Trade deposits and short term prepayments	(1,008)	(26,038)
Other receivables - Considered good	(974)	13,408
	(380,643)	36,283
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	664,845	135,794
Sales tax payable	60,902	133,992
	725,747	269,786
Cash (used in) / generated from operations	(2,600)	529,243

## 14 TRANSACTIONS WITH RELATED PARTIES

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

	(Un-audited) December 31, 2020	(Un-audited) December 31, 2019
<b>Employee Provident Fund Trust</b>		
Company's and employees contributions during the period	25,529	30,028

## 15 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 15.1 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.

### 15.2 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).

	Level 1	Level 2	Level 3
	--- (Rupees in '000') ---		
<b>31 December 2020</b>			
<b>Short term investments</b>			
Investments - Fair value through profit and loss	310	--	--
<b>31 June 2020</b>			
<b>Short term investments</b>			
Investments - Fair value through profit and loss	224	--	--

## 16 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.

## 17 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements was authorized for issue on **February 22, 2021** by the Board of Directors of the Company.

## 18 GENERAL

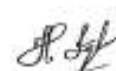
Figures have been rounded off to the nearest thousand rupees unless otherwise stated.



**Malik Bilal Omar**  
Chief Executive Officer



**Imran Ahmed Javed**  
Chief Financial Officer



**Haroon Iqbal**  
Director

### مارک اپ کیلئے قواعد:

کمپنی اس مدت کیلئے مارک اپ مبلغ 223.597 ملین روپے کا حساب درج نہیں کیا۔ انتظامیہ نے طویل مدتی اور قلیل مدتی قرضہ جات کے سلسلے میں اپنے بینکزر/ 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/ بینکزر 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:

☆ مجموعی عبوری مالیاتی معلومات کیلئے نوٹ 2 میں مکمل طور پر وضاحت کردہ تشریحاتی مفروضے کو جاری رکھنے کیلئے کمپنی کی صلاحیت اور

☆ مقررہ وقت کے اندر متعلقہ قوانین کے مشورہ کے مطابق ایکسائز ڈیوٹی اور سیلز ٹیکس کی عدم ادائیگی۔

### اظہار شکر:

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 شہ آمین۔

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

بورڈ آف ڈائریکٹرز کی جانب سے

ہارون اقبال  
ڈائریکٹر

ملک بلال عمر  
چیف ایگزیکٹو آفیسر

کراچی؛

مورخہ: 22 فروری 2021ء

متغیر	دسمبر 2019ء تک	دسمبر 2020ء تک	
(روپے '000)	(روپے '000)	(روپے '000)	
(76.53)	4,040,196	948,170	کل فروخت
68.73	(3,838,186)	(1,200,259)	فروخت کردہ مال کی قیمت
(224.79)	202,011	(252,089)	کل منافع
65.15	(374,760)	(130,621)	اخراجات اور ٹیکسز
(121.54)	(172,749)	(382,710)	کل منافع

فروخت کے حجم اور کل فروخت میں مجموعی طور پر 79.56 فیصد اور 76.53 فیصد کی کمی ہوئی جس کا موازنہ گزشتہ سال کی اسی مدت سے کیا جاسکتا ہے۔ اس کمی کی اصل وجہ کورونا وبا تھی۔ لہذا کمپنی نے حالیہ مدت کی پہلی سہ ماہی کے دوران سالانہ مرمت اور بحالی کے لئے پلانٹ کو بند کرنے کا فیصلہ کیا، تاہم کمپنی نے دوسری سہ ماہی میں پیداواری عمل کی شروعات اور پیداواری لاگت اور بہتر مارکیٹنگ کی حکمت عملی کو کنٹرول کر کے مستقبل میں منافع کو بہتر بنانے کی امید ہے۔

#### مستقبل کا نظریہ:

توقع ہے کہ مستقبل میں GDP کی شرح نمو 0.4- فیصد سے 1.02 فیصد ہو جائے گی۔ PSDP، CPEC، ڈیز اور لاکھوں گھروں/سالانہ منصوبہ کے باعث مختصر اور درمیانی مدت میں سیمنٹ کی طلب میں اضافہ ہوگا۔

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

حکومت کی جانب سے تعمیراتی صنعت کیلئے معاشی ریلیف پیکیج کی وجہ سے مقامی فروخت اور برآمدات میں اضافہ ہوگا۔

#### آڈیٹرز کی جائزہ رپورٹ کا مشاہدہ:

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

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

آڈیٹرز انتظامیہ کے ساتھ پری آئی پی او انویسٹمنٹ کیلئے ایڈوانس کی درجہ بندی مبلغ 3,110 ملین روپے بطور طویل مدتی قرضہ جات پر متفق نہیں ہیں۔

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

## ڈائریکٹرز رپورٹ

ڈائریکٹرز 31 دسمبر 2020ء کو ختم ہونے والی ششماہی کیلئے آڈیٹرز کی جانب سے نظر ثانی شدہ غیر آڈٹ شدہ مالیاتی حسابات پیش کر رہے ہیں۔

جائزہ:

طلب میں بتدریج اضافہ ہو رہا ہے جو 15.66 فیصد اضافے کے رجحان کی نشاندہی کرتا ہے۔ مقامی فروخت میں 15.87 فیصد اور برآمدات میں 14.71 فیصد کا اضافہ ہوا۔ مقامی فروخت 20.37 سے 23.61 ملین ٹن ہو گئیں اور برآمدات 4.38 سے بڑھ کر 5.02 ملین ٹن ہو گئیں۔

پیداوار:

دسمبر 2020ء تک	دسمبر 2019ء تک	متغیر
(ٹن میں)	(ٹن میں)	(فیصد)
170,327	694,429	(75.47)
135,938	696,385	(80.47)

کلنکر

سیمنٹ

ترسیلات:

دسمبر 2020ء تک	دسمبر 2019ء تک	متغیر
(ٹن میں)	(ٹن میں)	(فیصد)
119,871	675,655	(82.25)
333	723	(53.94)
--	15,089	(100.00)
26,185	25,000	4.74
<b>146,389</b>	<b>716,467</b>	<b>(79.56)</b>

مقامی ترسیلات - سیمنٹ

مقامی ترسیلات - GGBS

برآمداتی ترسیلات

مقامی ترسیلات - کلنکر

ٹوٹل

عملی کارکردگی:

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