

Half yearly Report December 31, 2021

Inspiring Excellence through Strength



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CORPORATE INFORMATION

Board of Directors

Mr. Nasim Beg	Chairman
Mr. Muhammad Kashif Habib	Chief Executive
Mr. Samad A. Habib	
Mr. Syed Salman Rashid	
Mr. Anders Paludan-Müller	
Mr. Javed Kureishi	
Ms. Saira Nasir	

Audit Committee

Ms. Saira Nasir	Chairperson
Mr. Samad A. Habib	Member
Mr. Syed Salman Rashid	Member

HR & Remuneration Committee

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

Chief Financial Officer

Mr. Tahir Iqbal

Company Secretary

Mr. Salman Gogan

Chief Operating Officer

Mr. Ahsan Anis

External Auditors

A.F. Ferguson & Co. Chartered Accountants

Legal Advisor

HaiderMota & Co.
Advocates

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
Bankislami 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
Summit Bank 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

021-32468231-32
021-32468350-51

Fax number

021-32463209

DIRECTORS' REVIEW

The Directors of your Company present herewith their review along with the un-audited Condensed Interim Financial Information for the six months period ended December 31, 2021.

INDUSTRY OVERVIEW

The Cement industry sales declined by 4 percent to 27.5 million tons during the period under review as compared to 28.6 million tons during the same period last year. The domestic sales registered a growth of 2 percent to 24.1 million tons during the period under review as compared to 23.6 million tons during the same period last year. The exports, however, registered a decline of 32 percent to 3.4 million tons from 5.02 million tons during the same period last year.

The domestic sales in South Zone, where your Company is situated increased by 15% to 3.9 million tons during the period under review as compared to 3.4 million tons during the same period last year. However, the export sales decreased by 25% to 2.8 million tons as

compared to 3.8 million tons during the same period last year. As a result, the South Zone closed at a total dispatch of 6.75 million tons.

In the North Zone, the domestic sales more or less remained the same, however the export sales declined by 55%. As a result, the North Zone recorded a net decline of 3%.

BUSINESS PERFORMANCE

Production & Sales Volume Performance:

The production and sales volume statistics of your Company for the six months period ended December 31, 2021 together with the corresponding period is as under:

Particulars	Six months period ended		
	December 31 2021	December 31 2020	Variance %
	In Tons		
Cement production	820,765	893,109	(8) %
Clinker production	1,263,671	1,208,333	4 %

Particulars	Six months period ended		
	December 31 2021	December 31 2020	Variance %
	In Tons		
Cement / clinker dispatches (Local)	901,255	768,589	17 %
Cement dispatches (Export)	46,262	113,168	(59) %
Clinker dispatches (Export)	317,335	332,054	(4) %
Total	1,264,852	1,213,811	4%

The production of clinker increased by 55,338 metric tons. The overall capacity utilization of clinker stood at 79% as compared to 75% of the corresponding period.

Financial performance

An analysis of the key financial results of your Company for the six months period ended December 31, 2021 is as under:

Particulars	Six months period ended	
	December 31 2021	December 31 2020
	Rupees in '000	
Net sales revenue	9,276,007	6,835,343
Gross profit	1,817,935	1,671,866
Profit after tax	280,439	154,105
Earnings per share (Rupee)	0.16	0.085

Net Sales Revenue

The net sales revenue increased by 36% during the period. The local sales volume increased to 901,255 tons as compared to 768,589 tons during the corresponding period. However, the export sales remained under pressure primarily due to unprecedented high freights and swelled production costs owing to the ever increasing coal prices.

Gross Profit

The Gross Margin of the Company stood at 20% as compared to 24% in the corresponding period primarily due to increase in production costs which were partially offset by increase in retention prices.

Net Loss

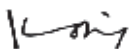
The Company achieved a profit after tax of PKR 280 million during the period under review as compared to PKR 154 million reported during the same period last year.

FUTURE OUTLOOK

The global inflationary trend in the commodities has resulted in increase in coal prices along with freight charges which are a major cost component of cement.

However, the Construction package announced by the Federal Government for the construction industry coupled with various initiatives taken by the State Bank of Pakistan has supported the housing sector. Construction of dams, hydropower projects, real estate development and low cost housing schemes will help to maintain the demand of cement in the medium to long term which suggests a positive outlook for the Cement Industry in Pakistan. However, the escalation in current account deficit and downward pressure on currency present downside risks to growth outlook.

In order to boost liquidity and profitability, Management of the Company is focused on cost control measures and has adopted strategies accordingly. Your Company is



Muhammad Kashif Habib
Chief Executive Officer

Karachi: February 28, 2022

working in all relevant areas including use of alternative fuels and optimized operations of the plant to reduce fixed costs.

Subsequent to the period, the Company has entered into an agreement with M/s. Burj Solar Energy (Private) Limited for setting up a 7MW Solar Power Plant at the Company's existing site for procurement of electricity on a fixed tariff for the next twenty (20) years.

The Management is fully aligned with the rapid changes in regulatory regime and market dynamics. Efforts are being made to curtail the costs wherever possible and create a price efficient sales mix to maximize profitability, mitigate market risks, meet future challenges and maintain business growth.

ACKNOWLEDGEMENT

The Directors are grateful to the Company's stakeholders for their continuing confidence and patronage. We wish to place on record our appreciation and thanks for the faith and trust reposed by our Shareholders, Business Partners, Bankers and Financial Institutions. We thank the Ministry of Finance, Ministry of Industries & Production, the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan, the Competition Commission of Pakistan, Central Depository Company of Pakistan and the Management of Pakistan Stock Exchange for their continued support and guidance which has gone a long way in giving present shape to the Company.

The results of an organization are greatly reflective of the efforts put in by the people who work for and with the Company. The Directors fully recognize the collective contribution made by the employees of the Company and its contractors towards the successful completion of expansion project. We also appreciate the valuable contribution and active role of the members of the audit and other committees in supporting and guiding the management on matters of great importance.

For and on behalf of the Board



Nasim Beg
Chairman



FINANCIAL STATEMENTS

HALF YEALY REPORT DECEMBER 31, 2021



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Power Cement Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Power Cement Limited as at December 31, 2021 and 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 financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with 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 December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

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 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

Chartered Accountants
Karachi


Date: February 28, 2022

UDIN: AR202110073aL20THyeM

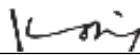
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

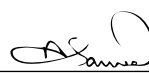
		(Unaudited) December 31, 2021	(Audited) June 30, 2021
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	6	35,959,230	36,270,530
Right-of-use asset	7	30,905	37,086
Intangible asset		1,690	2,958
Long-term investments	8	25,476	24,873
Deferred tax asset	9	2,430,909	2,104,838
Long-term deposits	10	73,377	42,338
		<u>38,521,587</u>	<u>38,482,623</u>
Current assets			
Inventories	12	1,762,711	1,149,511
Stores, spares and loose tools	11	1,563,642	1,748,535
Trade receivables - considered good	13	292,427	275,250
Advances and other receivables - unsecured, considered good		564,403	385,427
Taxation - payments less provision		489,744	512,210
Trade deposits and short-term prepayments		45,281	63,440
Tax refunds due from government - sales tax	14	1,459,746	2,063,361
Derivative financial asset		1,092,883	529,816
Short-term investments		26,399	26,399
Cash and bank balances	15	177,637	255,106
		<u>7,474,873</u>	<u>7,009,055</u>
TOTAL ASSETS		<u><u>45,996,460</u></u>	<u><u>45,491,678</u></u>



Chief Financial Officer



Chief Executive Officer




Director

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

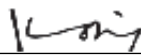
AS AT DECEMBER 31, 2021

	Note	(Unaudited) December 31, 2021 (Rupees in '000)	(Audited) June 30, 2021
Share capital and reserves			
Share capital			
Ordinary shares	16	11,092,038	10,634,144
Cumulative preference shares		<u>2,102,433</u>	<u>2,445,853</u>
		13,194,471	13,079,997
Reserves			
Capital Reserve			
Share premium		739,493	739,493
Difference on conversion of cumulative preference shares into ordinary shares		(114,474)	-
Revenue Reserve			
Accumulated loss		<u>(2,794,136)</u>	<u>(3,074,575)</u>
		11,025,354	10,744,915
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	17	18,171,655	18,403,048
Long-term trade and other payables	18	505,183	-
Long-term lease liability		24,651	31,675
Deferred grant income		-	1,997
Staff retirement benefits		<u>101,060</u>	<u>108,965</u>
		18,802,549	18,545,685
Current liabilities			
Trade and other payables		2,521,981	4,666,500
Advances from customers		670,727	606,381
Unclaimed dividend		126	126
Accrued mark-up		1,273,190	1,258,520
Short-term financing - secured	19	7,598,851	7,679,924
Loan from related parties	20	2,266,000	680,000
Current portion of long-term lease liability		13,024	11,755
Current portion of long-term financing	17	<u>1,824,658</u>	<u>1,297,872</u>
		16,168,557	16,201,078
TOTAL LIABILITIES		<u>34,971,106</u>	<u>34,746,763</u>
Contingencies and commitments	21		
TOTAL EQUITY AND LIABILITIES		<u>45,996,460</u>	<u>45,491,678</u>

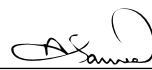
The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME


FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	Note	Half year ended		Quarter ended	
		December 31, 2021	December 31, 2020 Restated	December 31, 2021	December 31, 2020 Restated
(Rupees in '000)					
Revenue from contracts with customers	22	9,276,007	6,835,343	5,162,217	3,595,345
Cost of sales		(7,458,072)	(5,163,477)	(4,180,946)	(2,572,832)
Gross profit		1,817,935	1,671,866	981,271	1,022,513
Selling and distribution expenses	23	(604,880)	(622,045)	(370,172)	(296,223)
Administrative expenses		(142,671)	(119,622)	(81,531)	(79,568)
Reversal / (loss) allowance on trade receivables		40,321	(8,865)	40,321	(8,865)
Other income / (expense)	24	266,235 (440,995)	196,012 (554,520)	391,184 (20,198)	62,417 (322,239)
Profit from operations		1,376,940	1,117,346	961,073	700,274
Finance income		2,832	5,514	1,500	4,362
Finance cost		(1,318,185) (1,315,353)	(1,273,189) (1,267,675)	(679,089) (677,589)	(634,968) (630,606)
Profit / (loss) before income tax		61,587	(150,329)	283,484	69,668
Taxation	25	218,852	304,434	187,362	169,702
Profit after taxation		280,439	154,105	470,846	239,370
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		563,067	95,308	61,356	(89,800)
Adjustment for amounts transferred to profit or loss		(563,067)	-	(250,638)	-
		-	95,308	(189,282)	(89,800)
Total comprehensive income for the period		280,439	249,413	281,564	149,570
(Rupees)					
Earnings per share - basic	26	0.160	0.085	0.387	0.165
Diluted earnings per share	26	-	-	0.338	-


The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer




Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS


FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	Note	December 31, 2021 (Rupees in '000)	December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	27	142,568	615,186
Gratuity paid		(31,317)	(15,365)
Income tax paid		(84,753)	(51,800)
Deposits paid		(31,039)	-
Finance cost paid		(1,254,086)	(1,901,407)
		(1,401,195)	(1,968,572)
Net cash used in operating activities		(1,258,627)	(1,353,386)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure - operations		(192,318)	(79,153)
Proceeds from sale of property, plant and equipment		10,800	1,545
Interest received		2,229	4,963
Net cash used in investing activities		(179,289)	(72,645)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment) / proceeds of long-term financing - net		(136,933)	1,544,941
Issuance cost of preference shares		-	(13,479)
Repayment of short term financing - net		(181,073)	(400,500)
Lease rentals paid		(7,547)	(6,859)
Proceeds from issue of preference shares		-	1,648,895
Proceeds of loan from related parties - net		1,586,000	(1,139,000)
Net cash generated from financing activities		1,260,447	1,633,998
Net (decrease) / increase in cash and cash equivalents		(177,469)	207,967
Cash and cash equivalents at beginning of the period		(244,894)	(310,651)
Cash and cash equivalents at end of the period	28	(422,363)	(102,684)


The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY


FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	Issued, subscribed and paid up capital	Advance against preference right issue	Difference on conversion of cumulative preference shares into ordinary shares (note 16.3.2)	Capital reserve		Revenue reserves	Total equity
				Share premium	Hedging reserve	Accumulated loss	
← (Rupees in '000) →							
Balance as at July 1, 2020	10,634,144	523,754	-	749,063	-	(3,428,326)	8,478,635
Total comprehensive income / (loss) for the period							
Preference shares issued	2,445,853	(523,754)	-				1,922,099
Profit for the period - restated	-	-	-	-	-	154,105	154,105
Issuance cost of preference shares - net of tax	-	-	-	(9,570)	-	-	(9,570)
Other comprehensive income for the period - restated	-	-	-	-	95,308	-	95,308
Total comprehensive income / (loss) for the period	2,445,853	(523,754)	-	(9,570)	95,308	154,105	2,161,942
Balance as at December 31, 2020 - restated	<u>13,079,997</u>	<u>-</u>	<u>-</u>	<u>739,493</u>	<u>95,308</u>	<u>(3,274,221)</u>	<u>10,640,577</u>
Balance as at July 1, 2021	13,079,997	-		739,493	-	(3,074,575)	10,744,915
Total comprehensive income / (loss) for the period							
Loss for the period	-	-	-	-	-	280,439	280,439
Cumulative preference shares of Rs. 10 each converted into 1,333 Ordinary Shares of Rs. 10 each during the year.	114,474	-	(114,474)	-	-	-	-
Other comprehensive income for the period	114,474	-	(114,474)	-	-	280,439	280,439
Balance as at December 31, 2021	<u>13,194,471</u>	<u>-</u>	<u>(114,474)</u>	<u>739,493</u>	<u>-</u>	<u>(2,794,136)</u>	<u>11,025,354</u>


The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

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 also 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 undertaking 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 Institute of Chartered Accountants of Pakistan as notified under 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 30 June 2021.

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, 2021. 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, 2022. 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

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

3. RESTATEMENT

At the time of finalisation of annual financial statements of the Company for the year ended June 30, 2021, the management re-assessed to remeasure foreign loans, as disclosed in note 17.4 to these condensed interim financial statements, at the exchange rate prevalent at the reporting date and the same treatment has been applied since the inception of the loan. The effect of changes have been mentioned below.

	Quarter ended December 31, 2020	Half year ended December 31, 2020
	Rupees in '000	
Impact on condensed interim statement of profit or loss account and other comprehensive income.		
(Decrease) / increase in other income	(302)	120,165
Increase / (decrease) in taxation - deferred	88	(34,848)
Impact on condensed interim statement of comprehensive income		
Net (decrease) / increase in profit or loss and other comprehensive income	(214)	85,317
Impact on (loss) / earnings per share - basic / diluted		
(Decrease)/ increase in earnings per share - basic / diluted	(0.009)	0.080
Impact on condensed interim statement of changes in equity		
Balance as per previously reported		11,305,019
Effect of restatement		(664,442)
Balance restated		<u><u>10,640,577</u></u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

4. 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, 2021.

5. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these consolidated 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, 2021.

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, 2021.

	Note	(Unaudited) December 31, 2021 (Rupees in '000)	(Audited) June 30, 2021
6. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	6.1	35,549,650	35,926,941
Capital work-in-progress		84,890	-
Capitalisable stores and spares		324,690	343,589
		<u>35,959,230</u>	<u>36,270,530</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
	(Rupees in '000)	
6.1 Operating assets		
Opening net book value	35,926,941	13,371,372
Additions during the period / year - at cost		
Plant and machinery	114,506	22,170,999
Factory building on leasehold land	-	22,982
Non factory building on leasehold land	1,999	1,368,164
Factory and laboratory equipment	6,623	2,380
Computers and peripherals	1,239	4,169
Office equipment	1,171	2,108
Furniture and fixtures	142	473
Vehicles	647	1,768
	126,327	23,573,043
Disposals during the period / year - Net book value	(548)	(1,493)
Write off during the period / year	-	(30,892)
Depreciation for the period / year	(503,070)	(985,089)
	(503,618)	(1,017,474)
Closing net book value	35,549,650	35,926,941

7. The right-of-use asset comprise leasehold building used by the Company for its operations.

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	(Rupees in '000)	
8. LONG-TERM INVESTMENTS			
Amortised cost			
Defence savings certificates	8.1	16,802	16,199
Term deposit receipts	8.2	8,674	8,674
		25,476	24,873

8.1 These Defence Saving Certificates (DSCs) having face value of Rs 11.65 million are for a period of 10 years with maturity in 2026. These carry mark-up at effective interest rate of 7.44% per annum. These DSCs are pledged with the Nazir of High Court of Sindh.

8.2 These represent term deposits placed with local banks which carry profit at declared rates of 6.50% - 11% (June 30, 2021: 4.07% - 7.20%) per annum.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

9. DEFERRED TAX ASSET

Deferred tax asset has been restricted to 75.49% (June 30, 2021: 77%) of the total deferred tax asset based on the assumptions that export sales will continue to fall under Final Tax Regime and the Company will be able to achieve its export target as per expectation.

10. During the period, the Company has signed the term sheet of Equipment Rental Agreement (the agreement) for procurement of electricity on a fixed tariff and paid an amount of Rs. 31 million as security deposit. Subsequently, the agreement was signed on January 6, 2022.

	Note	(Unaudited) December 31, 2021 (Rupees in '000)	(Audited) June 30, 2021
11. STORES, SPARES AND LOOSE TOOLS			
Stores		462,711	433,566
Coal		433,843	752,461
Spares		671,104	567,372
Loose tools		9,503	8,655
		<u>1,577,161</u>	<u>1,762,054</u>
Less: Provision for slow moving / obsolete stock		<u>(13,519)</u>	<u>(13,519)</u>
		<u>1,563,642</u>	<u>1,748,535</u>
12. INVENTORIES			
Raw material		46,971	107,618
Packing material		137,343	147,619
Semi-finished goods		1,378,941	735,330
Work-in-process		15,883	12,615
Finished goods		183,573	146,329
		<u>1,762,711</u>	<u>1,149,511</u>
13. TRADE RECEIVABLES - considered good			
Secured		25,480	1,636
Unsecured			
- Due from related parties	13.1	7,657	51,780
- Others		347,334	350,199
		<u>380,471</u>	<u>403,615</u>
Less: Loss allowance on trade receivables		<u>(88,044)</u>	<u>(128,365)</u>
		<u>292,427</u>	<u>275,250</u>
13.1 The related parties from whom the receivables are due are as under:			
Javedan Corporation Limited		7,657	8,954
Safe Mix Concrete Limited		-	42,826
		<u>7,657</u>	<u>51,780</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

14. TAX REFUNDS DUE FROM GOVERNMENT - SALES TAX

In February 2019 the Company has challenged the levy of sales tax on import of Plant in High Court of Sindh. The Court allowed an interim relief to the Company against submission of Bank Guarantee with the Nazir of the Court. A Bank Guarantee of Rs. 528 million had been submitted with the Nazir. As per the legal advisor of the Company, the Company has a strong case in this matter, even if the matter is decided against the Company, the resultant sales tax will be paid and adjusted against the output sales tax of the Company.

	Note	(Unaudited) December 31, 2021 (Rupees in '000)	(Audited) June 30, 2021
15. CASH AND BANK BALANCES			
Cash in hand		890	939
Cash at bank:			
Conventional			
- In current accounts		54,964	14,211
- In savings accounts	15.1	7,720	7,599
		<u>62,684</u>	<u>21,810</u>
- In current accounts		29,120	131,855
- In savings accounts	15.2	83,343	98,402
		<u>112,463</u>	<u>230,257</u>
- Term deposit receipts (TDRs)	15.3	1,600	2,100
		<u>177,637</u>	<u>255,106</u>

15.1 The mark-up rate on the savings and deposit accounts included in cash and bank balances ranges from 5% to 10.5% (June 30, 2021: 3.5% to 5%) per annum.

15.2 These accounts are maintained under profit and loss sharing arrangements with Islamic banks at rates ranging from 5% - 8% (June 30, 2021: 3.5% - 5%) per annum.

15.3 This includes term deposit certificates placed with local banks and carry profit at declared rates of 6.5% - 11% (June 30, 2021: 4.07% - 7.20%) per annum.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

16. SHARE CAPITAL

16.1 Authorised share capital

(Unaudited) December 31, 2021 (Number of Shares)	(Audited) June 30, 2021		(Unaudited) December 31, 2021 (Rupees in '000)	(Audited) June 30, 2021
<u>1,310,000,000</u>	<u>1,310,000,000</u>	Ordinary and Cumulative Preference Shares of Rs. 10 each	<u>13,100,000</u>	<u>13,100,000</u>

16.2 Issued, subscribed and paid-up capital

Ordinary Shares

(Unaudited) December 31, 2021 (Number of Shares)	(Audited) June 30, 2021		(Unaudited) December 31, 2021 (Rupees in '000)	(Audited) June 30, 2021
		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
45,789,388	-	Converted from preference shares during the period	457,894	-
<u>1,109,203,822</u>	<u>1,063,414,434</u>		<u>11,092,038</u>	<u>10,634,144</u>

16.3 Cumulative Preference Shares

(Unaudited) December 31, 2021 (Number of Shares)	(Audited) June 30, 2021		(Unaudited) December 31, 2021 (Rupees in '000)	(Audited) June 30, 2021
244,585,320	244,585,320	Fully paid Cumulative Preference Shares of Rs. 10 each	2,445,853	2,445,853
(34,342,043)	-	Converted to ordinary shares during the period	(343,420)	-
<u>210,243,277</u>	<u>244,585,320</u>		<u>2,102,433</u>	<u>2,445,853</u>

16.3.1 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 December 31, 2021 the undeclared dividend on Cumulative Preference Shares amounted to Rs. 283.11 million (June 30, 2021: Rs 175.08 million).

16.3.2 Under the terms of conversion of preference shares, during the period, 34.3 million preference shares of Rs. 10 each have been converted into 45.8 million ordinary shares of Rs. 10 each resulting in a difference on conversion of cumulative preference shares into ordinary shares amounting to Rs. 114.4 million. The unpaid cumulative dividend on such preference shares will be distributed in subsequent year(s) out of the available profits subject to the approval of the Board of Directors.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	Note	(Unaudited) December 31, 2021 (Rupees '000)	(Audited) June 30, 2021
17. LONG-TERM FINANCING - secured			
Local currency loan			
Syndicated loan	17.1.1 & 17.1.2	13,045,366	13,041,227
Term loan	17.2	937,051	581,996
Refinance scheme	17.3	165,577	192,538
		14,147,994	13,815,761
Current maturity		(896,277)	(369,491)
		13,251,717	13,446,270
Foreign currency loan			
Syndicated loan	17.4	5,848,319	5,885,159
Current maturity		(928,381)	(928,381)
		4,919,938	4,956,778
		18,171,655	18,403,048

17.1.1 This includes funded / Musharaka contribution amount drawn (from a syndicate of 16 local banks/DFIs under the long-term syndicate finance facility of Rs. 16,200 million, for the expansion project of 7,700 TPD, led by National Bank of Pakistan as Investment Agent (June 30, 2021: Rs. 16,200 million). The said facility has been structured in Islamic mode of financing (Diminishing Musharaka) having Syndicate Term Finance Facility (STFF) of Rs. 16,200 million. The facility carries mark-up at the rate of 6 months KIBOR plus 1.5% (June 30, 2021: 6 months KIBOR plus 2.25%) per annum calculated on daily product basis with mark-up and principal repayment falling due on semi-annual basis. The facility is secured through first pari passu charge over current and fixed assets of the Company along with additional collaterals. This loan is payable through semi annual instalments in 10 years time starting from July 2018.

17.1.2 This also includes loan of Rs.1,000 million structured as Diminishing Musharakah for the purpose of operational support, project cost overruns and service of deferred payables of Company's clinker plant. The facility carries mark-up of KIBOR plus 1.5% per annum. This loan is payable through semi-annual instalments starting from July 2022. The security includes first pari pasu charge on all fixed and current assets along with other collaterals and personal guarantees of the Company's related party.

17.2 This includes term loans obtained from commercial banks for a period of 3 to 5 years at the rate ranging between 3 months KIBOR plus 2% to 6 months KIBOR plus 1.5% with quarterly and semi-annual repayments. The loans were disbursed on May 01, 2019, December 10, 2020 and September 15, 2021. The loans are secured by the sponsors of the Company.

17.3 This includes long-term loan agreements with Bank of Punjab under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. The loans are repayable in eight equal quarterly instalments, starting from March 2021. The loan carries mark-up of 3% per annum starting from the date of disbursement and is payable in arrears on quarterly basis. The loan is secured by way of first pari passu hypothecation charge on the fixed assets of the Company along with additional collaterals.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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- 17.4** This represents loan from 3 foreign multilateral institutions / DFIs under long-term syndicate finance facility of equivalent drawdowns of EUR 11.357 million, USD 11.357 million, USD 15.143 million disbursed by Deutsche Investitions-und Entwicklungsgesellschaft mbH (DEG) through AHEPL, OPEC Fund for International Development (OFID) and Islamic Corporation Development (ICD) respectively for the expansion project of Line III. The Company has executed cross currency swaps with Habib Bank Limited and Faysal Bank Limited through AHEPL to hedge the Company's foreign currency payment obligation. This facility carries markup ranging between 6 months KIBOR plus 4.15% to 6 months KIBOR plus 5.49% with mark-up / principal repayment falling due on semi-annual basis with commercial Banks for cross currency swap. The facility is secured through first parri passu charge over current and fixed assets of the Company along with additional collaterals. The above hedge of exposures arising due to variability in cash flows owing to interest / currency risks were designated as cash flow hedges by the management of the Company.

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
	(Rupees '000)	
18. LONG-TERM TRADE PAYABLES		
Local currency payables	601,176	-
Current maturity	(142,500)	-
	<u>458,676</u>	-
Foreign currency payables	64,159	-
Current maturity	(17,652)	-
	<u>46,507</u>	-
	<u><u>505,183</u></u>	<u><u>-</u></u>

- 18.1** In 2017, the Company had entered into a construction contract with CEEC Tianjin (Pakistan) Electric Power Construction (Private) Limited for the construction of Line III. During the period, the companies entered into an extension of payment contract for settlement of the amount. As per the terms of the contract, the Company is liable to pay a revised amount of Rs. 847.68 million alongwith USD 0.5 million over a period of 5 years. The revised amount has been discounted using a market rate of 12.96% resulting in a gain of Rs. 271.9 million which has been recorded in other income.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	Note	(Unaudited) December 31, 2021 (Rupees '000)	(Audited) June 30, 2021
19. SHORT-TERM FINANCING - secured			
Conventional			
Running finance	19.1	350,000	250,000
Short-term borrowing under money market scheme	19.2	-	299,000
		350,000	549,000
Islamic			
Istisna / Running Musharaka / Murabaha	19.3		
Maturity within three months		250,000	250,000
Maturity after six months		5,798,851	6,180,924
Islamic Export Refinance Facility (IERF)	19.3	1,200,000	700,000
		7,248,851	7,130,924
		7,598,851	7,679,924

19.1 This represents short-term running finance facilities from different commercial banks amounting to Rs. 350 million (June 30, 2021: Rs. 250 million). These carry applicable mark up at the rate of 1 months KIBOR plus 1.5% (June 30, 2021: 3 months KIBOR plus 1.5%) per annum calculated on daily product basis. The facility is annually renewable and mark-up on the facility is payable on quarterly basis. The facility is secured by first pari passu charge against current and fixed assets of the Company.

19.2 This represents borrowing under money market scheme from Samba bank amounting to Rs. Nil (June 30, 2021: Rs. 299 million). These carry applicable mark up at the rate of 3 months KIBOR plus 1% (June 30, 2021: 3 months KIBOR plus 1%) per annum calculated on daily product basis. The facility is annually renewable and mark-up on the facility is payable on quarterly basis. The facility is secured by first pari passu charge against current and fixed assets of the Company.

The aggregate amount of aforementioned facility which has not been availed as at the reporting date amounts to Rs. Nil (June 30, 2021: Rs. Nil).

19.3 These represent Istisna / Musharaka / Murabaha facilities aggregating to Rs. 7,800 million (June 30, 2021: Rs. 7,150 million) repayable with a maximum tenure of 180 days from the date of disbursement. The IERF facility availed during the period carry mark up at the rate of 3% per annum while other working capital facilities carry applicable profit at the rates ranging from KIBOR plus 0.75% to KIBOR plus 2% (June 30, 2021: KIBOR plus 0.75% to KIBOR plus 2%). These facilities are on yearly renewable basis. As at the reporting date, unavailed amount under these facilities amount to Rs. 322 million (June 30, 2021: Rs. 20.07 million) These are secured by first pari passu charge against current and fixed assets of the Company.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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	Note	(Unaudited) December 31, 2021 (Rupees in '000)	(Audited) June 30, 2021
20. LOAN FROM RELATED PARTIES			
Loan from associated company - unsecured	20.1	780,000	680,000
Loan from sponsor - unsecured	20.1	1,486,000	-
		<u>2,266,000</u>	<u>680,000</u>

- 20.1** This represents financing provided by Rotocast Engineering (Private) Limited, an associated Company, and Mr. Arif Habib, a sponsor, under modaraba arrangement. Return at the rate of 1% of gross profit (excluding the depreciation charge for the year) is payable after dividing the gross profit as per the respective capital ratios provided in the modaraba agreement.

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

There is no change in the status of the contingencies as disclosed in note 27.1 to the annual financial statements for the year ended June 30, 2021, except as mentioned below.

- 21.1.1** The Company had filed petitions against the unjust imposition of quarterly tariff adjustments on bills charged by Hyderabad Electric Supply Corporation (HESCO) with the approval of NEPRA. The Court granted interim reliefs refraining the respondents to take any adverse action with the submission of bank guarantee before the Nazir of the Court.

Further, on expiration of the notification covered by the earlier relief, the Company filed another petition on imposition of quarterly tariff adjustments and subsequently obtained an interim relief on September 01, 2021, refraining the respondents to take any adverse action.

The management in consultation with its legal advisor is confident that the outcome of the case would be in favor of the Company hence no provision is made in these financial statements.

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21.1.2 The DCIR passed order vide no. 05/07/2020 dated December 27, 2019 creating demand of Rs.13.05 million along with penalty of Rs. 0.65 million. The Company filed appeal u/s 45B of the Act. The CIR-Appeals vide its order vacated the demand created to the extent of Rs.1.55 million. The Company paid Rs. 4.82 million and filed appeal against the remaining disallowance before ATIR hearing of this is pending till the date of this order.

During the period, the DCIR initiated the remanded back proceedings and concluded exercise by creating a demand of Rs 1.55 million along with the penalty of Rs. 0.078 million. The learned DCIR while passing the aforesaid order failed to consider the reply filed by the Company, recognizing the mistake apparent on records the Company filed application for rectification of mistake u/s 57 of the Act on July 26, 2021, no action by the office of learned DCIR has yet been made on our application till date. Since no reply from the officer received therefore the management has filed appeal against the impugned order before CIR-Appeals on August 25, 2021.

The management in consultation with its legal 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.

21.1.3 The Company based on legal grounds of legislative competence, still contributes EOBI calculated at the minimum wage of Rs 8,000/-. No demand has been established against the Company in this regard.

	Note	(Unaudited) December 31, 2021 (Rupees in '000)	(Audited) June 30, 2021
21.2 Commitments			
Commitments against open letter of credit for:			
Coal		796,918	1,840,596
Stores and spares		104,454	157,248
		901,372	1,997,844
Commitments against letter of guarantees	21.2.1	6,719,069	6,702,700
Ijarah rentals		81,014	56,584
		7,701,455	8,757,128

21.2.1 This includes Corporate Guarantee of Rs. 6,030 million (as approved by the Company's shareholders vide special resolution passed on June 23, 2018) issued to DEG (a Foreign Currency Long-Term Financier being part of the Company's long-term financing on behalf of the Arif Habib Equity (Private) Limited - a related party, being part of Company's long-term financing as disclosed in Note 17.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	(Unaudited) December 31, 2021 (Rupees in '000)	(Unaudited) December 31, 2020
22. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Local Sales	10,036,320	7,112,200
Sales tax	(1,643,342)	(1,267,780)
Federal excise duty	(1,351,553)	(1,149,479)
Commission	(38,884)	(18,448)
	<u>7,002,541</u>	4,676,493
Export Sales	2,600,774	2,298,956
Freight on export	(327,308)	(140,106)
	<u>2,273,466</u>	2,158,850
	<u>9,276,007</u>	<u>6,835,343</u>

23. These include Rs. 442.55 million (December 31, 2020: Rs 481.62 million) incurred in respect of export sales.

	(Unaudited) December 31, 2021	(Unaudited) December 31, 2020 (Restated)
	(Rupees in '000)	
24. OTHER INCOME		
	Note	
Gain on disposal of fixed assets	10,252	1,321
Grant income	7,002	7,750
Scrap sales	128	110
Gain on modification of liability	271,948	-
Workers' profit participation fund	(1,562)	-
Exchange (loss) / gain - net	(21,533)	186,831
	<u>266,235</u>	<u>196,012</u>

25. TAXATION		
Current		
- for the year	25.1	(108,380)
- prior year		1,161
Deferred		326,071
		<u>218,852</u>
		<u>305,643</u>
		<u>304,434</u>

- 25.1 Current year tax charge has been calculated taking into account tax credit available under section 65 E of the Income Tax Ordinance, 2001.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	(Unaudited) December 31, 2021 (Rupees in '000)	(Unaudited) December 31, 2020
26. EARNINGS PER SHARE		
26.1 BASIC		
Profit after taxation attributable to ordinary shareholder	280,439	154,105
Adjustment for cumulative preference share dividend	(108,022)	(63,614)
Profit after taxation for calculation of basic earnings per share	172,417	90,491
Weighted average number of ordinary shares outstanding at the end of period (in thousands)	1,077,328	1,063,414
Basic earnings per share (Rupees)	0.160	0.085

26.2 DILUTED

Except for quarter ended December 31, 2021, diluted earnings per share has not been presented as it has anti-dilutive effect on earnings per share.

	(Unaudited) December 31, 2021 (Rupees in '000)	(Unaudited) December 31, 2020 Restated
27. CASH GENERATED FROM / (USED IN) OPERATIONS		
Profit / (loss) before taxation	61,587	(150,329)
Adjustment for:		
Depreciation and amortisation	510,519	511,115
Finance cost on short-term financing	331,603	375,125
Finance cost on long-term financing	942,193	894,558
Mark up on lease liability	1,792	3,506
Exchange loss / (gain) - net	21,533	(186,831)
Gain on modification of liability	(271,948)	-
Gain on disposal of fixed assets	(10,252)	(1,321)
Grant income	(7,002)	(7,750)
Loss allowance on trade receivables	(40,321)	8,865
Finance income	(2,832)	(5,514)
Provision for gratuity	23,412	19,823
	1,498,697	1,611,576
Operating profit before working capital changes	1,560,284	1,461,247

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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	Note	December 31, 2021	December 31, 2020 Restated
(Rupees in '000)			
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		184,893	170,620
Inventories		(613,200)	(250,174)
Trade receivables		23,144	(188,716)
Advances and other receivables		424,639	497,741
Trade deposits and short-term prepayments		18,159	2,618
		37,635	232,089
Decrease in current liabilities			
Decrease in trade and other payables		(1,519,697)	(1,410,400)
Increase in advances from customers		64,346	332,250
		(1,455,351)	(1,078,150)
		142,568	615,186

28. CASH AND CASH EQUIVALENTS

Cash and bank balances	15	177,637	647,316
Short-term financing	19	(600,000)	(750,000)
		(422,363)	(102,684)

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions with related parties during the period are as follows:

Transactions with related parties			(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
Name of the related party	Relationship	Transactions during the period	----- (Rupees in '000) -----	
Aisha Steel Mills Limited	Associated company by virtue of common directorship	- Sale of goods	213	515
		- Payment received	188	283
Safe Mix Concrete Limited	Associated company by virtue of common directorship	- Sale of goods	16,141	36,555
		- Payment received	89,256	31,906
Javedan Corporation Limited	Associated company by virtue of common directorship	- Sale of goods	7,644	5,242
		- Payment received	8,941	11,370

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

Transactions with related parties			(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
Name of the related party	Relationship	Transactions during the period	----- (Rupees in '000) -----	-----
Rotocast Engineering Company (Private) Limited	Associated company by virtue of common directorship	- Services received	6,461	5,197
		- Lease rental	11,318	6,859
		- Payments made	20,925	13,629
		- Loan received	100,000	-
		- Mark-up accrued	2,366	-
Arif Habib Corporation Limited	Associated company by virtue of common directorship	- Loan received	-	232,000
		- Loan paid	-	232,000
		- Markup accrued	-	206
		- Markup paid	-	206
		- Guarantee commission accrued	449	1,210
		- Guarantee commission paid	613	1,081
Memon Health & Education Foundation	Associated company by virtue of common directorship	- Sale of goods	4,308	-
		- Payment received	4,429	-
Arif Habib Equity (Private) Limited	Associated company by virtue of common directorship	- Amount received against shares	-	730,000
		- Markup accrued	107,868	118,743
		- Markup paid	113,155	178,957
		- Loan repaid	154,445	-
		- Shares subscribed	-	730,000
Mr. Arif Habib	Substantial shareholder	- Loan received	1,486,000	300,000
		- Loan paid	-	1,439,000
		- Markup accrued	3,634	18,161
		- Shares subscribed	-	796,959
EFU Life Assurance Limited	Associated company by virtue of common directorship	- Services received	5,410	3,001
		- Payments made	5,017	3,001
Allied Rental Modaraba	Associated company by virtue of common directorship	- Services received	-	1,744
		- Payments made	350	1,047
Fatima Packaging Limited	Associated company by virtue of common directorship	- Purchase of goods	212,581	193,792
		- Payments made	234,100	182,063
Fatima Fertilizer Company Limited	Associated company by virtue of common directorship	- Purchase of goods	7,283	-
		- Payments made	7,258	-
FLSmith A/S	Related party by virtue of nominee director	- Payments made	903,663	-
Key management personnel	Key management	- Remuneration and other benefits	120,496	78,083
		- Advances disbursed to employees	9,575	5,252
		- Advances repaid by employees	8,535	4,060

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

<i>Transactions with related parties - Continued</i>			(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
Name of the related party	Relationship	Transactions during the period	----- (Rupees in '000) -----	
Pakistan Stock Exchange Limited	Associated company by virtue of common directorship	- Services received	2,514	5,772
		- Payments made	2,514	5,772
Pakarab Fertilizer Company Limited	Associated company by virtue of common directorship	- Purchase of goods	4,332	-
		- Payments made	2,955	-
Staff retirement benefit fund	Staff benefit plan	- Charge during the period	23,412	19,822
		- Contribution during the period	31,317	15,365
			(Un-audited) December 31, 2021	(Audited) June 30, 2021
			(Rupees in '000)	
Balances with related parties				
Aisha Steel Mills Limited				
- Advance from customer			(46)	(71)
Safe Mix Concrete Limited				
- Trade receivable			-	42,826
- Advance from customer			30,289	-
Javedan Corporation Limited				
- Trade receivable			7,657	8,915
- Other receivable			-	39
Memon Health & Education Foundation				
- Trade payable			(270)	-
Rotocast Engineering Company (Private) Limited				
- Amount payable against services received			783,177	1,114
Arif Habib Corporation Limited				
- Guarantee commission payable			212	376
Arif Habib Equity (Private) Limited				
- Loan payable (including mark-up)			1,638,987	1,798,719
Mr. Arif Habib				
- Loan payable			1,486,000	-
- Mark-up payable			296,356	292,722
EFU Life Assurance Limited				
Trade payables			393	-
FLSmith A/S				
- Amount payable against goods purchased			17,435	921,098

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

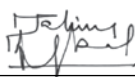
	(Un-audited) December 31, 2021 (Rupees in '000)	Audited June 30, 2021
<i>Balances with related parties - Continued</i>		
Allied Rental Modaraba		
- Amount payable against services received	-	697
Fatima Fertilizer Company Limited		
- Amount payable against goods purchased	-	(25)
Fatima Packaging Limited		
- Amount payable against goods purchased	48,444	69,964
Pakarab Fertilizer Company Limited		
- Amount payable against goods purchased	1,378	-
Key management personnel		
- Advances to employees	44,500	43,460
Staff retirement benefit fund		
- Payable to gratuity fund	101,060	108,965

30. CORRESPONDING FIGURE

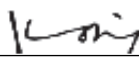
Corresponding figures have been re-arranged, wherever necessary, to align these figures with the financial statements for the year ended June 30, 2021. The impact of these changes is insignificant.

31. DATE OF AUTHORISATION FOR ISSUE

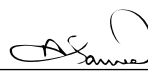
These condensed interim financial statements has been authorized for issue on February 28, 2022 by the Board of Directors.



Chief Financial Officer



Chief Executive Officer










Director



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Be safe**

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