



**Cherat Cement
Company Limited**
A Ghulam Faruque Group Company

STANDING **STRONG**

3rd Quarterly Report
March 31, 2025

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COMPANY INFORMATION

Board of Directors

Mr. Omar Faruque
Mr. Azam Faruque
Mr. Akbarali Pesnani
Mr. Arif Faruque
Mr. Ariful Islam
Mr. Abrar Hasan
Mrs. Zeeba Ansar
Mr. Yasir Masood

Chairman
Chief Executive
Director
Director
Director
Director
Director
Director

Audit Committee

Mr. Ariful Islam
Mr. Akbarali Pesnani
Mr. Arif Faruque

Chairman
Member
Member

Human Resource & Remuneration Committee

Mr. Abrar Hasan
Mr. Omar Faruque
Mr. Azam Faruque

Chairman
Member
Member

Director & Chief Operating Officer

Mr. Yasir Masood

Chief Financial Officer

Mr. Ijaz Ahmed

Company Secretary

Mr. Asim H. Akhund

Head of Internal Audit

Mr. Aamir Saleem

External Auditors

M/s. Grant Thornton Anjum Rahman
Chartered Accountants

Cost Auditors

UHY Hassan Naeem & Co.
Chartered Accountants

Shariah Advisor

Alhamd Shariah Advisory Services (Private) Limited

Legal Advisor

K.M.S. Law Associates

Bankers

Allied Bank Limited
Bank Al Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial & Commercial Bank of China
MCB Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

Islamic Bankers

Bank Alfalah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
The Bank of Khyber

Credit Rating

Long-term rating: A+
Short-term rating: A1
Outlook: Stable
by The Pakistan Credit Rating
Agency Limited (PACRA)

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahrach-e-Faisal
Karachi-74400
Tel: 0800-23275
UAN: 111-111-500
Email: info@cdcsrsl.com

Contact Information

UAN: 111-000-009
Email: info@gfg.com.pk
Web: www.gfg.com.pk



Registered Office / Factory

Village Lakrai, P.O. Box 28,
Nowshera
Tel: +9291 5270531-4
Fax: +9291 5270536

Head Office

Modern Motors House,
Beaumont Road
Karachi-75530
Tel: +9221 35683566-7, 35689538
Fax: +9221 35683425

Sales Offices

Peshawar:
1st Floor, Betani Arcade,
University Road
Tel: +9291 5842285, 5842272
Fax: +9291 5840447

Lahore:

3, Sunder Das Road
Tel: +9242 36286249-50, 36308259
Fax: +9242 36286204

Islamabad:

1st Floor, Razia Sharif Plaza
Jinnah Avenue, Blue Area
Tel: +9251 2344531-33
Fax: +9251 2344534, 2344550

Non-Banking Financial Institution

Pakistan Kuwait Investment Co. (Private) Limited

DIRECTORS' REVIEW

The Board of Directors is pleased to present the unaudited financial results of the Company for the nine-months' period ended March 31, 2025.

Overview

Pakistan's economy has shown promising signs of recovery, underpinned by greater fiscal and external resilience. Inflation eased notably, driven by price stability, improved domestic agricultural output, and falling global commodity prices. This positive shift reflects a combination of IMF-supported stabilisation efforts, a stable exchange rate, and reduction in policy rate by a cumulative 10%. The external sector has remained robust, benefiting from a current account surplus, growth in exports and resilient remittance inflows.

Despite these macroeconomic improvements, the cement industry continues to face significant challenges. During the nine-month period under review, overall industry demand declined by 1.5%. Domestic cement demand decreased by 6.5%, primarily due to subdued construction activity, rising input costs, and reduced public-sector development spending. However, exports surged by 27.1%, led by a 32.1% rise in sea-based exports and a 7.7% increase in volumes to Afghanistan.

In the third quarter, local dispatches were further impacted by the seasonal slowdown during Ramadan and Eid holidays. Additionally, export volumes from northern plants were affected due to prolonged closure of the Afghan borders. Despite these challenges, the Company remained focused on operational and pricing efficiencies to sustain long-term growth and stability.

Dispatches

Comparative dispatch figures of the Company for the current period and that of the corresponding period last year are as follow:

Description	March 2025 (in Tons)	March 2024
• Domestic Sales	1,477,017	1,700,935
• Export Sales	269,172	273,259
	<u>1,746,189</u>	<u>1,974,194</u>

In quantitative terms, the company's total sales volume dropped by 11.5%, with domestic and export sales decline by 13.2% and 1.5% respectively from the corresponding period last year.

Operating Performance

In monetary terms, the sales revenue of the Company declined by 3%, with a 3% drop in local revenue offset slightly by a 1% increase in export revenue. The Company also recorded a 13% reduction in the cost of sales. Efficient procurement and process optimisation resulted in significant savings in combustion costs. With a hike in gas tariffs and enactment of captive levy, the Company has taken measures to offset the increase by optimising its power mix by substituting captive power from gas to the cheaper sources and enhanced solar capacity. Finance costs decreased substantially by 55% due to scheduled and early repayments of long-term loans made in the preceding financial year. Other income has increased on account of increased investments in mutual funds due to improved liquidity. The Company has also recorded tax credit of Rs. 721 million pertaining to section 65B of the Income Tax Ordinance, 2001 based on a Supreme Court order. As a result, the Company posted an after-tax profit of Rs. 6,833 million for the nine months' period ended March 31, 2025.

Future Outlook

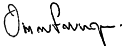
Looking forward, Pakistan's economy appears poised for gradual and sustainable growth. With easing inflation, declining interest rates, and stable commodity prices, the environment is becoming more conducive to investment and private sector activity. Nonetheless, structural imbalances, fiscal rigidity, and public debt levels, require continued reform efforts. The Government will have to remain dynamic to address the challenges posed by the international trade war.

For the cement sector, domestic sales are expected to grow moderately, supported by recovering construction activity and increased utilisation of development budgets in the final quarter of FY 2025. Lower policy rates are anticipated to enhance access to financing and spur private sector investment in infrastructure and housing. We request the Government to take measures to boost domestic construction activity which can help in early economic turnaround. We also urge the Government to take necessary actions for smooth operations at Afghan borders.

In response to rising energy costs, the Company remains committed to optimise its fuel mix by integrating alternative and renewable energy sources. A key milestone in this direction was the successful commissioning of the 6MW solar power plant, with an additional 3MW expected to be operational in the last quarter of the financial year. Ongoing investments in process efficiencies, renewable energy, and working capital optimization reflect our commitment to long-term value creation.

Acknowledgment

The management would like to thank all customers, financial institutions, suppliers and staff members who have been associated with the Company for their support and cooperation.



Omar Faruque
Chairman

On behalf of the Board of Directors



Azam Faruque
Chief Executive

Karachi: April 28, 2025

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2025

	Note	March 31, 2025 (Unaudited)	June 30, 2024 (Audited)
----- (Rupees in '000) -----			
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant & equipment	4	28,441,660	28,332,117
Intangible assets		544,537	595,196
		<u>28,986,197</u>	<u>28,927,313</u>
Long-term investments	5	496,706	550,412
Long-term loans		37,621	49,932
Long-term deposits		8,031	4,931
		<u>29,528,555</u>	<u>29,532,588</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		5,850,140	5,253,535
Stock-in-trade		2,812,069	1,790,431
Trade debts		1,255,756	1,373,131
Loans and advances		131,657	107,495
Trade deposits and short-term prepayments		54,194	12,227
Other receivables		27,318	12,778
Short-term investments	6	8,607,015	2,522,353
Cash and bank balances		608,488	429,514
		<u>19,346,637</u>	<u>11,501,464</u>
TOTAL ASSETS		<u>48,875,192</u>	<u>41,034,052</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		<u>2,250,000</u>	<u>2,250,000</u>
Share capital		1,942,950	1,942,950
Reserves		<u>29,311,087</u>	<u>23,599,979</u>
		<u>31,254,037</u>	<u>25,542,929</u>
NON-CURRENT LIABILITIES			
Long-term financings	7	2,603,059	2,714,802
Lease liabilities		25,849	25,334
Long-term security deposits		30,485	32,460
Government grant		974,075	1,173,478
Deferred taxation		4,348,733	4,187,445
		<u>7,982,201</u>	<u>8,133,519</u>
CURRENT LIABILITIES			
Trade and other payables		3,649,479	3,653,411
Contract liabilities		336,207	128,911
Accrued mark-up		80,054	105,799
Short-term borrowings	8	2,617,544	1,888,995
Current maturity of long-term financings	7	183,055	108,966
Current portion of lease liabilities		13,083	13,852
Current portion of government grant		162,949	64,372
Taxation - net		2,467,813	1,282,175
Unclaimed dividend		85,672	76,439
Unpaid dividend		43,098	34,684
		<u>9,638,954</u>	<u>7,357,604</u>
TOTAL EQUITY AND LIABILITIES		<u>48,875,192</u>	<u>41,034,052</u>
CONTINGENCIES AND COMMITMENTS			
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The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2025

	Note	Period ended		Quarter ended	
		March 31, 2025	March 31, 2024 (Restated)	March 31, 2025	March 31, 2024 (Restated)
		----- (Rupees in '000) -----			
Turnover - net	10	28,071,319	28,930,644	7,769,323	8,639,594
Cost of sales		(17,272,109)	(19,765,113)	(4,665,137)	(6,080,784)
Gross profit		10,799,210	9,165,531	3,104,186	2,558,810
Distribution costs		(613,535)	(546,970)	(204,757)	(208,508)
Administrative expenses		(439,211)	(370,216)	(145,952)	(112,216)
Other expenses		(504,078)	(387,728)	(144,149)	(111,628)
		(1,556,824)	(1,304,914)	(494,858)	(432,352)
Other income		1,138,246	329,143	267,203	139,497
Operating profit		10,380,632	8,189,760	2,876,531	2,265,955
Finance costs		(506,019)	(1,132,019)	(123,744)	(321,472)
Profit before income tax and final taxes		9,874,613	7,057,741	2,752,787	1,944,483
Final taxes		(2,434)	(63,742)	(541)	(22,300)
Profit before income tax		9,872,179	6,993,999	2,752,246	1,922,183
Income tax					
Current		(3,626,790)	(1,782,534)	(1,010,797)	(1,222,011)
Prior		749,337	30,387	(488)	-
Deferred		(161,289)	(596,448)	(56,018)	543,860
	11	(3,038,742)	(2,348,595)	(1,067,303)	(678,151)
Profit after tax		6,833,437	4,645,404	1,684,943	1,244,032
Earnings per share - basic and diluted		Rs. 35.17	Rs. 23.91	Rs. 8.67	Rs. 6.40

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2025

	Period ended		Quarter ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
----- (Rupees in '000) -----				
Profit after tax	6,833,437	4,645,404	1,684,943	1,244,032
Other comprehensive income				
Items that will not be reclassified subsequently to statement of profit or loss				
Unrealised (loss) / gain on remeasurement of equity investments at fair value through other comprehensive income	(53,706)	82,098	(116,738)	24,897
Total comprehensive income	6,779,731	4,727,502	1,568,205	1,268,929

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2025

	Note	March 31, 2025	March 31, 2024
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax and final taxes		9,874,613	7,057,741
Adjustments for:			
Depreciation on operating property, plant and equipment	4	1,279,241	1,299,543
Depreciation on right-of-use assets	4.3	12,281	13,626
Amortisation		50,659	794
Gain on disposals of operating property, plant and equipment		(2,215)	(17,828)
Interest income on long-term loan		(3,678)	(4,216)
Provision for gratuity		101,077	87,971
Finance costs - net		506,019	1,132,019
Exchange loss / (gain)		448	(115)
Dividend income		(16,229)	(10,820)
		<u>1,927,603</u>	<u>2,500,974</u>
		11,802,216	9,558,715
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(596,605)	(814,348)
Stock-in-trade		(1,021,638)	773,563
Trade debts		117,375	(310,824)
Loans and advances		(24,162)	(31,660)
Trade deposits and short-term prepayments		(41,967)	(64,056)
Other receivables		(14,540)	(40,484)
		<u>(1,581,537)</u>	<u>(487,809)</u>
		10,220,679	9,070,906
Increase / (decrease) in current liabilities			
Trade and other payables		(13,457)	338,015
Contract liabilities		207,296	13,002
		<u>193,839</u>	<u>351,017</u>
Cash generated from operations		10,414,518	9,421,923
Income tax and final taxes paid		(1,694,249)	(538,500)
Long-term loans and deposits - net		10,914	19,247
Gratuity paid		(92,000)	(69,200)
Net cash generated from operating activities		<u>8,639,183</u>	<u>8,833,470</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(1,357,217)	(854,869)
Proceed from disposals of operating property, plant and equipment		21,491	32,722
Dividend received		16,229	10,820
Net cash used in investing activities		<u>(1,319,497)</u>	<u>(811,327)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financings - net		(138,480)	(4,532,542)
Lease rentals paid		(10,838)	(17,218)
Dividend paid		(1,050,976)	(861,566)
Finance costs paid - net		(584,305)	(1,118,675)
Net cash used in financing activities		<u>(1,784,599)</u>	<u>(6,530,001)</u>
Net increase in cash and cash equivalents		5,535,087	1,492,142
Cash and cash equivalents as at the beginning of the period		1,062,872	(1,413,232)
Cash and cash equivalents as at the end of the period	12	<u>6,597,959</u>	<u>78,910</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2025

Issued, subscribed and paid-up capital	Reserves						Total Reserves	Total
	Capital Reserves		Revenue Reserves					
	Share premium	Other	General reserves	Unappropri- ated profit	Actuarial loss on defined benefit plan - net of deferred tax	Unrealised gain / (loss) on equity investments		

(Rupees in '000)

Balance as at July 01, 2023 1,942,950 1,047,658 50,900 420,000 17,292,598 (37,227) 162,139 18,936,068 20,879,018

Final cash dividend for the year ended

June 30, 2023 @ Rs. 3.00/- per share - - - - (582,885) - - (582,885) (582,885)

Interim cash dividend for the period

ended December 31, 2023 @
Rs. 1.50/- per share - - - - (291,443) - - (291,443) (291,443)

Profit after tax

-	-	-	-	4,645,404	-	-	4,645,404	4,645,404
-	-	-	-	-	-	82,098	82,098	82,098

Other comprehensive income

Total comprehensive income - - - - 4,645,404 - 82,098 4,727,502 4,727,502

Balance as at March 31, 2024

1,942,950 1,047,658 50,900 420,000 21,063,674 (37,227) 244,237 22,789,242 24,732,192

Balance as at July 01, 2024

1,942,950 1,047,658 50,900 420,000 21,918,021 (72,924) 236,324 23,599,979 25,542,929

Final cash dividend for the year ended

June 30, 2024 @ Rs. 4.00/- per share - - - - (777,180) - - (777,180) (777,180)

Interim cash dividend for the period

ended December 31, 2024 @
Rs. 1.50/- per share - - - - (291,443) - - (291,443) (291,443)

Profit after tax

-	-	-	-	6,833,437	-	-	6,833,437	6,833,437
-	-	-	-	-	-	(53,706)	(53,706)	(53,706)

Other comprehensive loss

Total comprehensive income / (loss) - - - - 6,833,437 - (53,706) 6,779,731 6,779,731

Balance as at March 31, 2025

1,942,950 1,047,658 50,900 420,000 27,682,835 (72,924) 182,618 29,311,087 31,254,037

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

March 31, 2025 9

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2025

1. CORPORATE INFORMATION

Cherat Cement Company Limited (the Company) was incorporated in Pakistan as a public company limited by shares in the year 1981. The Company is listed on the Pakistan Stock Exchange Limited. Its main business activities are manufacturing, marketing and sale of cement. The registered office of the Company is situated at Village Lakrai, District Nowshera, Khyber Pakhtunkhwa province.

2. BASIS OF PREPARATION

2.1 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 (the Act); and
- Provisions of and directives issued under the Act.

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 Act have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2024.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2024.

	Note	March 31, 2025 (Unaudited)	June 30, 2024 (Audited)
		----- (Rupees in '000) -----	
4. PROPERTY, PLANT AND EQUIPMENT			
Opening Net Book Value (NBV)		25,974,002	26,566,937
Additions during the period / year - at cost	4.1	616,856	1,168,764
		26,590,858	27,735,701
Depreciation charged during the period / year		(1,279,241)	(1,744,287)
Disposals for the period / year - at NBV		(19,276)	(17,412)
Closing NBV		25,292,341	25,974,002
Capital work-in-progress	4.2	3,106,123	2,311,885
Right-of-use assets	4.3	43,196	46,230
		28,441,660	28,332,117

March 31,	June 30,
2025	2024
(Unaudited)	(Audited)
----- (Rupees in '000) -----	

4.1 Additions during the period / year

Freehold land	84,256	-
Building on leasehold land	101,651	389,461
Plant and machinery	100,129	521,723
Power and other installations	10,337	2,083
Furniture and fittings	17,695	12,644
Quarry, factory and laboratory equipment	75,215	22,883
Motor vehicles	185,842	158,863
Office equipment	13,847	36,501
Computers	27,884	24,606
	616,856	1,168,764

- 4.1.1 Additions and depreciation on property, plant and equipment during the period ended March 31, 2024 were Rs. 658.42 million and Rs. 1,299.54 million respectively.

March 31,	June 30,
2025	2024
(Unaudited)	(Audited)
----- (Rupees in '000) -----	

4.2 Capital work-in-progress

Opening balance	2,311,885	2,320,362
Capital expenditure incurred / advances made during the period / year	1,411,094	1,792,816
	3,722,979	4,113,178
Transferred to operating fixed assets	(616,856)	(1,801,293)
Closing balance	3,106,123	2,311,885

4.3 Right-of-use assets

Opening balance	46,230	47,667
Additions during the period / year	15,173	17,550
Remeasurement	(5,926)	-
Depreciation for the period / year	(12,281)	(18,987)
Closing balance	43,196	46,230

- 4.3.1 The Company has recognised right-of-use assets in respect of sales offices and head office under rental agreements.

	Note	March 31, 2025 (Unaudited)	June 30, 2024 (Audited)
----- (Rupees in '000) -----			
5. LONG-TERM INVESTMENTS - related parties			
At fair value through other comprehensive income	5.1	488,360	542,066
Interest in a Joint Venture - UniEnergy Limited		8,346	8,346
		496,706	550,412
5.1 At fair value through other comprehensive income			
Cherat Packaging Limited		381,246	425,714
Mirpurkhas Sugar Mills Limited		107,114	116,352
		488,360	542,066
6. SHORT-TERM INVESTMENTS			
At fair value through profit or loss			
Conventional investments		6,512,843	1,666,953
Shariah compliant investments		2,094,172	795,305
		8,607,015	2,462,258
At amortised cost			
Conventional investments		-	60,095
		8,607,015	2,522,353
7. LONG-TERM FINANCINGS – secured			
Islamic banks			
Finance Facility for Renewable Energy		1,069,130	1,039,327
Conventional banks			
Temporary Economic Refinance Facility		1,372,569	1,444,589
Finance Scheme for Renewable Energy		144,415	139,852
Term Finance Facility		200,000	200,000
		2,786,114	2,823,768
Current maturities		(183,055)	(108,966)
		2,603,059	2,714,802
7.1	The terms and conditions remain same as disclosed in the annual financial statements for the year ended June 30, 2024.		
	Note	March 31, 2025 (Unaudited)	June 30, 2024 (Audited)
----- (Rupees in '000) -----			
8. SHORT-TERM BORROWINGS – secured			
Islamic banks	8.1	1,246,451	916,045
Conventional banks	8.2	1,371,093	972,950
		2,617,544	1,888,995

- 8.1** Represents facilities obtained from various Islamic banks amounting to Rs. 4,500 million (June 30, 2024: Rs. 4,500 million) out of which Rs. 3,254 million (June 30, 2024: Rs. 3,584 million) remain unutilised at the period end. These facilities carry profit ranging from 1 month KIBOR + 0.40% per annum to 1 month KIBOR + 0.60% per annum and 3 month KIBOR + 0.25% per annum to 3 month KIBOR + 0.75% per annum. These facilities are secured against joint pari-passu hypothecation charge over stocks and book debts for Rs. 5,602 million (June 30, 2024: Rs. 5,602 million) and ranking hypothecation charge over stocks and book debts of Rs. 400 million respectively. This also includes Export Refinance Facility (ERF) amounting to Rs. 1,243 million (June 30, 2024: Rs. 915 million) from two Islamic banks. It carries mark-up at the range 9% to 19% per annum (June 30, 2024: 14% to 19% per annum) during the period.
- 8.2** Represents facilities obtained from various conventional banks amounting to Rs. 6,450 million (June 30, 2024: Rs. 6,150 million) out of which Rs. 5,079 million (June 30, 2024: Rs. 5,177 million) remains unutilised at the period end. These facilities carry mark-up ranging from 1 month KIBOR + 0.40% per annum to 1 month KIBOR + 0.75% per annum and 3 months KIBOR + 0.50% per annum to 3 months KIBOR + 0.65% per annum. These facilities are secured against joint pari-passu hypothecation charge over stocks and book debts for Rs. 7,938 million (June 30, 2024: Rs. 7,938 million) and ranking hypothecation charge over stocks and book debts of Rs. 667 million. This also includes, Export Refinance Facility (ERF) amounting to Rs. 1,163 million (June 30, 2024: Rs. 973 million) from three Conventional banks. It carries mark-up at the range 9% to 19% per annum (June 30, 2024: 14% to 19% per annum) during the period.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2024, except as disclosed below:

- 9.1.1** During the period, one of the Company's limestone lease renewal fell due, and a renewal request was filed with the Mines and Minerals Department. On November 19, 2024, the department issued a letter granting conditional renewal of the lease, subject to the deposit of an arbitrary demand amounting to Rs.154 million. Subsequently, the Company filed an appeal before the Mines Tribunal, which granted a stay order on December 18, 2024, on the condition that 25% of the disputed amount be deposited into the Government treasury, in accordance with Section 102(3) of the KP Mines & Minerals Act, 2017. In compliance with the Tribunal's order, an amount of Rs. 38 million has been deposited under protest. On February 19, 2025, the tribunal has decided for a fresh assessment with a conditional deposit of departmental demand. The Company is in process of filing a writ petition before the Peshawar High Court against this order. Based on the advice of legal counsel, management believes that the Company has strong grounds for a favorable decision accordingly, no provision for the above matter has been made in these condensed interim financial statements.
- 9.1.2** As fully explained in note no. 28.1 to the annual financial statements for the year ended June 30, 2024, Sindh High Court (SHC) had granted a stay in favour of the Company against the constitution of Competition Appellate Tribunal (CAT) and stopped the CAT from making any final order in this case. During the current period, SHC has vacated this stay and subsequent to the period end, CAT has started its proceedings.

	March 31, 2025 (Unaudited)	June 30, 2024 (Audited)
	----- (Rupees in '000) -----	
9.2 Commitments		
Letters of credit - Islamic and Conventional banks	117,145	106,260
Letters of guarantee - Islamic and Conventional banks	1,309,540	1,209,995
Capital commitments	236,278	305,000

10. TURNOVER - NET

Includes export sales amounting to Rs. 3,383.15 million (March 31, 2024: Rs. 3,350.86 million).

11. INCOME TAX

11.1 Provision for current taxation is based on taxable income at the current rates of taxation.

11.2 As disclosed in note 37.3 to the annual financial statements of the Company for the year ended June 30, 2024, during the year 2019, the Company recorded tax credit under section 65B of the Income Tax Ordinance, 2001 (the Ordinance) at the rate of 10% on commissioning and installation of Line-III as per law. Through Finance Act, 2019, the Government has reduced tax credit under section 65B of the Ordinance from 10% to 5% retrospectively for the tax year 2019 and abolished the same for subsequent years. The management challenged the same before the Peshawar High Court (PHC) and initially obtained a stay based on which the management claimed full tax credit in the tax returns. However, as a matter of prudence the same credit was not taken in the financial statements. Later on, PHC vide its order dated September 07, 2023 decided the case in favour of the Company. The department filed CPLA against the judgement of PHC before the Honorable Supreme Court of Pakistan (SCP) and during the current period, the SCP vide order dated September 24, 2024, allowed the Company to claim a 10% tax credit for plant and machinery purchased and installed on or before June 30, 2019. After reviewing the legal and accounting requirements, the Company has recognised Rs. 721 million being 5% balance tax credit under section 65B as prior year tax income in these condensed interim financial statements.

11.3 During the period, the Company has challenged the levy of super tax for the tax year 2024 under section 4C of the Ordinance and an interim stay has been granted by the PHC to file income tax return for the same tax year by excluding super tax amounting to Rs. 680 million subject to deposit of post-dated cheque. Keeping in view the inherent uncertainties involved in such matters, the management, as a matter of prudence, has maintained a provision for this amount in these condensed interim financial statements.

March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
----- (Rupees in '000) -----	

12. CASH AND CASH EQUIVALENTS

Cash and bank balances	608,488	225,108
Short-term investments	8,607,015	1,413,697
Short-term borrowings	(2,617,544)	(1,559,895)
	<u>6,597,959</u>	<u>78,910</u>

13. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2024. There have been no changes in any risk management policies since the year end.

13.1 Fair value measurement

Fair value is the price 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 fair values.

The following table shows assets recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities,

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		March 31, 2025 (Unaudited)					
		Carrying amount			Fair value		
		Fair value through statement of profit or loss	Fair value through OCI	Total	Level 1	Level 2	Level 3
	Note	----- (Rupees in '000)-----					
Financial assets measured at fair value							
Long-term investments	5.1	-	488,360	488,360	488,360	-	-
Short-term investments	6	8,607,015	-	8,607,015	8,607,015	-	-
		8,607,015	488,360	9,095,375	9,095,375	-	-

		June 30, 2024 (Audited)					
		Carrying amount			Fair value		
		Fair value through statement of profit or loss	Fair value through OCI	Total	Level 1	Level 2	Level 3
		----- (Rupees in '000)-----					
Financial assets measured at fair value							
Long-term investments	5.1	-	542,066	542,066	542,066	-	-
Short-term investments	6	2,462,258	-	2,462,258	2,462,258	-	-
		2,462,258	542,066	3,004,324	3,004,324	-	-

During the period, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

13.1.1 Financial instruments which are tradable in an open market are revalued at the market prices prevailing on the statement of financial position date.

14. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of associated companies, retirement funds, companies with common directorship and executives. Transactions with related parties other than those disclosed elsewhere in these condensed interim financial statements, are as follows:

Relationship	Nature of transactions	Period ended	
		March 31, 2025	March 31, 2024
		(Unaudited)	(Unaudited)
		----- (Rupees in '000) -----	
Associates / related parties	Purchases	1,962,412	2,033,376
	Sale of goods	4,744	56
	Purchase of fixed assets	21,521	20,323
	Royalty and excise duty	569,998	302,021
	Services received	204	214
	IT support charges	34,437	22,508
	Dividend received	16,229	10,820
	Dividend paid	328,125	268,989
	Insurance premium	84,071	72,713
	Remuneration of chief executive, director and executives	1,169,730	978,111
	Contribution to staff provident and gratuity funds	164,565	134,603

14.1 In addition, certain administrative expenses are being shared amongst the group companies.

15. OPERATING SEGMENTS

These condensed interim financial statements have been prepared on the basis of a single reportable segment.

16. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on April 28, 2025 by the Board of Directors of the Company.

17. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



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