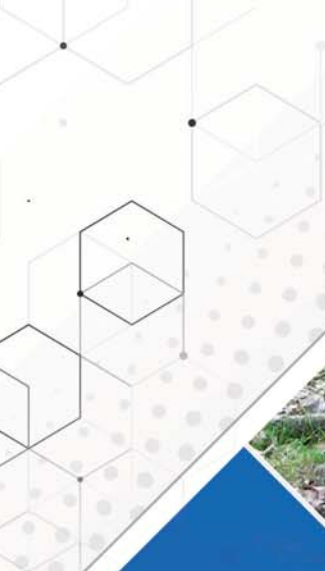


Third Quarterly Report **2019**  
March 31,



**STRENGTH**  
YOU CAN **TRUST**



A Group Company of



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# Corporate Information

## Board of Directors

Mr. Nasim Beg	Chairman
Mr. Muhammad Kashif Habib	Chief Executive
Mr. Samad A. Habib	
Mr. Muhammad Ejaz	
Syed Salman Rashid	
Mr. Muhammad Yousuf Adil	
Mr. Anders Paludan-Müller	

## Audit Committee

Mr. Muhammad Yousuf Adil	Chairman
Mr. Nasim Beg	Member
Syed Salman Rashid	Member

## HR & Remuneration Committee

Mr. Muhammad Yousuf Adil	Chairman
Mr. Muhammad Ejaz	Member
Mr. Muhammad Kashif Habib	Member
Syed Salman Rashid	Member

## Chief Financial Officer & Company Secretary

Mr. Tahir Iqbal

## External Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants

## Legal Advisor

Awais Aziz

## Share Registrar

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block B, S.M.C.H.S.,  
Main Shakra-e-Faisal, Karachi – 74400.

## Principal Bankers

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

## Registered Office

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

## Website

[www.powercement.com.pk](http://www.powercement.com.pk)

## Contact Number

021-32468231-32  
021-32468350-51

## Fax Number:

021-32463209

## Factory

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

# Directors' Review

The Directors of your Company present herewith their review along with the un-audited condensed interim financial information for the nine months ended March 31, 2019.

## INDUSTRY OVERVIEW

The Cement industry in Pakistan performed largely similar to the corresponding period last year, by dispatching 34.59 million tons during the period under review as compared to 34.76 million tons previously. The domestic market in the South Zone, where your Company is situated, showed resilience despite adverse economic circumstances of the country and registered a growth of 15% whereas exports increased by a staggering 210%. Domestic dispatches were 6.2 million tons and exports were 3.1 million tons. As a result, the South Zone closed at total dispatches of 9.3 million tons recording a net growth of 46%. On the other hand, the North Zone's domestic demand decreased by 10% and export demand for the same period declined by 18% recording a net decline of 11% as compared to the corresponding period.

## BUSINESS PERFORMANCE

### Production & sales volume performance

The production and sales volume statistics (in tons) of your Company for the nine months ended March 31, 2019 together with the corresponding previous period are as under:

Particulars	Nine months Ended		Variance %
	March 31, 2019	March 31, 2018	
	In Tons		
Cement production	463,347	498,452	(7) %
Clinker production	495,866	490,487	1 %

Particulars	Nine months Ended		Variance %
	March 31, 2019	March 31, 2018	
	In Tons		
Cement dispatches (Local)	459,141	498,154	(8%)
Cement dispatches (Export)	4,785	5,836	(18%)
Total	463,926	503,990	(8%)

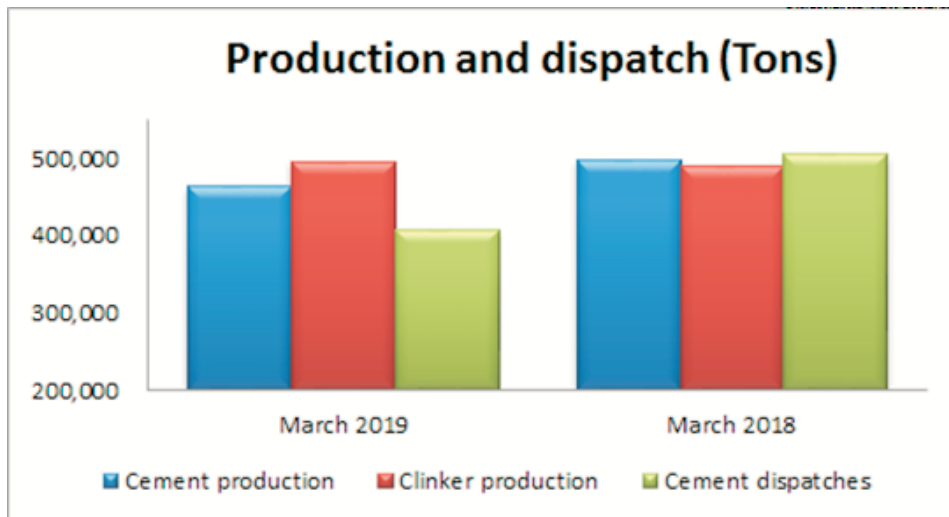
Capacity utilization remained similar to the corresponding period last year, at 73.4% as compared to 72.6% previously; total dispatches of 463,926 tons, more or less equated what was produced and stood close to that of the corresponding period last year. The Company could not benefit from the exports surge witnessed by its South Zone competitors, as exports were not viable for the Company given its old, energy inefficient plant. However, with the coming on stream of its new, energy-efficient plant soon, the Company should be able to capture a fair share of exports.

## FINANCIAL PERFORMANCE

An analysis of the key financial results of your Company for the nine months ended March 31, 2019 is as under:

Particulars	Nine months Ended	
	March 31, 2019	March 31, 2018
	Rs. '000	
Sales revenue	3,051,100	3,309,790
Gross profit	311,969	618,024
Net profit after tax	40,775	288,574
Earnings per share (Rupees)	0.04	0.26

A graphical analysis of production and dispatches is given hereunder:



During the period under review, sales revenue decreased by 8%. On top of that, the hefty currency depreciation and hike in fuel and power costs have significantly impacted the profit margins.

#### EXPANSION OF PLANT CAPACITY

Your Company is poised to become the second-largest, and one of the most cost-efficient cement producers of the South Zone. Presently, the construction work of the new 7,700 TPD line is in full swing and approximately 97% of civil work is complete, whereas mechanical and electrical erection work has been completed by up to 30%. All the plant and equipment have arrived at site. Commercial production from the new line is expected to commence during the current year.

#### FUTURE OUTLOOK

The period under review was very challenging on the economic front. Domestic demand growth rate has slowed down on a country wide basis due to lower development spending and delay in roll-out of government's ambitious low-cost housing scheme. However, South Zone where your company's plant is situated, has shown a healthy 15% growth over prior year same period. By the end of the period under review, the major input cost parameter, coal prices have shown a declining trend, whereas it is projected that interest rates might go up further and the rupee may further weaken. Nevertheless, going forward, the demand of cement is expected to be strong based on the development of the Gwadar Port project, motorway projects, housing projects, as well as the ongoing projects under CPEC initiative.

Exports have witnessed a consistent growth in the last few quarters primarily driven by the Chinese government's policy of closing down environmentally unfriendly cement plants, which has resulted in China now having started import of cement and clinker contrary to being one of the major exporters of cement in the past. Similarly, strong demands from countries like Bangladesh, Sri Lanka and the Philippines are also likely to contribute to a higher capacity utilization of the cement plants in Pakistan. The producers in the South region, due to their proximity to the port and available capacity, are expected to be the main beneficiaries. In this backdrop, your company's Board is confident that the Company will benefit from the significant expansion in capacity.

#### ACKNOWLEDGEMENT

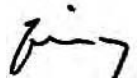
The Directors are grateful to your Company's stakeholders for their continuing confidence and patronage. We wish to place on record our appreciation and thanks for the faith and trust reposed by our Business Partners, Bankers and Financial Institutions..

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 your Company and look forward to successful completion of expansion project in the stipulated period. We also appreciate the valuable contribution and active role of the members of the Board/Committees for their contribution towards the Board's oversight.

For and on behalf of the Board



**Muhammad Kashif Habib**  
Chief Executive Officer



**Nasim Beg**  
Chairman

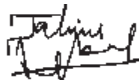
Karachi: **April 30, 2019**

# Condensed Interim Statement of Financial Position

As at March 31, 2019

	Note	(Un-audited)	(Audited)
		March 31, 2019	June 30, 2018
( Rupees in '000 )			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	27,828,665	19,843,344
Intangible assets		7	1,077
Investments		13,856	13,124
Long term deposits		19,635	19,635
		27,862,163	19,877,180
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		1,061,060	1,067,082
Stock-in-trade	5	668,458	301,909
Trade debts		638,419	456,212
Advances and other receivables		2,233,046	1,088,526
Trade deposits and prepayments		18,778	10,305
Tax refunds due from government		637,464	510,501
Short term investments		27,899	85,000
Cash and bank balances	6	375,626	1,120,591
		5,660,749	4,640,126
<b>TOTAL ASSETS</b>		<b>33,522,912</b>	<b>24,517,306</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
1,200,000,000 (June 30, 2018: 1,200,000,000) Ordinary shares of Rs. 10/- each		12,000,000	12,000,000
<b>Issued, subscribed and paid-up capital</b>			
1,063,414,434 (June 30, 2018: 1,063,414,434) Ordinary shares of Rs. 10/- each	7	10,634,144	10,634,144
Premium on issuance of shares		750,714	750,714
Accumulated loss		(45,021)	(85,796)
		11,339,837	11,299,062
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing - secured	8	15,929,728	9,460,000
Deferred taxation		322,163	441,403
Staff retirement benefits		89,891	78,782
		16,341,782	9,980,185
<b>CURRENT LIABILITIES</b>			
Loan from previous sponsors		735	735
Trade and other payables		1,296,288	1,844,801
Unclaimed dividend		126	126
Accrued mark-up		460,910	249,507
Short-term financing - secured		4,083,360	1,032,890
Current portion of long term financing - secured		-	110,000
		5,841,293	3,238,059
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>	9	<b>33,522,912</b>	<b>24,517,306</b>

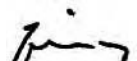
The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.



Chief Financial Officer



Chief Executive



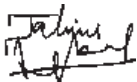
Director

# Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)

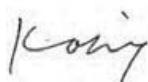
For the nine months period and quarter ended March 31, 2019

	Note	Nine months period ended		Quarter ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
----- (Rupees in '000) -----					
Sales - net	10	3,051,100	3,309,790	1,032,963	1,217,782
Cost of sales		(2,739,131)	(2,691,766)	(918,806)	(1,038,631)
<b>Gross profit</b>		<b>311,969</b>	<b>618,024</b>	<b>114,157</b>	<b>179,151</b>
Selling and distribution expenses		(94,295)	(90,530)	(36,903)	(22,989)
Administrative expenses		(109,322)	(88,183)	(30,948)	(31,007)
Other income		524	1,450	204	209
Other operating expense		(70,870)	(43,739)	(9,602)	(11,740)
<b>Operating profit</b>		<b>38,006</b>	<b>397,022</b>	<b>36,908</b>	<b>113,624</b>
Finance income		17,158	111,402	6,317	44,502
Finance cost		(107,687)	(106,895)	(29,699)	(28,143)
Finance cost - net		(90,529)	4,507	(23,382)	16,359
<b>(Loss) / profit before taxation</b>		<b>(52,523)</b>	<b>401,529</b>	<b>13,526</b>	<b>129,983</b>
Taxation		93,298	(112,955)	(1,894)	(39,533)
<b>Profit after taxation</b>		<b>40,775</b>	<b>288,574</b>	<b>11,632</b>	<b>90,450</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>40,775</b>	<b>288,574</b>	<b>11,632</b>	<b>90,450</b>
----- (Rupee) -----					
<b>Earnings per share - basic and diluted</b>		<b>0.04</b>	<b>0.26</b>	<b>0.01</b>	<b>0.08</b>

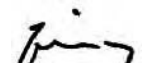
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Chief Financial Officer



Chief Executive



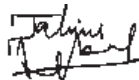
Director

## Condensed Interim Statement of Changes in Equity (Un-audited)

For the nine months period and quarter ended March 31, 2019

	Capital Reserve		Revenue Reserve		Total
	Share Capital	Shares premium/ (discount)	Advance against shares	Accumulated profit/ (loss)	
	(Rupees in '000)				
<b>Balance as at July 1, 2017</b>	<b>3,656,900</b>	<b>(914,225)</b>	<b>6,049,057</b>	<b>(397,491)</b>	<b>8,394,241</b>
<i>Transaction with owners recorded directly in equity</i>					
Issuance of right shares	5,930,658	1,482,664	(7,413,322)	-	-
Receipt against right shares	-	-	1,330,545	-	1,330,545
Issuance costs charged against premium	-	(73,238)	73,238	-	-
Issuance costs	-	-	(39,518)	-	(39,518)
Issuance of otherwise than right shares	1,046,587	261,646	-	-	1,308,233
Issuance cost of otherwise than right shares	-	(6,133)	-	-	(6,133)
	<b>6,977,245</b>	<b>1,664,939</b>	<b>(6,049,057)</b>	<b>-</b>	<b>2,593,127</b>
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	288,574	288,574
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	288,574	288,574
<b>Balance as at March 31, 2018</b>	<b>10,634,144</b>	<b>750,714</b>	<b>-</b>	<b>(108,917)</b>	<b>11,275,942</b>
<b>Balance as at July 1, 2018</b>	<b>10,634,144</b>	<b>750,714</b>	<b>-</b>	<b>(85,796)</b>	<b>11,299,062</b>
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	40,775	40,775
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	40,775	40,775
<b>Balance as at March 31, 2019</b>	<b>10,634,144</b>	<b>750,714</b>	<b>-</b>	<b>(45,021)</b>	<b>11,339,837</b>

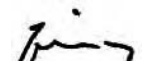
The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.



Chief Financial Officer



Chief Executive



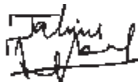
Director

# Condensed Interim Cash Flow Statement (Un-audited)

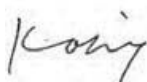
For the nine months period and quarter ended March 31, 2019

	Note	Nine month period ended	
		March 31,	March 31,
		2019	2018
		(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	11	(187,073)	116,933
Gratuity paid		(8,910)	(13,004)
Income tax paid		(73,053)	(57,175)
Financial charges paid		(63,118)	(317,158)
		(145,084)	(387,337)
<b>Net cash used in operating activities</b>		<b>(332,154)</b>	<b>(270,405)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure - Operations and others		(448,346)	(312,024)
Capital expenditure - Project Line III		(9,448,664)	(7,917,005)
Investments encashed during the period		56,101	-
Interest received		16,426	100,634
Proceeds from sale of property, plant and equipment		475	1,055
<b>Net cash used in investing activities</b>		<b>(9,824,009)</b>	<b>(8,127,340)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of shares		-	2,638,778
Loan from Syndicate - Project Line III		6,469,728	4,993,000
Repayment of long term finance		(110,000)	-
Expenses incurred on issuance of shares		-	(45,651)
<b>Net cash generated from financing activities</b>		<b>6,359,728</b>	<b>7,586,127</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(3,796,435)</b>	<b>(811,618)</b>
Cash and cash equivalents at beginning of the period		88,701	2,701,150
<b>Cash and cash equivalents at end of the period</b>	12	<b>(3,707,734)</b>	<b>1,889,532</b>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.



Chief Financial Officer



Chief Executive



Director

## Notes to the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2019

### 1. STATUS AND NATURE OF BUSINESS

Power Cement Limited (the Company) was established 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

This condensed interim financial information of the Company for the nine months period ended March 31, 2019 has been prepared in accordance with the requirements of the International Accounting Standards (IAS) 34 Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017.

This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2018.

### 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended June 30, 2018.

	Note	(Un-audited) March 31, 2019 (Rupees in '000)	(Audited) June 30, 2018
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	4.1	5,157,435	5,110,695
Capital work in progress - Project Line III	4.2	22,158,687	14,502,667
Capital work in progress - Operations and others	4.3	409,528	107,921
Capitalisable stores and spares	4.4	103,014	122,061
		<b>27,828,665</b>	<b>19,843,344</b>
<b>4.1 Operating assets</b>			
<b>Opening written down value</b>		<b>5,110,695</b>	4,912,987
Additions during the period / year - at cost			
Plant and Machinery		117,396	267,248
Factory building on leasehold land		1,255	1,581
Non factory building on leasehold land		1,553	4,034
Leasehold Improvements		3,607	895
Factory and laboratory equipment		3,325	28,721
Computers and peripherals		2,266	7,432
Office equipment		2,462	15,866
Quarry equipments		179	-
Furniture and fixtures		9,207	5,447
Vehicles		24,535	17,596
		<b>165,785</b>	348,820
Written down value of deletions during the period / year		(233)	(1,319)
Depreciation for the period / year		(118,812)	(149,793)
		<b>(119,045)</b>	(151,112)
<b>Closing written down value</b>		<b>5,157,435</b>	5,110,695

## Notes to the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2019

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
Note	(Rupees in '000)	
<b>4.2 Capital Work in progress - Project Line III</b>		
Opening balance	14,502,667	235,751
Additions	7,656,020	14,266,916
<b>Closing balance</b>	<b>22,158,687</b>	<b>14,502,667</b>
<b>4.3 Capital Work in progress - Operations and others</b>		
Opening balance	107,921	-
Additions	301,607	107,921
<b>Closing balance</b>	<b>409,528</b>	<b>107,921</b>
<b>4.4 Capitalisable stores and spares</b>		
Opening balance	122,061	99,738
Additions during the period / year	55,998	107,278
Transferred to property, plant and equipment	(75,045)	(84,955)
<b>Closing balance</b>	<b>103,014</b>	<b>122,061</b>
<b>5. STOCK-IN-TRADE</b>		
Raw material	14,507	14,883
Packing material	63,897	47,596
Work-in-process	518,811	173,256
Finished goods	71,243	66,174
	<b>668,458</b>	<b>301,909</b>
<b>6. CASH AND BANK BALANCES</b>		
Cash in hand	818	781
Cash with banks:		
- In current accounts	342,628	31,671
- In savings accounts	31,180	938,139
- Term deposits	1,000	150,000
	<b>375,626</b>	<b>1,120,591</b>
<b>6.1</b>	These accounts are maintained under profit and loss sharing arrangements with Islamic banks at rates ranging from 5.5%-10% (June 30, 2018: 3% - 6.5%).	
<b>6.2</b>	This includes term deposit certificates placed with local banks and carry profit at declared rates of 6% - 10.5% (June 30, 2018: 3.14% - 6.65%) per annum.	
<b>7. ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
	(Un-audited) March 31, 2019	(Audited) June 30, 2018
	(Number of Shares)	
	1,051,234,846	1,051,234,846
	840,000	840,000
	11,339,588	11,339,588
	<b>1,063,414,434</b>	<b>1,063,414,434</b>
	(Un-audited) March 31, 2019	(Audited) June 30, 2018
	(Rupees in '000)	
Fully paid ordinary shares of Rs. 10 each issued:		
For cash	10,512,348	10,512,348
For consideration other than cash	8,400	8,400
Bonus shares	113,396	113,396
	<b>10,634,144</b>	<b>10,634,144</b>

## Notes to the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2019

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Note	(Rupees in '000)	
<b>8. LONG TERM FINANCING - secured</b>			
Long Term Loan - Existing Operations	8.1 & 8.2	-	110,000
Less: current maturity shown under current liabilities		-	(110,000)
		-	-
Long Term Loan- Project Line III	8.3	<b>15,929,728</b>	9,460,000
Total Long Term Loan		<b>15,929,728</b>	9,460,000

- 8.1** This represents syndicated term finance facility arranged by the Company with a syndicate of local commercial banks (the Syndicate). In 2012, the Company entered into a revised restructuring agreement with the Syndicate dated December 23, 2011. As per the revised restructuring agreement the principal was payable in nine half yearly instalments from December 23, 2011 to December 23, 2015.

The mark up charged during first 3.5 years i.e. from June 23, 2010 to December 22, 2013 is 6 month KIBOR + 0% per annum and after 3.5 years i.e. December 23, 2013 to December 23, 2018, the mark up will be charged at 6 month KIBOR+ 1.75% per annum. Mark-up outstanding at the time of restructuring and mark-up accrued from restructuring date till the date of final settlement of principal was to be paid in four (4) half yearly installments commencing from June 23, 2016.

In 2015, the Company again entered into a revised restructuring agreement with the Syndicate dated December 26, 2014. As per the revised restructuring agreement, principal instalments aggregating Rs. 360 million were deferred as follows:

- Rs. 250 million falling due on December 23, 2014 has been repaid on June 23, 2018.
- Rs. 110 million out of Rs. 360 million falling due on June 23, 2015 has been repaid on December 23, 2018.

The Company has fully paid off all instalments of said syndicate loan as per above schedule.

- 8.2** The syndicate long term facility contains a covenant that the Company can not pay dividend to its shareholders until it is up-to-date on its debt obligation including mark-up payments to syndicate.
- 8.3** This represents funded / Musharaka contribution amount drawn (from a syndicate of 10 banks) under the long-term syndicate finance facility of Rs. 16,200 million (including Rs. 972 million from Arif Habib Equity (Private) Limited - a related party, being a member of this Syndicate), for the ongoing expansion project of 7,700 TPD, led by NBP as Investment Agent (June 30, 2018: Rs. 16,200 million). The said facility has been structured in Islamic mode of financing (Musharaka) having Syndicate Term Finance Facility (STFF) of Rs. 16,200 million and Syndicate LC facility of Rs. 16,200 million (as sublimit of STFF) for a tenor of 8.5 years including grace period of 2.5 years. i.e 5 mark-up payments during the grace period and subsequent 12 installments including both principal and mark-up. The facility carries mark - up at the rate of 6 months KIBOR plus 2.25% (June 30, 2018: 6 months KIBOR plus 2.25%) per annum calculated on daily product basis with mark-up / principal repayment falling due on semi - annual basis. The first rental payment was due and duly paid on July 16, 2018. The facility is secured through first pari passu charge over current / fixed assets of the Company along with additional collaterals.

The aggregate funded amount of the aforementioned facility which has not been availed as at the reporting date amounts to Rs. 270 million (June 30, 2018: Rs. 6,740 million).

## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 CONTINGENCIES

There is no change in the status of the contingencies as disclosed in note 23.1 to the annual financial statements for the year ended June 30, 2018 except the following notes:

Note 23.1.5 - In 2015, a demand notice of Rs. 440 million was issued to the Company for recovery of FED and sales tax. The Company simultaneously approached CIR (Appeals) and high court of sindh for relief. Stay was granted by the SHC

# Notes to the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2019

on April 2, 2015. In 2018 CIR (Appeals-II) also decided the matter in favour of the Company and hence the stay granted by the SHC became redundant and the Suit thereof was withdrawn during the period. The concerned tax authority has preferred an appeal against the order of CIR (Appeals-II), before ATIR, which is pending for hearing.

Note 23.1.12 - Subsequent to the balance sheet date, the contingency was decided in favour of the Company by the Senior Civil Judge Kotri through the order dated February 28, 2019.

Note 23.1.14 - Subsequent to the balance sheet date, the contingency was decided in favour of the Company by the Senior Civil Judge Hyderabad through the order dated February 1, 2019. However, the appellants have preferred an appeal against the same before Additional District Judge, Hyderabad (appeal # 49 of 2019).

The Court through an order dated February 25, 2019 has barred the Company from excavation of limestone from a mining lease, the matter is pending in the High Court of Sindh and a favourable outcome is expected by the Company's legal counsel.

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
	----- (Rupees in '000) -----	
<b>9.2 COMMITMENTS</b>		
Commitments against open letter of credit for:		
Coal	709,726	568,747
Clinker plant project	-	1,440,904
Cement production and dispatch project	-	429,953
Stores and spares	2,439	79,436
	<b>712,165</b>	<b>2,519,040</b>
Commitments against capital expenditures	2,745,144	6,238,007
Commitments against letters of guarantees	5,337,884	1,610,500
Commitment against purchase of land	61,370	61,370
Ijarah rentals	41,080	17,722
Supervisory fees	496,243	690,076
	<b>9,393,886</b>	<b>11,136,715</b>

## 9.2 COMMITMENTS

Commitments against open letter of credit for:

Coal  
Clinker plant project  
Cement production and dispatch project  
Stores and spares

Commitments against capital expenditures  
Commitments against letters of guarantees  
Commitment against purchase of land  
Ijarah rentals  
Supervisory fees

9.2.1

9.2.1 This includes Corporate Guarantee of Rs. 4,799 million (as approved by the Company's shareholders vide special resolution passed on June 23, 2018) issued to DEG ( a FCY Long Term Financier being part of the Company's Long Term Financing as disclosed in Note 8) on behalf of the Arif Habib Equity (Private) Limited - a related party, being part of Company's Long Term Financing as disclosed in Note 8.

	(Un-audited) Nine months period ended	
	March 31, 2019	March 31, 2018
	----- (Rupees in '000) -----	
<b>10. SALES - NET</b>		
Local	4,464,205	4,682,112
Export	50,482	48,736
	<b>4,514,687</b>	<b>4,730,848</b>
Less :		
Sales tax	(774,875)	(798,441)
Federal excise duty	(688,712)	(622,617)
	<b>(1,463,587)</b>	<b>(1,421,058)</b>
	<b>3,051,100</b>	<b>3,309,790</b>

## 10. SALES - NET

Local  
Export  
  
Less :  
Sales tax  
Federal excise duty

## Notes to the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2019

	Note	(Un-audited)	
		Nine months period ended	
		March 31, 2019	March 31, 2018
(Rupees in '000)			
<b>11. CASH (USED IN) / GENERATED FROM OPERATIONS</b>			
(Loss) / profit before taxation		(52,523)	401,529
<b>Adjustment for:</b>			
Depreciation and amortization		119,883	117,318
Finance cost on short term financing		103,115	58,428
Finance cost on long term financing - Operations		4,572	48,467
Exchange loss on bills payable		48,145	17,993
Gain on disposal of fixed assets		(367)	(455)
Finance income		(17,158)	(111,402)
Provision for gratuity		20,019	10,891
		278,209	141,240
<b>Operating profit before working capital changes</b>		225,686	542,769
<b>Increase in current assets</b>			
Stores, spares and loose tools		6,022	222,838
Stock-in-trade		(366,549)	(23,183)
Trade debts		(182,207)	(133,528)
Advances and other receivables		40,108	(445,162)
Trade deposits and prepayments		(8,474)	(8,020)
		(511,099)	(387,055)
Increase / (decrease) in trade and other payables		98,341	(38,781)
<b>Net cash (used in) / generated from operations</b>		(187,073)	116,933
<b>12. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	6	375,626	2,392,330
Short term financing - secured		(4,083,360)	(502,798)
		(3,707,734)	1,889,532
<b>13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES</b>			

The related parties comprise of associated undertakings, other related group companies and persons, directors of the Company, staff retirement benefit fund and key management personnel. The Company carries out transactions with various related parties in the normal course of business and all the transactions with related parties have been carried out at agreed terms. Details of transactions / balances with related parties are as follows:

	(Un-audited)	
	Nine months period ended	
	March 31, 2019	March 31, 2018
(Rupees in '000)		
<b>Transactions with related parties</b>		
<b>Aisha Steel Mills Limited</b>		
- Sale of goods	1,625	636
- Payment received	1,904	662
<b>Safe Mix Concrete Limited</b>		
- Sale of goods	265,368	309,847
- Payment received	165,182	169,286

## Notes to the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2019

		(Un-audited)	
		Nine months period ended	
		March 31, 2019	March 31, 2018
		----- (Rupees in '000) -----	
	Note		
<b>Javedan Corporation Limited</b>			
- Sale of goods		38,257	86,851
- Payment received		56,743	81,699
<b>Rotocast Engineering Company (Private) Limited</b>			
- Services received		8,681	3,898
- Rent accrued		4,904	-
- Payments made		13,541	3,560
<b>Arif Habib Corporation Limited</b>			
- Guarantee commission accrued during the period		475	41
- Guarantee commission paid		122	108
<b>Arif Habib Equity (Private) Limited</b>			
- Loan received during the period		972,000	-
- Mark-up accrued during the period		2,513	-
<b>EFU Life Assurance Limited</b>			
-Services received		4,016	2,617
-Payments made	8	4,016	2,617
<b>FLSmith A/S</b>			
- Purchase of goods		2,239,095	-
- Payment made		2,239,095	-
<b>Fatima Packaging Limited</b>			
-Purchase of goods		32,294	-
-Payments made		25,713	-
<b>Key management personnel</b>			
-Remuneration and other benefits		130,999	140,194
-Advances disbursed to employees		6,041	2,260
-Advances repaid by employees		2,721	2,105
<b>Staff retirement benefit fund</b>			
-Charge during the period		20,019	10,891
-Contribution during the period		8,910	13,004
		(Un-audited)	(Audited)
		March 31, 2019	June 30, 2018
		----- (Rupees in '000) -----	
<b>Balances with related parties</b>			
<b>Aisha Steel Mills Limited</b>			
- Trade receivable		-	278
<b>Safe Mix Concrete Limited</b>			
- Trade receivable		261,309	161,123

## Notes to the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2019

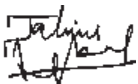
	(Un-audited) March 31, 2019	(Audited) June 30, 2018
----- (Rupees in '000) -----		
<b>Javedan Corporation Limited</b>		
- Trade receivable	12,393	30,879
- Other receivable	39	39
<b>Rotocast Engineering Company (Private) Limited</b>		
- Amount payable against services received	511	467
<b>Arif Habib Corporation Limited</b>		
- Amount payable against guarantee commission	352	-
<b>Arif Habib Equity (Private) Limited</b>		
- Loan payable (including mark-up)	974,513	-
<b>Fatima Packaging Limited</b>		
- Amount payable against purchase of goods	6,581	-
<b>Key management personnel</b>		
- Advances to employees	36,582	33,262
<b>Staff retirement benefit fund</b>		
- Payable to gratuity fund	89,891	78,782

**14. GENERAL**

Figures have been rounded off to the nearest of thousand rupees.

**15. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information has been authorized for issue on April 30, 2019 by the Board of Directors.



Chief Financial Officer



Chief Executive



Director

## مستقبل پر نظر

زیر نظر عرصہ معاشی لحاظ سے مسائل سے بھر پور تھا۔ پورے ملک میں شرح نموست روی کا شکار رہی ہے جس کی وجہ ترقیاتی کاموں کئے جانے والے اخراجات میں کمی تھی اور اس کے ساتھ ساتھ حکومت کی جانب سے انتہائی اہمیت کی حامل ہاؤسنگ اسکیم کا تاخیر کے ساتھ اجراء کیا جانا بھی ان وجوہات میں شامل ہے۔ زیر نظر عرصے کے اختتام پر اہم ذرائع پیداوار، کونکریٹ کی قیمت میں کمی کا رجحان پایا گیا ہے، جبکہ شرح سود میں اضافے اور ڈالر کے مقابلے میں روپے کی قدر میں آنے والی کمی کے مسائل آئندہ بھی حل ہوتے نظر نہیں آ رہے بلکہ ان میں اضافہ ہونے کا اندیشہ ہے۔ آنے والے دنوں میں گوادری پورٹ پر ڈیکسٹ، موٹر وے پر ڈیکسٹ، مجوزہ ڈیموں کی تعمیرات اور سی پیک پر جاری تعمیراتی منصوبوں کے پیش نظر اس بات کی امید ہے کہ مقامی سطح پر سیمنٹ کی طلب میں اضافہ ہوگا۔

گزشتہ چند ماہوں کے دوران برآمدات میں مستقل اضافہ درج کیا گیا ہے جس کی بنیادی وجہ چین کی معاشی سمت میں آنے والی تبدیلی ہے جس کے باعث اب چین کی جانب سے سیمنٹ اور کلنکر درآمد کیا جا رہا ہے جو کہ ماضی میں بذات خود سیمنٹ کا ایک بڑا درآمد کنندہ تھا۔ اسی طرح بنگلہ دیش، سری لنکا اور فلپائن بھی پاکستان میں سیمنٹ کے کارخانوں میں موجود اضافی پیداواری صلاحیت کو بروئے کار لانے کا باعث بنیں گے۔ سیمنٹ کی صنعت میں یہ صلاحیت پائی جاتی ہے کہ برآمدات کی مد میں بڑھتی ہوئی طلب کو پورا کر سکے اور اضافی پیداواری صلاحیتوں سے اس سلسلے میں بندرگاہ کی وجہ سے جنوبی زون کی کمپنیاں بالخصوص فائدہ اٹھا سکتی ہیں۔ اس تمام صورتحال کو مد نظر رکھتے ہوئے بورڈ اس بات پر اعتماد ہے کہ کمپنی کی جانب سے شروع کئے جانے والے توسیعی منصوبے بھر پور فائدہ اٹھایا جائے گا۔

## اظہار تشکر

ڈائریکٹر کمپنی کے تمام شراکت داروں کی جانب سے کمپنی پر ان کے اعتماد اور سرپرستی کیلئے بے حد مشکور ہیں۔ ہم اس موقع سے فائدہ اٹھاتے ہوئے اپنے تمام کاروباری شراکت داروں، بینکاروں اور مالیاتی اداروں کا بھی تہ دل سے شکریہ ادا کرنا چاہتے ہیں جن کی جانب سے کمپنی پر بھر پور اعتماد اور بھروسہ کیا گیا۔ ہم وزارت مالیات، وزارت صنعت و پیداوار، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، مسابقتی کمیشن پاکستان، سینٹرل ڈیپازٹری کمپنی آف پاکستان اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کے بھی بے حد مشکور ہیں ان کی رہنمائی اور حمایت ہمیشہ ہمارے شامل حال رہی اور آج کمپنی کو اس کے موجودہ مقام پر پہنچانے میں ان کا بھی ایک اہم کردار ہے۔

کسی بھی کمپنی کی کامیابی میں درحقیقت ان افراد کی کاوشوں کی جھلک پائی جاتی ہے جو اس کیلئے جانفشانی کے ساتھ محنت کرتے ہیں۔ ڈائریکٹر کمپنی کے تمام ملازمین کی جانب سے کی جانے والی مجموعی کاوشوں کا تہ دل سے اعتراف کرتے ہیں اور اس بات کی امید کرتے ہیں کہ توسیعی منصوبہ اپنی مقررہ مدت کے اندر ہی پایہ تکمیل کو پہنچ جائے گا۔ ہم آڈٹ کمیٹی اور دیگر کمیٹیوں کے ممبران کے بھی بے حد مشکور ہیں کہ ان کی جانب سے انتظامیہ کو اہم معاملات پر گاہے بگاہے رہنمائی اور حمایت فراہم کی جاتی رہی۔

برائے و از بورڈ

محمد کاشف حبیب

چیمبرمین

چیمبرمین

کراچی: 30 اپریل 2019

محمد کاشف حبیب

چیف ایگزیکٹو آفیسر

زیر نظر سہ ماہی کے دوران پیداواری صلاحیت کا %73.4 زیر استعمال لایا جاسکا جبکہ گزشتہ سال کی پہلی سہ ماہی کے دوران %72.6 پیداواری صلاحیت زیر استعمال لائی گئی تھی۔ سینٹ کی ترسیل زیر نظر نو ماہی کے دوران 463,926 ٹن کے ساتھ گزشتہ سال کی نو ماہی کے مقابلے میں زیادہ مختلف تھی۔

## مالیاتی کارکردگی

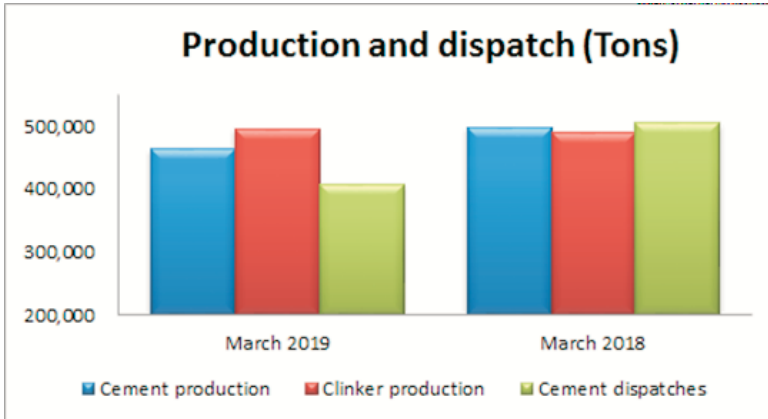
آپ کی کمپنی کی جانب سے 31 مارچ 2019 کو ختم ہونے والی نو ماہی کے دوران پیش کی جانے والی مالیاتی کارکردگی کی اہم جھلکیاں بمقابلہ گزشتہ سال کی نو ماہی ذیل میں پیش کی جارہی ہیں:

نو ماہی اختتامیہ		کوائف
31 مارچ، 2019	31 مارچ، 2018	
000/- روپے میں		
3,051,100	3,309,790	آمدن از فروخت
311,969	618,024	خام منافع
40,775	288,574	منافع بعد از ٹیکس
0.04	0.26	آمدن فی حصص (روپے میں)

زیر نظر عرصے کے دوران آمدن از فروخت میں %8 کی کمی درج کی گئی ہے۔ روپے کی قدر میں زبردست کمی اور ایندھن و توانائی کی قیمتوں میں اضافے کے باعث کمپنی کی منفعت دباؤ کا شکار رہی ہے۔

## پلانٹ کی پیداواری صلاحیت میں اضافہ

آپ کی کمپنی اس بات کیلئے پر عزم ہے کہ پیداواری حجم کے لحاظ سے جنوبی زون میں دوسری بڑی کمپنی کے بطور ابھر کر سامنے آئے اور اس کا شماران بڑی کمپنیوں میں ہو جسوں نے پیداواری لاگت کو کم ترین سطح پر رکھنے میں کامیابی حاصل کی ہے۔ فی الوقت 7,700 TFD لائن کا تعمیراتی کام پورے زور شور کے ساتھ جاری ہے اور تقریباً %97 سول ورکس مکمل کیا جا چکا ہے۔ جبکہ دوسری جانب مکینیکل اور الیکٹریکل کا تعمیراتی کام %30 تک مکمل کیا جا چکا ہے۔ تمام شپمنٹس بھی سائٹ پر آچکی ہیں۔ اس بات کی قوی امید ہے کہ اس نئی لائن سے کمرشل بنیادوں پر رواں سال ہی پیداواری عمل بھی شروع ہو جائے گا۔



## ڈائریکٹرز کا جائزہ:

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2019 کو ختم ہونے والی نو ماہی سے متعلق اپنی جائزہ رپورٹ بعد غیر آڈٹ شدہ مرتکز عبوری مالیاتی دستاویزات آپ کی خدمت میں پیش کر رہے ہیں۔

### صنعتی جائزہ

زیر نظر عرصے کے دوران پاکستان میں سیمنٹ کی صنعت کی جانب سے 34.59 ملین ٹن مال کی ترسیل کے ساتھ کم و بیش وہی کارکردگی دکھائی گئی جو گزشتہ سال اسی عرصے کے دوران 34.76 ملین ٹن مال کی ترسیل کے ساتھ دکھائی گئی تھی۔ جنوبی زون جہاں کہ آپ کی کمپنی بھی واقع ہے کی جانب سے ملک میں سخت معاشی صورتحال کے باوجود بھی کارکردگی میں توازن دکھایا گیا اور اس زون میں 15% کی شرح نمود درج کی گئی ہے جبکہ برآمدات کی شرح نمودہ 210% کا زبردست اضافہ درج کیا گیا ہے۔ مقامی سطح پر مال کی ترسیل کا حجم 6.2 ملین ٹن درج کیا گیا ہے جبکہ برآمدات کا حجم 3.1 ملین ٹن درج کیا گیا ہے۔ اس طرح جنوبی زون میں کل 9.3 ملین ٹن مال کی ترسیل کے ساتھ 46% شرح نمود درج کی گئی ہے۔ جبکہ دوسری جانب شمالی زون میں مقامی سطح پر طلب میں 10% کی کمی واقع ہوئی ہے اور اسی عرصے کے دوران برآمدات میں بھی 18% کی کمی درج کی گئی ہے۔ اس طرح شمالی زون میں کلی طور پر گزشتہ سال کے اسی عرصے کے دوران کے مقابلے میں 11% کی کمی درج کی گئی ہے۔

### کاروباری جائزہ

#### کارکردگی برائے پیداوار و فروخت بلحاظ حجم

رواں مالی سال کے دوران 31 مارچ 2019 کو ختم ہونے والی نو ماہی کی بابت آپ کی کمپنی سے متعلق شماریات (ٹنوں میں) برائے پیداوار و فروخت کو گزشتہ سال کی نو ماہی کے مد مقابل ذیل میں پیش کیا جا رہا ہے:

تغیر %	نو ماہی اختتامیہ		کوائف
	31 مارچ 2019	31 مارچ 2018	
	ٹن میں		
(7) %	463,347	498,452	سیمنٹ کی پیداوار
1 %	495,866	490,487	کلکٹر کی پیداوار








تغیر %	نو ماہی اختتامیہ		کوائف
	31 مارچ 2019	31 مارچ 2018	
	ٹن میں		
(8%)	459,141	498,154	سیمنٹ کی ترسیل (مقامی)
(18%)	4,785	5,836	سیمنٹ کی ترسیل (برآمدات)
(8%)	463,926	503,990	مجموعی







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