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Power Cement Limited



Corporate Information

Board of Directors

Nasim Beg	Chairman
Muhammad Kashif Habib	CEO
Samad A. Habib	Director
Muhammad Ejaz	Director
Muhammad Yousuf Adil	Director
Syed Salman Rashid	Director
Muhammad Yahya Khan	Director

Audit Committee

Muhammad Yousuf Adil	Chairman
Nasim Beg	Member
Syed Salman Rashid	Member

HR & Remuneration Committee

Muhammad Ejaz	Chairman
Muhammad Kashif Habib	Member
Samad A. Habib	Member
Syed Salman Rashid	Member

Chief Financial Officer & Company Secretary

Tahir Iqbal

External Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Cost Auditors

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Legal Advisor

Usmani & Iqbal
Advocate & Solicitors

Share Registrar

Technology Trade (Private) Limited

Principal Bankers

Allied Bank Limited
Al Baraka Bank Pakistan Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
United Bank Limited

Registered Office

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

Website

www.powercement.com.pk

Contact Number

021-32468231-32
021-32468351-52

Factory

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

Directors' Review

The Directors of your Company present herewith their review and the un-audited condensed interim quarterly financial information for the first quarter ended 30th September 2016.

INDUSTRY OVERVIEW

During the first quarter of the current financial year, the cement industry dispatches surged to 7.43 million tons reflecting a growth of 9.5% locally compared to that of the first quarter of previous year. Similarly, exports increased to 1.58 million tons i.e. a growth of 5.4%. Overall increase in dispatches has recorded a growth of 8.76% for the quarter.

Cement companies in the south zone supplied 1.31 million tons of cement to the local market as against 1.15 million tons in the same period last year (14% increase) while export sales witnessed a slight decline owing to healthy local market dispatches.

Financial Performance:

A comparison of the key financial results of the Company's performance For the first quarter ended 30th September 2016 with the same period last year is as under:

PARTICULARS	Quarter Ended	
	30 September 2016	30 September 2015
	Rs. '000	
Sales revenue	930,187	857,173
Gross profit	216,015	193,006
Operating profit	183,770	125,531
Profit before tax	131,151	133,635
Profit after tax	110,462	128,513
Earnings per share (Rupee)	0.30	0.35

The overall net sales revenue increased by 8.5 % over the corresponding period mainly due to increase in overall dispatches , whereas the gross profit margin remained similar i.e. 23% as compared to the same period last year.

Business performance

Production details during the period are as follows:

PARTICULARS	Quarter Ended	
	30 September 2016	30 September 2015
	In Tons	
Cement production	133,075	134,180
Clinker production	150,765	99,545

The capacity utilization increased to 67 % as compared to 44% over the corresponding period.

Sales Review:

Dispatch details during the period are as follows:

PARTICULARS	Quarter Ended	
	30 September 2016	30 September 2015
	In Tons	
Local Dispatches	133,310	120,414
Export Dispatches	4,367	6,188
Total Dispatches	137,677	126,602

During the quarter under review, the overall cement dispatches increased by 11,076 tons (8.75 %) as compared to the same period last year with an increase of 10.71 % in local sales which is in line with the local market growth, whereas export sales have decreased by 29 %.

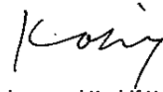
FUTURE OUTLOOK

The recent increase in cement demand owing to investments in housing, industry and public sector development budgets is very encouraging for the cement sector. It is anticipated that positive economic indicators will push the local demands to new heights. The sector also expects a healthy domestic growth due to lower oil prices, improved security and committed investments through China Pakistan Economic Corridor. In this backdrop, the Company's board of directors has decided to expand the production facility by 5000 tons to 8000 tons per day. In addition to this expansion plan, the Company is also in the process of installing state-of-the-art bag houses of European technology to replace the old electrostatic precipitators for abatement of dust emission. After installation of the bag houses, the Company will comply with the recommended limits of the World Bank/IFC. It will not only contribute in keeping the environment clean but also curb the production losses resulting in better efficiency of the plant. Furthermore, your company is also working hard to improve its margins from the current facility by increasing its capacity utilization through higher kiln running days, by improving plant efficiencies & by enriching the quality of its product.

ACKNOWLEDGEMENT

The Directors are grateful to the Company's shareholders, financial institutions and customers for their continued cooperation, support and patronage. The Directors acknowledge the relentless efforts and dedicated services, team work, loyalty and hard work of all the employees of the Company and hope their continued dedication shall further consolidate the Company and keep it abreast to face future developments and demands.

For and on behalf of the Board



Muhammad Kashif Habib
Chief Executive Officer
28th October 2016

**Condensed Interim Financial Information
For The First Quarter Ended
September 30 2016**



Condensed Interim Balance Sheet

As at 30th September 2016

	Note	(Un-audited) 30 Sep 2016 ----- (Rupees in '000) -----	(Audited) 30 June 2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	4,510,961	4,444,992
Intangible assets	7	8,982	8,982
Long term deposits		19,635	19,635
		4,539,578	4,473,609
CURRENT ASSETS			
Stores, spares and loose tools	8	713,555	693,578
Stock-in-trade		250,434	165,221
Trade debts		299,279	271,667
Advances and other receivables		397,522	295,812
Trade deposits and prepayments		18,992	9,005
Tax refunds due from government		319,103	319,103
Cash and bank balances		18,000	14,983
		2,016,885	1,769,369
		6,556,463	6,242,978
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 400,000,000 (30 Jun 2016: 400,000,000) Ordinary shares of Rs. 10/- each		4,000,000	4,000,000
Issued, subscribed and paid-up capital 365,689,968 (30 Jun 2016: 365,689,968) Ordinary shares of Rs. 10/- each	9	3,656,900	3,656,900
Discount on issuance of right shares		(914,225)	(914,225)
Accumulated loss		(284,103)	(394,565)
		2,458,572	2,348,110
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing	10.1	360,000	360,000
Deferred accrued markup	10.2	181,300	151,032
Loan from related parties - Unsecured	11	918,399	908,892
Deferred taxation		504,164	483,475
Deferred liabilities		45,543	46,341
		2,009,406	1,949,740
CURRENT LIABILITIES			
Loan from previous sponsors		735	735
Trade and other payables	12	713,025	723,160
Mark-up accrued - short term borrowing		13,540	5,329
Short-term borrowings	13	857,477	708,750
Current portion of deferred accrued markup	10.2	503,708	507,154
		2,088,485	1,945,128
		6,556,463	6,242,978
CONTINGENCIES AND COMMITMENTS			
	14		

The annexed notes from 1 to 22 forms an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



DIRECTOR

Condensed Interim Profit and loss Account (Un-audited)

For the first quarter ended 30th September 2016

	Note	Quarter Ended	
		30 Sep 2016	30 Sep 2015
----- (Rupees in '000) -----			
Sales - net	15	930,187	857,173
Cost of sales	16	(714,172)	(664,167)
Gross profit		216,015	193,006
Distribution cost		(27,579)	(38,243)
Administrative expenses		(20,070)	(13,841)
Other income		23,889	76
Other operating expense		(8,485)	(15,467)
Operating profit		183,770	125,531
Finance income		-	60,568
Finance cost:			
On unwinding of discount on loan from related parties		(9,507)	(13,791)
On unwinding of discount on deferred accrued markup		(26,822)	(21,819)
On short term borrowings		(16,290)	(16,854)
Finance (cost) / income - net		(52,619)	8,104
Profit before taxation		131,151	133,635
Taxation		(20,689)	(5,122)
Profit after taxation		110,462	128,513
Earnings per share - basic and diluted	17	0.30	0.35

The annexed notes from 1 to 22 forms an integral part of this condensed interim financial information.



 CHIEF EXECUTIVE



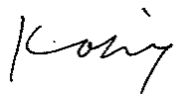
 DIRECTOR

Condensed Interim Cash Flow Statement (Un-audited)

For the first quarter ended 30th September 2016

	Note	Quarter Ended	
		30 Sep	30 Sep
		2016	2015
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	18	(6,507)	85,244
Gratuity paid		(4,551)	(1,100)
Income tax paid		(32,584)	(36,935)
Financial cost paid		(8,078)	(19,797)
Cash (used in) / generated from operating activities		(45,213)	(57,832)
		(51,720)	27,412
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(93,990)	(47,867)
Net cash (used in) investing activities		(93,990)	(47,867)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans received from related party - net		-	400,000
Net cash generated from financing activities		-	400,000
Net (decrease) / increase in cash and cash equivalents		(145,710)	379,545
Cash and cash equivalents at beginning of the period		(701,267)	(640,030)
Cash and cash equivalents at end of the period	19	(846,977)	(260,485)

The annexed notes from 1 to 22 forms an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



DIRECTOR

Power Cement Limited

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the first quarter ended 30th September 2016

	<u>Quarter Ended</u>	
	<u>30 Sep</u> <u>2016</u>	<u>30 Sep</u> <u>2015</u>
	<u>----- (Rupees in '000) -----</u>	
Profit for the period	110,462	128,513
Other comprehensive income	-	-
Total comprehensive income for the period	<u>110,462</u>	<u>128,513</u>

The annexed notes from 1 to 22 forms an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



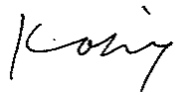
DIRECTOR

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

For the first quarter ended 30th September 2016

	Capital reserve		Revenue Reserve		Total
	Share Capital	Discount on issuance of right shares	General	Accumulated loss	
	----- (Rupees in '000) -----				
Balance as at 1st July 2015	3,656,900	(914,225)	80,000	(960,505)	1,862,170
<i>Total comprehensive income for the period</i>	-	-	-	-	-
Profit for the period	-	-	-	128,513	128,513
Balance as at 30th Sep 2015	3,656,900	(914,225)	80,000	(831,992)	1,990,683
Balance as at 1st July 2016	3,656,900	(914,225)	-	(394,565)	2,348,110
<i>Total comprehensive income for the period</i>	-	-	-	-	-
Profit for the period	-	-	-	110,462	110,462
Balance as at 30th September 2016	3,656,900	(914,225)	-	(284,103)	2,458,572

The annexed notes from 1 to 22 forms an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



DIRECTOR

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

For the first quarter ended 30th September 2016

1. STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Company for the first quarter ended 30th September 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" and the provisions of and directives issued under Companies Ordinance, 1984. In case where requirements differ, the provisions and directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information is unaudited and is being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulation of Pakistan Stock Exchange.

This Condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the company as at and for the year ended June 30, 2016.

The comparative balance sheet presented in this condensed interim financial information as at 30th September 2016 has been extracted from the audited financial statements of the Company for the year ended 30th June 2016, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement are extracted from the unaudited condensed interim financial information for the first quarter ended 30th September 2016.

2.2 Functional and presentation currency

This condensed interim financial information is presented in Pakistan Rupees which is the Company's functional currency.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the year ended June 30, 2016.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumption and judgements are continuously evaluated are based on historical experiences and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended 30th June 2016.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended 30 June 2016.

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

Quarterly Report 30th September 2016

For the first quarter ended 30th September 2016

	(Un-audited) 30 Sep 2016	(Audited) 30 June 2016
Note	----- (Rupees in '000) -----	
6. PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment	6.1 4,399,400	4,357,092
Capital work in progress	6.2 37,620	13,384
Capitalisable stores and spares	6.3 73,941	74,516
	<u>4,510,961</u>	<u>4,444,992</u>
6.1 Operating assets		
Opening written down value	4,357,092	4,337,651
Additions during the period - at cost		
Plant and Machinery	51,290	122,845
Land	10,000	-
Factory and laboratory equipment	4,738	468
Computers and peripherals	1,802	2,025
Office equipment	741	316
Furniture and fixtures	189	663
Vehicles	1,568	1,699
	<u>70,328</u>	<u>128,016</u>
Written down value of deletions during the period	-	(157)
Depreciation for the period	<u>(28,020)</u>	<u>(108,418)</u>
	<u>(28,020)</u>	<u>(108,575)</u>
Closing written down value	<u>4,399,400</u>	<u>4,357,092</u>
6.2 Capital work in progress		
Opening balance	13,384	29,858
Additions	24,236	22,901
Transferred to property, plant and equipment	-	(39,375)
Closing balance	<u>37,620</u>	<u>13,384</u>
6.3 Capitalisable stores and spares		
Opening balance	74,516	55,452
Additions during the period	56,711	113,414
Transferred to property, plant and equipment	<u>(57,286)</u>	<u>(94,350)</u>
Closing balance	<u>73,941</u>	<u>74,516</u>
7. Intangible assets		
Opening written down value	8,982	413
Additions during the period at cost	-	8,981
	<u>8,982</u>	<u>9,394</u>
Amortization for the period	-	(412)
Closing written down value	<u>8,982</u>	<u>8,982</u>

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

For the first quarter ended 30th September 2016

	(Un-audited) 30 Sep 2016	(Audited) 30 June 2016
Note	----- (Rupees in '000) -----	
8. STORES, SPARES AND LOOSE TOOLS		
Stores	239,450	220,289
Coal	169,904	221,936
Spare parts	310,739	260,785
Loose tools	6,981	4,087
	<u>727,074</u>	<u>707,097</u>
Provision for slow moving / obsolete stock	<u>(13,519)</u>	<u>(13,519)</u>
	<u>713,555</u>	<u>693,578</u>

9. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

(Un-audited) 30 Sep 2016	(Audited) 30 June 2016		(Un-audited) 30 Sep 2016	(Audited) 30 June 2016
----- (Number of Shares) -----			----- (Rupees in '000) -----	
353,510,380	353,510,380	Fully paid ordinary shares of		
840,000	840,000	Rs. 10 each issued:		
<u>11,339,588</u>	<u>11,339,588</u>	For cash	3,535,104	3,535,104
<u>365,689,968</u>	<u>365,689,968</u>	For consideration other than cash	8,400	8,400
		Bonus shares	<u>113,396</u>	<u>113,396</u>
			<u>3,656,900</u>	<u>3,656,900</u>

9.1 Shares held by the associated undertakings as at the balance sheet date were 246,654,545 (30 June 2016: 246,654,545).

	(Un-audited) 30 Sep 2016	(Audited) 30 June 2016
Note	----- (Rupees in '000) -----	
10. LONG TERM FINANCING AND DEFERRED ACCRUED MARK-UP		
10.1 Long term financing		
Principal amount	<u>360,000</u>	<u>360,000</u>
	<u>360,000</u>	<u>360,000</u>
10.2 Deferred accrued markup		
Gross Amount	766,748	760,732
Less: Winding up of discount	<u>(81,740)</u>	<u>(102,546)</u>
Deferred accrued markup	685,008	658,186
Current maturity shown under current liabilities	<u>(503,708)</u>	<u>(507,154)</u>
Present Value of deferred accrued markup	<u>181,300</u>	<u>151,032</u>
10.3 & 10.4		

10.3 This represents syndicated term finance facility and deferred markup on it, 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 23 December 2011. As per the revised restructuring agreement the principal was payable in nine half yearly instalments from 23 December 2011 to 23 December 2015.

The mark up charged during first 3.5 years i.e. from 23 June 2010 to 22 December 2013 is 6 month KIBOR + 0% per annum and after 3.5 years i.e. 23 December 2013 to 23 December 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 will then be paid in four (4) half yearly instalments commencing from 23 June 2016.

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

For the first quarter ended 30th September 2016

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

- Rs. 250 million falling due on 23 December 2014 will be repaid on 23 June 2018.
- Rs. 110 million out of Rs. 350 million falling due on 23 June 2015 will be repaid on 23 December 2018.

As per the restructuring agreement, deferred markup outstanding as at 30 June 2016 is payable in 3 equal half yearly instalments of Rs. 253.58 million each from December 2016 to December 2017.

The outstanding principal other than deferred principal will be paid as per the existing repayment terms. The loan is secured by way of mortgage over property and hypothecation over assets aggregating to Rs. 3.33 billion.

- 10.4** The facility contains a covenant that Company can not pay dividend to its shareholders until it is upto date to its debt obligation including mark-up payments to syndicate.

(Un-audited) 30 Sep 2016	(Audited) 30 June 2016
----- (Rupees in '000) -----	

11. LOAN FROM RELATED PARTIES - UNSECURED

Opening balance	1,515,500	1,515,500
Outstanding sponsors' loan	1,515,500	1,515,500
Winding up of discount opening	(606,608)	(346,445)
Gain on de recognition during the period	-	(333,792)
Unwinding of discount during the period	9,507	73,629
Winding up of discount closing	(597,101)	(606,608)
Closing balance at fair vlaue	918,399	908,892

- 11.1** This represents mark-up free loan of Rs. 1,515.5 million (30 June 2016: Rs. 1,515.5 million) obtained from related parties, recorded at present value at mark-up rate of 6 months KIBOR plus 1.75% (30 June 2016: 6 months KIBOR plus 1.75%).

(Un-audited) 30 Sep 2016	(Audited) 30 June 2016
----- (Rupees in '000) -----	

12. TRADE AND OTHER PAYABLES

Trade creditors	185,399	216,165
Bills payable	217,238	158,494
Accrued liabilities	63,136	70,911
Royalty payable	1,025	782
Excise duty payable	3,529	2,909
Advances from customers	28,976	34,876
Retention money payable	1,527	1,482
Sales tax and federal excise duty payable	70,777	80,469
Workers' Welfare Fund	39,573	37,854
Workers' Profit Participation Fund	84,115	99,852
Unclaimed dividends	126	126
Withholding tax payable	5,647	5,234
Leave encashment payable	10,911	13,020
Others	1,046	986
	713,025	723,160

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

For the first quarter ended 30th September 2016

		(Un-audited) 30 Sep 2016	(Audited) 30 June 2016
----- (Rupees in '000) -----			
13	SHORT TERM BORROWINGS		
	From banking companies:		
	<i>Conventional</i>		
	Running finances	13.1 258,235	221,767
	Import / export finances	-	92,336
	Foreign currency Loan	13.2 49,242	44,647
	<i>Islamic</i>		
	Istisna	13.3 450,000	250,000
	Tijarah	13.4 100,000	100,000
		<u>857,477</u>	<u>708,750</u>

13.1 This represents short-term running finance facilities from various banks amounting to Rs. 300 million (30 June 2016: Rs.300 million), . These carry mark up at the rate ranging between 3 months KIBOR plus 1% to 3 months KIBOR plus 2.5% (30 June 2016 : 3 months KIBOR plus 1% to 3 months KIBOR plus 2.5%) per annum calculated on daily product basis. Mark-up on these facilities is payable quarterly. These facilities will mature from 1 July 2017 to 30 April 2017 and are renewable. These are secured by first pari passu charge against current / fixed assets of the Company.

The aggregate unavailed amount of aforementioned facilities as at the balance sheet date amounts to Rs. 41.76 million (30 June 2016: Rs. 78.23 million).

13.2 This represents FE 25 facility from a bank amounting to Rs. 50 million (30 June 2016: Rs.50 million). The amount is repayable in 180 days from the date of disbursement and carries mark-up at the rates ranging between 3.1% to 4.5%. The facility is secured by first pari passu charge against present and future fixed assets of the Company excluding land and building of the Company. Total unavailed amount of this facility as at balance sheet date amounts to Rs. 0.76 million (30 June 2016:Rs. 5.35 million).

13.3 This represents facilities amounting to Rs. 500 million (30 June 2016: Rs.500 million) repayable with a maximum tenure of 180 days from the date of disbursement. It carries profit at the rates ranging from KIBOR plus 1.75% to KIBOR plus 3.75% (30 June 2016: KIBOR plus 1.75% to KIBOR plus 3.75%). These facilities will mature from November 2016 and are renewable. As at balance sheet date unavailed amount under these facilities amount to Rs. 50 million (30 June 2016: Rs.250 million). These are secured by first pari passu charge over stocks and receivables of the Company and lien over import documents.

13.4 This represents finance availed from a local bank amounting to Rs. 100 million with tenure of upto 60 days. It carries profit at 3 months KIBOR plus 2%. The facility is under Shariah arrangement and is secured by charge over current assets of the Company.

13.5 The Company also has unfunded facilities from various banks amounting to Rs. 900 million.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There is no change in the status of the contingencies as disclosed in note 20.1 to the annual financial statements of the company for the year ended 30th June 2016 except for the contingency disclosed in note 20.1.8 of the annual financial statements which has been decided in favour of the Company by CIR Appeals - II through its order # 30 dated August 31, 2016.

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

Quarterly Report 30th September 2016

For the first quarter ended 30th September 2016

	(Un-audited) 30 Sep 2016	(Audited) 30 June 2016
	----- (Rupees in '000) -----	
14.2 Commitments		
Commitment against open letter of credit for:		
- Coal	209,633	110,754
- Stores and spares	190,948	359,250
	<u>400,581</u>	<u>470,004</u>
Commitments against letter of guarantees	-	10,500
Other commitments		
Ijarah rentals	2,614	47
Intangibles	1,092	1,092
	<u>404,287</u>	<u>481,643</u>
	Quarter Ended	
	30 Sep 2016	30 Sep 2015
	----- (Rupees in '000) -----	
15. SALES - NET		
Local	1,228,631	1,046,981
Export	34,699	36,610
	<u>1,263,330</u>	<u>1,083,591</u>
Less :		
Sales tax	(203,962)	(177,316)
Federal excise duty	(129,181)	(49,102)
	<u>(333,143)</u>	<u>(226,418)</u>
	<u>930,187</u>	<u>857,173</u>
16. COST OF SALES		
Salaries, wages and other benefits including retirement benefits	66,546	59,910
Raw materials consumed	68,902	37,442
Packing material consumed	51,440	50,812
Stores, spares and loose tools	43,116	42,990
Fuel and power	532,943	362,375
Insurance	2,185	2,139
Repairs and maintenance	10,184	11,503
Depreciation	25,542	20,824
Other production overheads	8,789	7,455
	<u>809,647</u>	<u>595,450</u>
Work in process		
Opening	31,973	175,962
Closing	(134,302)	(72,270)
	<u>(102,329)</u>	<u>103,692</u>
Cost of goods manufactured	<u>707,318</u>	<u>699,142</u>
Finished goods		
Opening	47,241	42,187
Closing	(40,387)	(77,162)
	<u>6,854</u>	<u>(34,975)</u>
	<u>714,172</u>	<u>664,167</u>
16.1 Raw materials consumed		
Opening stock of raw material	30,857	8,621
Purchases	61,988	35,261
	<u>92,845</u>	<u>43,882</u>
Closing stock of raw material	(23,943)	(6,440)
	<u>68,902</u>	<u>37,442</u>
16.2 Packing materials consumed		
Opening stock of packing material	55,150	58,025
Purchases	48,092	50,281
	<u>103,242</u>	<u>108,306</u>
Closing stock of packing material	(51,802)	(57,494)
	<u>51,440</u>	<u>50,812</u>

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

For the first quarter ended 30th September 2016

	<i>Quarter Ended</i>	
	30 Sep 2016	30 Sep 2015
----- (Rupees in '000) -----		
17. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation	<u>110,462</u>	<u>128,513</u>
Weighted average number of ordinary shares	<u>365,689,968</u>	<u>365,689,968</u>
Earnings per share in rupee - basic and diluted	<u>0.30</u>	<u>0.35</u>
18. CASH GENERATED FROM OPERATIONS		
Profit before taxation	131,151	133,635
Adjustment for:		
Depreciation	28,020	23,219
Ammortization	-	232
Finance cost on short term borrowings	16,290	13,791
Finance cost on unwinding of discount on related parties	9,507	21,819
Finance cost on unwinding of discount on deferred accrued markup	26,822	16,854
Exchange loss on bills payable	269	4,802
Gain on derecognition of financial liability	-	(60,568)
Provision for gratuity	3,753	3,754
	<u>84,661</u>	<u>23,902</u>
Operating profit before working capital changes	<u>215,812</u>	<u>157,537</u>
(Increase) in current assets		
Stores, spares and loose tools	(19,977)	(142,652)
Stock-in-trade	(85,213)	71,609
Trade debts	(27,612)	(96)
Advances and other receivables	(69,126)	(27,050)
Trade deposits	(9,987)	(11,120)
	<u>(211,915)</u>	<u>(109,309)</u>
(Decrease) / Increase in trade and other payables	<u>(10,404)</u>	<u>37,016</u>
Net cash (used in) / generated from operations	<u>(6,507)</u>	<u>85,244</u>
19. CASH AND CASH EQUIVALENTS		
Cash and bank balances (excluding term deposits)	10,500	10,492
Short term borrowings	<u>(857,477)</u>	<u>(270,977)</u>
	<u>(846,977)</u>	<u>(260,485)</u>
20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
<p>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 arms' length terms except for interest free loan from related party as disclosed in note 11. Amounts due to related parties are shown under respective note to the financial statement. Details of transactions / balances with related parties other than those disclosed elsewhere in the financial statements are as follows:</p>		

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

Quarterly Report 30th September 2016

For the first quarter ended 30th September 2016

	<i>Quarter Ended</i>	
	30 Sep 2016	30 Sep 2015
----- (Rupees in '000) -----		
Transactions with related parties		
Aisha Steel Mills Limited		
- Sale of goods	-	-
- Payment received	<u>128</u>	<u>-</u>
Safe Mix Concrete Products Limited		
- Sale of goods	<u>54,233</u>	<u>36,896</u>
- Payment received	<u>38,943</u>	<u>31,721</u>
Javedan Corporation Limited		
- Sale of goods	<u>18,606</u>	<u>5,743</u>
- Payment received	<u>22,902</u>	<u>6,223</u>
Rotocast Engineering Company (Private) Limited		
- Services received	<u>1,357</u>	<u>1,376</u>
- Payments made	<u>1,400</u>	<u>1,419</u>
Arif Habib Corporation Limited		
- Loan received	-	<u>400,000</u>
- Loan repaid	-	-
- Mark-up accrued during the period	<u>67</u>	<u>8,785</u>
- Mark-up paid	<u>67</u>	<u>67</u>
Sponsors / Directors		
- Loan received	-	-
- Loan repaid	-	-
Key management personnel		
- Remuneration and other benefits	<u>13,777</u>	<u>10,266</u>
- Advances disbursed to employees	<u>985</u>	<u>6,602</u>
- Advances repaid by employees	<u>985</u>	<u>6,565</u>
Staff retirement benefit fund		
- Charge during the period	<u>3,753</u>	<u>3,753</u>
- Contribution during the period	<u>4,550</u>	<u>1,100</u>

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

For the first quarter ended 30th September 2016

	(Un-audited) 30 Sep 2016	(Audited) 30 June 2016
	----- (Rupees in '000) -----	
Balances with related parties		
Aisha Steel Mills Limited		
- Trade receivable	<u>45</u>	<u>172</u>
Safe Mix Concrete Products Limited		
- Trade receivable	<u>39,484</u>	<u>24,194</u>
Javedan Corporation Limited		
- Trade receivable	<u>12,258</u>	<u>16,554</u>
Rotocast Engineering Company (Private) Limited		
- Rent payable	<u>439</u>	<u>482</u>
Arif Habib Corporation Limited		
- Loan payable	<u>67</u>	<u>67</u>
Sponsors / Directors		
- Loan payable	<u>1,515,500</u>	<u>1,515,500</u>
Key management personnel		
- Advances to employees	<u>6,498</u>	<u>6,407</u>
Staff retirement benefit fund		
- Payable to gratuity fund	<u>45,543</u>	<u>46,341</u>

21. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information has been authorized for issue on **28th October, 2016** by the Board of Directors.

22. GENERAL

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



CHIEF EXECUTIVE



DIRECTOR

مارکیٹ میں اضافہ سے ہم آہنگ ہے جبکہ برآمدی فروخت 29% کی شرح سے کم ہوئی۔

مستقبل کا جائزہ:

ہاوسنگ اسکیم، انڈسٹری اور پبلک سیکٹر کے بجٹ میں اضافے کے سبب سینٹ کی طلب میں حالیہ اضافہ اس انڈسٹری کے لئے نہایت حوصلہ افزا ہے۔ مثبت معاشی اشاروں کے سیکھی سینٹ کی طلب میں اضافے کی قوی امید ہے۔ تیل کی بین الاقوامی کم قیمت، بہتر سیوری اور CPEC کے سبب بھی سینٹ سیکٹر میں صحت مند نمو متوقع ہے۔ اس ہمنظر میں آپ کی کمپنی کے ڈائریکٹرز نے اپنی پیداواری صلاحیت میں یومیہ 5000 تا 8000 ٹن اضافے کا فیصلہ کیا ہے۔ اس کے علاوہ کمپنی آلودگی اور غبار کم کرنے والے یورپی آلات انسٹال کر رہی ہے۔ جس کے بعد آپ کی کمپنی ورلڈ بینک / آئی ایف سی کی مجوزہ حدود کی بھی تعمیل کر رہی ہوگی۔ اس سے نہ صرف ماحول صاف ستھرا رہے گا بلکہ پیداواری نقصانات میں بھی کمی واقع ہوگی۔ مزید یہ کہ آپ کی کمپنی بہتر کوالٹی اور پلانٹ کی بہتر کارکردگی کو بروکار لاکر اپنی موجودہ پیداواری صلاحیت سے حاصل ہونے والے نفع کو بھی بڑھانے کے لئے مصروف عمل ہے۔

اظہار تشکر

ہم ضمیر ہولڈرز، مالیاتی اداروں اور صارفین کے تعاون کے شکر گزار ہیں۔ کمپنی کے ڈائریکٹرز تمام ملازمین کی انتھک کوششوں، لگن، ٹیم ورک، وفائتاریوں، اور محنتوں کو سراہتے ہیں اور امید کرتے ہیں کہ ملازمین کی مستقل لگن کمپنی کو مضبوط رکھے گی اور مستقبل کے چیلنجز کا سامنا کرنے کے لئے تیار رکھے گی۔

بورڈ کے لئے اور اس کی طرف سے



محمد کاشف حبیب

چیف ایگزیکٹو آفسر (منتظم اعلیٰ)

28 اکتوبر 2016ء

ڈائریکٹرز کا جائزہ (ڈائریکٹرز رپورٹ):

30 ستمبر 2016 کو ختم ہونے والی پہلی سہ ماہی کے لئے آپ کی کمپنی کے ڈائریکٹرز اپنے جائزے کے ساتھ غیر آڈٹ شدہ مختصر عبوری سہ ماہی مالیاتی معلومات پیش کر رہے ہیں۔

صنعتی جائزہ:

جاری سال کی پہلی سہ ماہی کے دوران سینٹ سازی کی صنعت نے 7.43 ملین ٹن کا اضافہ ظاہر کر کے پچھلے سال کی پہلی سہ ماہی کے مقابلے میں مقامی طور پر 9.5% کی نمو دکھائی ہے۔ اسی طرح برآمدات میں بھی 1.58 ملین ٹن اضافہ ہوا ہے یعنی 5.4% کا اضافہ (نمو)۔ سہ ماہی کے لئے مجموعی طور پر 8.76% کا اضافہ ریکارڈ کیا گیا۔

ساؤتھ زون (جنوبی حصہ) میں سینٹ کمپنیز نے مقامی مارکیٹ میں پچھلے سال کے اسی عرصہ میں 1.15 ملین ٹن کے مقابلے میں 1.31 ملین ٹن سینٹ فروخت کی (یعنی 14% زیادہ) جبکہ برآمدی فروخت میں معمولی سی کمی دیکھنے میں آئی جسکی وجہ مقامی مارکیٹ میں اچھی طلب ہے۔

مالیاتی کارکردگی:

30 ستمبر 2016 کو ختم ہونے والی سہ ماہی کے لئے کمپنی کی کارکردگی کے اہم مالی نتائج کا گزشتہ سال کے اسی عرصے کے ساتھ ایک موازنہ حسب ذیل ہے:

ختم شدہ سہ ماہی		کوائف
30 ستمبر 2015ء	30 ستمبر 2016ء	
000 روپے		
857,173	930,187	محصولات فروخت
193,006	216,015	مجموعی منافع
125,531	183,770	عملی منافع
133,635	131,151	منافع قبل از ٹیکس
128,513	110,462	منافع بعد از ٹیکس
0.35	0.30	منافع فی حصص (روپے)

تعمیری محصولات کی فروخت میں گزشتہ سال کی اسی مدت کے مقابلے میں 8.5% کا اضافہ ہوا۔ جس کا سبب ترسیلات میں بڑھوتی ہے۔ جبکہ Gross Profit کم و بیش 23% پر برقرار رہا۔

کاروباری کارکردگی:

اس عرصہ کے دوران پیداوار کی تفصیلات حسب ذیل ہیں۔

ختم شدہ سہ ماہی		کوائف
30 ستمبر 2015ء	30 ستمبر 2016ء	
ٹن		
134,180	133,075	سمیٹ کی پیداوار
99,545	150,765	کلنگر کی پیداوار

متعلقہ عرصے میں پیداواری صلاحیت کا استعمال 44% سے بڑھ کر 67% تک ہوا۔

فروخت کا جائزہ:

ختم شدہ سہ ماہی		کوائف
30 ستمبر 2015ء	30 ستمبر 2016ء	
ٹن		
120,414	133,310	مقامی ترسیلات (Local Dispatches)
6,188	4,367	برآمدی ترسیلات (Export Dispatches)
126,602	137,677	کل ترسیلات (Total Dispatches)

زیر جائزہ سہ ماہی کے دوران گزشتہ سال کے اسی عرصے کے مقابلے میں مقامی فروخت میں 10.71% کے اضافہ کے ساتھ مجموعی سمیٹ ارسالات میں 11,076 ٹن (8.75%) کا اضافہ ہوا جو کہ مقامی

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





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