

Half Yearly Report **2018**
December 31,



STRENGTH
YOU CAN **TRUST**



A Group Company of



Contents

Corporate Information	02
Directors' Review	03
Auditors' Report	06
Condensed Interim Statement of Financial Position	07
Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)	08
Condensed Interim Statement of Changes in Equity (Un-audited)	09
Condensed Interim Cash Flow Statement (Un-audited)	10
Notes to the Condensed Interim Financial Information (Un-audited)	11
Directors' Review (Urdu)	27

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

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 alongwith the un-audited condensed interim financial information for the six months ended 31 December 2018.

INDUSTRY OVERVIEW

The Cement industry in Pakistan grew by 3.9% to 23.12 million tons during the period under review as compared to 22.24 million tons during the corresponding period last year.

BUSINESS PERFORMANCE

Production & sales volume performance

The production and sales volume statistics (in tons) of your Company for the six months ended 31 December 2018 together with the corresponding previous period are as under:

Particulars	Six months Ended		Variance %
	31 December 2018	31 December 2017	
	In Tons		
Cement production	307,903	311,052	(1) %
Clinker production	329,872	352,032	(6) %

Particulars	Six months Ended		Variance %
	31 December 2018	31 December 2017	
	In Tons		
Cement dispatches(Local)	305,356	311,152	(2%)
Cement dispatches(Export)	3,495	5,321	(34%)
Total Dispatches	308,851	316,473	(2%)

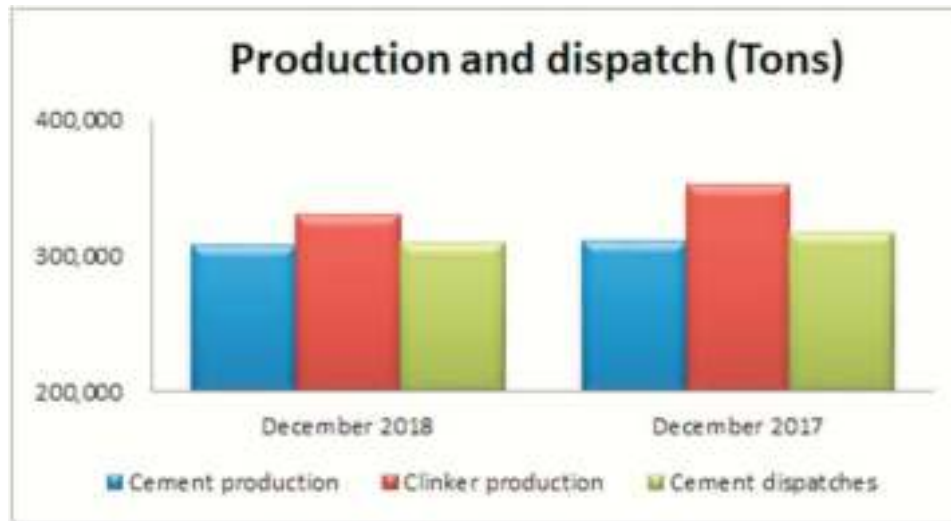
Capacity utilization stood at 73% as compared to 78% of the corresponding period, total dispatches more or less equated what was produced and stood close to that of the corresponding period.

Financial performance

An analysis of the key financial results of your Company for the six months ended 31 December 2018 is as under:

Particulars	Six months Ended	
	31 December 2018	31 December 2017
	Rs. '000	
Sales revenue	2,018,137	2,092,008
Gross profit	197,812	438,874
Net profit after tax	29,143	198,124
Earnings per share (Rupees)	0.03	0.21

A graphical analysis of production and dispatches is given hereunder:



During the period under review, the sales revenue decreased by 3%. Hefty currency depreciation and continuous hike in fuel and power costs have further deteriorated 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 91% of civil work is complete, where as mechanical and electrical erection work has been completed by up to 25%. Almost all the shipments have arrived at site. Commercial production from the new line is expected to commence during the current year.

FUTURE OUTLOOK

Domestic sales are expected to remain strong driven by robust real estate activity, higher Public Sector Development Program (PDSP) allocation as well as China-Pakistan Economic Corridor (CPEC) related construction activities and the proposed construction of dams. The industry has a great potential to tap the export market as well with the players in the South region being the main beneficiaries due to the advantage of their proximity to the port, coupled with enhanced capacities. Exports have witnessed a consistent growth in the last few quarters primarily driven by the change in Chinese economy which has now started importing 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 utilizations of the cement plants in Pakistan. In this backdrop, the Board is confident of benefiting from the expansion project it has embarked upon.

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. We thank the Ministry of Finance, Ministry of Industries & Production, the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan, the Competition Commission of Pakistan, Central Depository Company of Pakistan and the Management of Pakistan Stock Exchange for their continued support and guidance which has gone a long way in giving present shape to your Company.

The results of an organization are greatly reflective of the efforts put in by the people who work for and with the Company. The Directors fully recognize the collective contribution made by the employees of 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 audit and other committees in supporting and guiding the management on matters of great importance.

For and on behalf of the Board



Muhammad Kashif Habib
Chief Executive Officer



Nasim Beg
Chairman

Karachi: **28 February 2019**

Independent Auditor's Review Report

To the members of Power Cement Limited

Report on review of interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Power Cement Limited as at 31 December 2018 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here in referred to as "the interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Interim Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Emphasis of Matters

We draw attention to note 12.1 and 16 to the condensed interim financial information which state the reasons for recording an asset in relation to a refund claim of excise duty amounting to Rs. 182.604 million and reversal of loan from previous sponsors amounting to Rs. 115.192 million in the interim financial information. Our conclusion is not qualified in respect of these matters.

Other Matter

The figures for the quarter ended 31 December 2018 and 31 December 2017 in the interim financial information have not been reviewed and we do not express a conclusion on them.

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



Date: 28 February 2019
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

Condensed Interim Statement of Financial Position

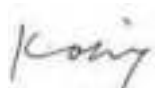
As at 31 December 2018

		(Un-audited) 31 December 2018	(Audited) 30 June 2018
----- (Rupees in '000) -----			
ASSETS	Note		
NON - CURRENT ASSETS			
Property, plant and equipment	7	26,117,022	19,843,344
Intangible assets		55	1,077
Investments	8	13,612	13,124
Long term deposits		19,635	19,635
		26,150,324	19,877,180
CURRENT ASSETS			
Stores, spares and loose tools	9	884,452	1,067,082
Stock-in-trade	10	538,542	301,909
Trade debts - considered good	11	640,670	456,212
Advances and other receivables		2,000,069	1,088,526
Trade deposits and prepayments		31,350	10,305
Tax refunds due from government	12	637,464	510,501
Short term investments		85,000	85,000
Cash and bank balances	13	1,094,647	1,120,591
		5,912,194	4,640,126
TOTAL ASSETS		32,062,518	24,517,306
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,200,000,000 (30 Jun 2018: 1,200,000,000) Ordinary shares of Rs. 10/- each		12,000,000	12,000,000
Issued, subscribed and paid-up capital			
1,063,414,434 (30 Jun 2018: 1,063,414,434) Ordinary shares of Rs. 10/- each	14	10,634,144	10,634,144
Premium on issuance of shares		750,714	750,714
Accumulated loss		(56,653)	(85,796)
		11,328,205	11,299,062
LIABILITIES			
NON - CURRENT LIABILITIES			
Long-term financing - secured	15	14,755,894	9,460,000
Deferred taxation		331,094	441,403
Staff retirement benefits		83,865	78,782
		15,170,853	9,980,185
CURRENT LIABILITIES			
Loan from previous sponsors	16	735	735
Trade and other payables	17	1,526,665	1,844,801
Unclaimed dividend		126	126
Accrued mark-up		585,790	249,507
Short-term financing - secured	18	3,450,144	1,032,890
Current portion of long term financing - secured		-	110,000
		5,563,460	3,238,059
CONTINGENCIES AND COMMITMENTS	19		
TOTAL EQUITY AND LIABILITIES		32,062,518	24,517,306

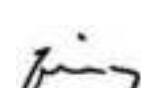
The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.



Chief Financial Officer



Chief Executive



Director

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

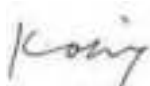
For the six months period and quarter ended 31 December 2018

	Note	Six months period ended 31 December		Quarter ended 31 December	
		2018	2017	2018	2017
(Rupees in '000)					
Sales - net	20	2,018,137	2,092,008	1,126,025	1,167,587
Cost of sales	21	(1,820,325)	(1,653,134)	(1,007,870)	(927,866)
Gross profit		197,812	438,874	118,155	239,721
Selling and distribution expenses	22	(57,392)	(67,541)	(23,358)	(32,660)
Administrative expenses	23	(78,374)	(57,175)	(39,333)	(30,016)
Other income	24	320	1,241	291	826
Other operating expense	25	(61,268)	(32,001)	(36,607)	(21,739)
		(196,714)	(155,476)	(99,007)	(83,589)
Operating profit		1,098	283,398	19,148	156,132
Finance income		10,841	66,900	9,877	34,076
Finance cost		(77,988)	(78,752)	(34,868)	(42,651)
Finance cost - net		(67,147)	(11,852)	(24,991)	(8,575)
(Loss) / profit before taxation		(66,049)	271,546	(5,843)	147,557
Taxation		95,192	(73,422)	24,013	(34,435)
Profit after taxation		29,143	198,124	18,170	113,122
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		29,143	198,124	18,170	113,122
(Rupees)					
Earnings per share - Basic and diluted		0.03	0.21	0.02	0.12

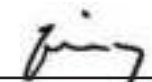
The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.



Chief Financial Officer



Chief Executive



Director

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

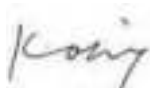
For the six months period and quarter ended 31 December 2018

	Capital reserve			Revenue reserve	Total
	Share capital	Shares premium / (discount)	Advance against shares	Accumulated profit / (loss)	
	----- (Rupees in '000) -----				
Balance as at 1 July 2017	3,656,900	(914,225)	6,049,057	(397,491)	8,394,241
Transaction with owners recorded directly in equity					
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	-	(64,350)	64,350	-	-
Issuance costs	-	-	(30,630)	-	(30,630)
Total comprehensive income for the period	5,930,658	1,418,314	(6,049,057)	-	1,299,915
Profit for the period	-	-	-	198,124	198,124
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	198,124	198,124
Balance as at 31 December 2017	9,587,558	504,089	-	(199,367)	9,892,280
Balance as at 1 July 2018	10,634,144	750,714	-	(85,796)	11,299,062
Total comprehensive income for the period					
Profit for the period	-	-	-	29,143	29,143
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	29,143	29,143
Balance as at 31 December 2018	10,634,144	750,714	-	(56,653)	11,328,205

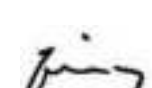
The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.



Chief Financial Officer



Chief Executive



Director

Condensed Interim Cash Flow Statement (Un-audited)

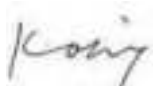
For the six months period ended 31 December 2018

	Note	Six months period ended 31 December	
		2018	2017
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / from operations	26	(398,825)	2,085
Gratuity paid		(8,218)	(9,176)
Income tax paid		(27,437)	(40,490)
Interest income on Defence Saving Certificates		-	(454)
Financial charges paid		(48,852)	(299,940)
		(84,507)	(350,060)
Cash used in operating activities		(483,332)	(347,975)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure - Project Line III		(7,035,950)	(2,750,633)
Capital expenditure - Operations		(120,638)	-
Interest received		10,353	58,771
Proceeds from sale of property, plant and equipment		475	755
Net cash used in investing activities		(7,145,760)	(2,691,107)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from rights issue		-	1,330,545
Loan from Syndicate - Project Line III		5,295,894	-
Loan repaid		(110,000)	-
Expenses incurred on issuance of right shares		-	(30,630)
Net cash generated from financing activities		5,185,894	1,299,915
Net decrease in cash and cash equivalents		(2,443,198)	(1,739,167)
Cash and cash equivalents at beginning of the period		87,701	2,701,150
Cash and cash equivalents at end of the period	27	(2,355,497)	961,983

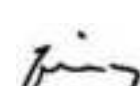
The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.



Chief Financial Officer



Chief Executive



Director

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

For the six months period ended 31 December 2018

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. 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

2.1 Statement of Compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 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 audited annual financial statements of the Company as at and for the year ended 30 June 2018.

2.1.3 The comparative condensed interim statement of financial position presented in these condensed interim financial information have been extracted from the audited annual financial information of the Company for the year ended 30 Jun 2018, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the period ended 31 December 2017.

2.1.4 This condensed interim financial information is un-audited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

2.2 Basis of Measurement

This condensed interim financial information has been prepared under the historical cost convention except for the Company's liability under its defined benefit plan (gratuity) which is determined on the present value of defined benefit obligation as determined by an independent actuary.

3. FUNCTIONAL AND PRESENTATION CURRENCY

This condensed interim financial information is presented in Pakistan Rupees which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. SIGNIFICANT 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 annual financial statements of the Company for the year ended 30 June 2018 except for the adoption of new standards effective as of 1 July 2018 as referred to in note 4.3 of this condensed interim financial information.

4.1 New standards, interpretations and amendments adopted by the Company

The Company has initially adopted IFRS 15 'Revenue from Contracts with Customers' from 1 July 2018. The impact of the adoption of the standard and the new accounting policy is disclosed in note 4.3 below. A number of other new standards are effective from 1 July 2018 but they do not have a material effect on the Company's condensed interim financial information.

4.2 Standards and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2019:

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

For the first quarter ended September 30, 2018

- IFRS 9 'Financial Instruments' and amendment - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. However SECP through its notification no. S.R.O. 229 (I)/2019 dated 14 February 2019 has deferred the applicability of IFRS 9 for reporting period/year ending on or after 30 June 2019. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on the Company's condensed interim financial information.
- IFRS 16 'Leases' (effective for annual period beginning on or after 01 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC- 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on - balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short - term leases and leases of low - value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 01 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long - term interests or 'LTI'). The amendment and accompanying example are to be applied. The amendments are not likely to have an impact on the Company's condensed interim financial information.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 01 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on an settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on the Company's condensed interim financial information.
- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS standards.
- Annual Improvements to IFRS Standards 2015 - 2017 Cycle - the improvements address amendments to following approved accounting standards:
- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale. The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on the Company's condensed interim financial information.

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

For the six months period ended 31 December 2018

4.3 Changes in accounting policy

The below explains the impact of the adoption of IFRS 15 'Revenue from Contracts with Customers' on the Company's condensed interim financial information and also discloses the new accounting policy that have been applied from 1 July 2018, where it is different to that applied in prior periods.

4.3.1 IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The Company has applied the modified retrospective method upon adoption of IFRS 15 as allowed under the Standard. This method requires the recognition of the cumulative effect (without practical expedients) of initially applying IFRS 15 to retained earnings. Accordingly, the information presented for 2017 has not been restated i.e. it is presented, as previously reported under IAS 18 and related interpretations.

The Company manufactures and contracts with customers for the sale of cement which generally include single performance obligation. Management has concluded that revenue from sale of goods be recognised at the point in time when control of the asset is transferred to the customer, which is upon the delivery of goods. Delivery occurs when the products have been shipped to the specific location and the risks of loss have been transferred to the customers. The transfer can be either in the form of acceptance by the customer of products as per the sales contract or lapse of acceptance provision or the Company has objective evidence that all criteria for acceptance have been satisfied. Invoices are generated and revenue is recognised at that point in time. Revenue is measured based on the consideration specified in a contract with a customer, net of amounts collected on behalf of third parties.

The above is generally consistent with the timing and amounts of revenue the Company recognised in accordance with the previous standard, IAS 18. Therefore, the adoption of IFRS 15 did not have an impact on the timing and amounts of revenue recognition of the Company.

Apart from providing more extensive disclosures, the application of IFRS 15 has not had a significant impact on the financial position and / or financial performance of the Company for the reasons described above. Accordingly there was no adjustment to retained earnings on application of IFRS 15 at 1 July 2018.

5. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2018.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2018.

6. SIGNIFICANT EVENTS AND TRANSACTION

The Company is undergoing a major expansion of its cement production capacity. During the current year, the Company has incurred costs of Rs. 6,237 million on the new cement production line.

Refer note 7.2 to this financial information.

7. PROPERTY, PLANT AND EQUIPMENT

Operating assets
Capital work in progress - Project Line III
Capital work in progress - Existing
Capitalisable stores and spares

Note

	(Un-audited) 31 December 2018	(Audited) 30 June 2018
	(Rupees in '000)	
	5,172,063	5,110,695
	20,842,353	14,604,791
	-	5,797
	102,606	122,061
	26,117,022	19,843,344

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

For the six months period ended 31 December 2018

	(Un-audited) 31 December 2018	(Audited) 30 June 2018
	(Rupees in '000)	
7.1 Operating assets		
Opening written down value	5,110,695	4,912,987
Additions during the period / year - at cost		
Plant and machinery	97,347	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	2,867	28,721
Computers and peripherals	2,103	7,432
Office equipment	716	15,866
Furniture and fixtures	7,643	5,447
Vehicles	23,002	17,596
	140,093	348,820
Written down value of deletions during the period / year	(227)	(1,319)
Depreciation for the period / year	(78,498)	(149,793)
	(78,725)	(151,112)
Closing written down value	5,172,063	5,110,695
7.2 Capital Work in progress - Project Line III		
Opening balance	14,604,791	235,751
Additions	6,237,562	14,369,040
Closing balance	20,842,353	14,604,791
7.3 Capitalisable stores and spares		
Opening balance	122,061	99,738
Additions during the period / year	40,917	107,278
Transferred to property, plant and equipment	(60,372)	(84,955)
Closing balance	102,606	122,061

8. INVESTMENTS**8.1 Held to maturity**

This represents Defence Saving Certificates (DSCs) with a period of 10 years having maturity in 2026. These carry mark-up at effective interest rate of 7.44% per annum. These DSCs are pledged with the Nazim of Sindh High Court as disclosed in note 23.1.9 of annual financial statements for the year ended 30 June 2018.

	(Un-audited) 31 December 2018	(Audited) 30 June 2018
	(Rupees in '000)	
9. STORES, SPARES AND LOOSE TOOLS		
Stores	259,643	291,863
Coal	255,080	410,011
Spare parts	377,583	371,631
Loose tools	5,665	7,096
	897,971	1,080,601
Provision for slow moving / obsolete stock	(13,519)	(13,519)
	884,452	1,067,082

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

For the six months period ended 31 December 2018

		(Un-audited) 31 December 2018	(Audited) 30 June 2018
		(Rupees in '000)	
10. STOCK-IN-TRADE	Note		
Raw material		21,736	14,883
Packing material		57,826	47,596
Work-in-process		394,768	173,256
Finished goods		64,212	66,174
		538,542	301,909
11. TRADE DEBTS - Considered good			
Unsecured			
- Due from related parties	11.1	281,847	192,319
- Others		369,964	270,193
		651,811	462,512
Less: Provision for doubtful debts		(11,141)	(6,300)
		640,670	456,212
11.1 The related parties from whom the debts are due are as under :			
Javedan Corporation Limited		26,129	30,918
Safe Mix Concrete Products Limited		255,718	161,123
Aisha Steel Mills Limited		-	278
		281,847	192,319
12. TAX REFUND DUE FROM GOVERNMENT			
Income tax refundable/adjustable		445,008	318,045
Sales tax refundable		2,989	2,989
Excise duty receivable	12.1 & 12.2	189,467	189,467
		637,464	510,501

- 12.1** From 1993-94 to 1998-99, excise duty was levied and recovered from the Company being wrongly worked out on retail price based on misinterpretation of sub section 2 of section 4 of the Central Excise Act, 1944 by Central Board of Revenue. Such erroneous basis of working of excise duty has been held, being without lawful authority, by the Honourable Supreme Court of Pakistan as per its judgment dated February 15, 2007. Accordingly, the Company filed an application to the Collector of Federal Excise and Sales Tax to refund the excess excise duty amounting to Rs.182.604 million.

The refund was however, rejected by Collector of Appeals vide order in appeal number 01 of 2009 dated 19 March 2009 and Additional Collector, Customs, Sales tax and Federal excise vide its order in original number 02 of 2009 dated 24 January 2009 primarily based on the fact that the Company has failed to discharge the burden of proof to the effect that incidence of duty had not been passed on to the customers of the Company. Accordingly, the Company filed an appeal before the Learned Appellate Tribunal Inland Revenue (ATIR) regarding CED which, vide its order dated 23 May 2012 held that the requisite documents proving the fact that the incidence of duty had not been passed to the customers of the Company has been submitted by the Company and therefore the Company has discharged its onus. Based on the foregoing the original order number 01 of 2009 dated 19 March 2009 and order number 02 of 2009 dated 24 January 2009 were set aside by ATIR and appeal was allowed.

Based on the decision by ATIR and the tax advisor's opinion that the refund claim is allowed to the company, the company recorded the refund claim receivable with a corresponding credit to the profit & loss account. The matter has been challenged by the Tax department in the High Court. However, the management based on legal advisor's opinion is confident of a favourable outcome. The Company is actively pursuing the matter for the settlement of the said refund claim.

- 12.2** The Company received an order from Additional Collector, Hyderabad vide order no. 22 of 2000 alleging that Central Excise Duty of Rs. 6.863 million was not paid on certain sales for the years 1995-1996 and 1996-1997. The said amount was paid by the Company, however, a corresponding receivable was recorded. The Company filed an appeal in Honourable Sindh High Court which was rejected vide order dated 29 May 2007. The Company then filed a petition in Honourable Supreme Court of Pakistan which was disposed off vide order dated 18 July 2011 with the permission to approach the Court of Civil jurisdiction. Accordingly, a civil suite was filed by the Company challenging the order of Deputy Collector of Customs, Central Excise & Sales Tax, Hyderabad. The management in consultation with its lawyer is confident that the outcome of the case would be in favour of the Company and that the amount deposited above would be recovered.

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

For the six months period ended 31 December 2018

13. CASH AND BANK BALANCES	Note	(Un-audited)	(Audited)
		31 December 2018	30 June 2018
----- (Rupees in '000) -----			
Cash in hand		724	781
Cash with banks:			
- In current accounts		322,424	31,671
- In savings accounts	13.1	771,499	938,139
- Term deposits	13.2	-	150,000
		<u>1,094,647</u>	<u>1,120,591</u>

13.1 These accounts are maintained under profit and loss sharing arrangements with Islamic banks at rates ranging from 4.5% - 10.5% (30 June 2018: 3% - 6.5%).

13.2 This includes term deposit certificate with local banks and carry profit at declared rates of 3.14% - 7.2%. (30 June 2018: 3.14% - 6.65%)

14. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

(Un-audited)	(Audited)	Note	(Un-audited)	(Audited)
31 December 2018	30 June 2018		31 December 2018	30 June 2018
----- (Number of Shares) -----			----- (Rupees in '000) -----	
		Fully paid ordinary shares of Rs. 10 each issued:		
1,051,234,846	1,051,234,846	For cash	10,512,348	10,512,348
840,000	840,000	For consideration other than cash	8,400	8,400
11,339,588	11,339,588	Bonus shares	113,396	113,396
<u>1,063,414,434</u>	<u>1,063,414,434</u>		<u>10,634,144</u>	<u>10,634,144</u>

15. LONG TERM FINANCING - secured

Long Term Loan - Existing Operations	15.1 & 15.2	-	110,000
Less: Current maturity shown under current liabilities		-	(110,000)
		-	-
Long Term Loan - Project Line III	15.3	14,755,894	9,460,000
Total Long Term Loan		<u>14,755,894</u>	<u>9,460,000</u>

15.1 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 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 was 6 month KIBOR + 0% per annum and after 3.5 years i.e. 23 December 2013 to 23 December 2018, the mark up was 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 23 June 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 23 December 2014 has been repaid on 23 June 2018.

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

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

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

For the six months period ended 31 December 2018

- 15.2** 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.
- 15.3** 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, for the ongoing expansion project of 7,700 TPD, led by NBP as Investment Agent (30 June 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 instalments including both principal and mark-up. The facility carries mark - up at the rate of 6 months KIBOR plus 2.25% (30 June 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 16 July 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. 1,444 million (30 June 2018: Rs. 6,740 million).

16. LOAN FROM PREVIOUS SPONSORS

The management of the Company was taken over by purchasing controlling shareholding during the year 2005. One of the condition of takeover of the management from the previous sponsors was that the amount payable in respect of this loan was required to be adjusted in respect of any differences in the value of assets and/or unrecorded liabilities. However, due to dispute regarding existence of certain assets, unrecorded liabilities etc., the final amount of the previous sponsor's loan remained undetermined and unsettled and the matter was referred for arbitration as per the Share Purchase Agreement between the management and the previous sponsors. The amount outstanding as at 30 June 2012 amounted to Rs.115.927 million i.e. Rs. 234.076 million net off with unavailable stores and spares of Rs. 118.149 million.

In 2013, the arbitrator decided in favour of the Company and determined an amount of Rs. 0.735 million to be paid by the Company. The award has been sent to the Registrar High Court of Sindh for making the award a rule of Court. The management, based on its lawyers' advice is of the opinion that despite of objection filed by the previous sponsors against the arbitration award, the Company has strong grounds considering the fact that the Arbitration Award has been announced in the Company's favour and the arbitration award will be made a rule of Court. Accordingly, the management had reversed the liability with a corresponding credit in the profit & loss account. However, as previous sponsors filed objections to the award, the matter is disclosed as a contingent liability.

17. TRADE AND OTHER PAYABLES

	(Un-audited) 31 December 2018	(Audited) 30 June 2018
	(Rupees in '000)	
Trade creditors	274,471	276,831
Project Line III creditors	645,819	695,199
Bills payable	179,783	565,068
Accrued liabilities	84,154	82,676
Royalty payable on raw material	1,106	964
Excise duty payable on raw material	3,055	4,065
Advances from customers	76,351	68,508
Retention money payable	1,427	1,427
Federal Excise Duty payable	80,303	9,238
Workers' Welfare Fund	5,012	5,012
Workers' Profit Participation Fund	-	86,217
Withholding tax payable	148,962	23,815
Leave encashment payable	25,285	22,716
Others	937	3,065
	1,526,665	1,844,801

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

For the six months period ended 31 December 2018

	Note	(Un-audited)	(Audited)
		31 December 2018	30 June 2018
----- (Rupees in '000) -----			
18. SHORT TERM FINANCING - secured			
Conventional			
Running finances	18.1	200,144	32,890
Islamic			
Istisna / Running Musharaka	18.2	3,250,000	1,000,000
		3,450,144	1,032,890

18.1 This represents short-term running finance facilities from various banks amounting to Rs. 300 million (30 June 2018: Rs. 300 million). These carry applicable mark - up at the rate ranging between 3 months KIBOR plus 1% to 3 months KIBOR plus 1.5% (30 June 2018: 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 April 2019 to June 2019 and are renewable. These are secured by first pari passu charge against current & fixed assets of the Company.

The aggregate amount of aforementioned facilities which has not been availed as at the reporting date amounts to Rs. 99.86 million (30 June 2018: Rs. 267.11 million).

18.2 This represents facilities amounting to Rs. 3,750 million (30 June 2018: Rs. 3,700 million) repayable with a maximum tenure of 180 days from the date of disbursement. It carries applicable profit at the rates ranging from KIBOR plus 1% to KIBOR plus 2.5% (30 June 2018: KIBOR plus 1% to KIBOR plus 2.5%). These facilities have been obtained on annually renewable basis. As at the reporting date unavailed amount under these facilities amount to Rs.500 million (30 June 2018: Rs. 2,700 million). These are secured by first pari passu charge against current & fixed assets of the Company.

18.3 The Company also has unfunded facilities from various banks amounting to Rs.1,050 million (30 June 2018: Rs. 1,000 million)

19. CONTINGENCIES AND COMMITMENTS**19.1 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 30 June 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 on 2 April 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 23.1.14 - 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 1 February 2019.

	(Un-audited)	(Audited)
	31 December 2018	30 June 2018
----- (Rupees in '000) -----		
19.2 Commitments		
Commitments against open letter of credit for:		
Coal	305,947	568,747
Clinker plant project	186,306	1,440,904
Cement production and dispatch project	-	429,953
Stores and spares	31,509	79,436
	523,762	2,519,040
Commitments against capital expenditures	3,453,593	6,238,007
Commitments against letters of guarantees	1,610,500	1,610,500
Commitment against purchase of land	61,370	61,370
Ijarah rentals	29,850	17,722
Supervisory fees	701,831	690,076
	6,380,906	11,136,715

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

For the six months period ended 31 December 2018

	(Un-audited)	
	Six months period ended	
	31 December	
	2018	2017
	(Rupees in '000)	
20. SALES - NET		
Local	2,951,387	2,934,633
Export	34,948	44,566
	2,986,335	2,979,199
Less :		
Sales tax	(510,164)	(498,251)
Federal excise duty	(458,034)	(388,940)
	(968,198)	(887,191)
	2,018,137	2,092,008

20.1. Disaggregation of revenue

As required for the condensed interim financial information, the Company disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

In the following table, revenue is disaggregated by major product lines:

	(Un-audited)	
	Six months period ended	
	31 December	
	2018	2017
	(Rupees in '000)	
Major Product Lines:		
Ordinary Portland Cement	1,880,601	1,909,980
Sulphate Resistant Cement	137,536	148,487
Slag	-	33,541
	2,018,137	2,092,008
21. COST OF SALES		
Salaries, wages and other benefits including retirement benefits	157,307	155,887
Raw materials consumed	106,569	107,455
Packing material consumed	144,898	119,647
Stores, spares and loose tools	102,409	112,430
Fuel and power	1,399,652	1,209,406
Insurance	5,323	6,085
Repairs and maintenance	29,143	55,779
Depreciation	68,497	66,699
Other production overheads	26,077	7,460
	2,039,875	1,840,848
Work in process		
Opening	173,256	73,846
Closing	(394,768)	(287,001)
	(221,512)	(213,155)
Cost of goods manufactured	1,818,363	1,627,693
Finished goods		
Opening	66,174	101,721
Closing	(64,212)	(76,280)
	1,962	25,441
	1,820,325	1,653,134

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

For the six months period ended 31 December 2018

	(Un-audited)	
	Six months period ended 31 December	
	2018	2017
	----- (Rupees in '000) -----	
22. SELLING AND DISTRIBUTION EXPENSES		
Salaries, wages and other benefits including retirement benefits	23,042	17,565
Export expenses	13,243	22,215
Advertisement	2,903	4,780
Depreciation	1,895	1,872
Marking fee	3,231	1,903
Incentives and commission on local sales	10,369	17,406
Others	2,709	1,800
	57,392	67,541
23. ADMINISTRATIVE EXPENSES		
Salaries, wages and other benefits including retirement benefits	23,230	20,819
Travelling and conveyance	1,479	-
Printing and stationery	2,211	2,164
Repair and maintenance	1,142	278
Legal and professional charges	2,326	641
Auditor's remuneration	951	1,225
Rent, rates and taxes	10,173	3,941
Advertisement	730	194
Postage, telephone and telegram	2,508	2,232
Entertainment	2,795	1,838
Ijarah payments	4,830	1,085
Fees and subscription	6,027	6,359
Provision for doubtful debt	4,841	-
Depreciation and Amortisation	9,128	11,020
Charity and donation	2,567	1,836
Miscellaneous	3,436	3,543
	78,374	57,175
24. OTHER INCOME		
Gain on disposal of fixed assets	248	450
Scrap sales	72	791
	320	1,241
25. OTHER OPERATING EXPENSES		
Workers' Welfare Fund	-	4,884
Exchange loss	38,542	12,733
Workers' Profit Participation Fund	22,726	14,384
	61,268	32,001
26. CASH (USED IN) / FROM OPERATIONS		
(Loss) / profit before taxation	(66,049)	271,546
Adjustment for:		
Depreciation and amortization	79,520	79,591
Finance cost on short term financing	73,416	37,014
Finance cost on long term financing - Operations	4,572	41,738
Exchange loss on bills payable	38,542	12,733
Gain on disposal of fixed assets	(248)	(450)
Finance income	(10,841)	(66,900)
Provision for gratuity	13,301	7,260
	198,262	110,986
Operating profit before working capital changes	132,213	382,532
Decrease / (Increase) in current assets		
Stores, spares and loose tools	182,630	99,589
Stock-in-trade	(236,633)	(187,793)
Trade debts	(184,458)	(208,055)
Advances and other receivables	35,963	8,877
Trade deposits and prepayments	(21,045)	(7,706)
	(223,543)	(295,088)
Decrease in trade and other payables	(307,495)	(85,359)
Net cash (used in) / from operations	(398,825)	2,085

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

For the six months period ended 31 December 2018

		(Un-audited) Six months period ended 31 December	
		2018	2017
		----- (Rupees in '000) -----	
27. CASH AND CASH EQUIVALENTS	Note		
Cash and bank balances	13	1,094,647	2,440,814
Short term financing	18	(3,450,144)	(1,478,831)
		(2,355,497)	961,983

28. MEASUREMENT OF FAIR VALUES

The table below shows analysis of financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

		As at 31 December 2018 (Un-audited)						Fair value				
		Carrying value						Level				
		Held for trading	Available for sale	Held to maturity	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----										
Financial assets not measured at fair value												
Defence savings certificates	28.1	-	-	13,612	-	-	-	13,612				
Long term deposits	28.1	-	-	-	19,635	-	-	19,635				
Trade debts	28.1	-	-	-	640,670	-	-	640,670				
Advances and other receivables	28.1	-	-	-	2,000,069	-	-	2,000,069				
Trade deposits and prepayments	28.1	-	-	-	31,350	-	-	31,350				
Tax refunds due from government	28.1	-	-	-	637,464	-	-	637,464				
Short term investments	28.1	-	-	-	85,000	-	-	85,000				
Cash and bank balances	28.1	-	-	-	1,094,647	-	-	1,094,647				
		-	-	13,612	4,508,835	-	-	4,522,447				
Financial liabilities not measured at fair value												
Long-term financing	28.1	-	-	-	-	-	14,755,894	14,755,894				
Current portion of long term financing	28.1	-	-	-	-	-	-	-				
Loan from previous sponsors	28.1	-	-	-	-	-	735	735				
Trade and other payables	28.1	-	-	-	-	-	1,526,665	1,526,665				
Unclaimed dividend	28.1	-	-	-	-	-	126	126				
Mark-up accrued	28.1	-	-	-	-	-	585,790	585,790				
Short-term financing	28.1	-	-	-	-	-	3,450,144	3,450,144				
		-	-	-	-	-	20,319,354	20,319,354				
		----- (Rupees in '000) -----										
		As at 30 June 2018 (Audited)						Fair value				
		Carrying value						Level				
		Held for trading	Available for sale	Held to maturity	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----										
Financial assets not measured at fair value												
Defence saving certificates	28.1	-	-	13,124	-	-	-	13,124				
Long term deposits	28.1	-	-	-	19,635	-	-	19,635				
Trade debts	28.1	-	-	-	456,212	-	-	456,212				
Advances and other receivables	28.1	-	-	-	1,088,526	-	-	1,088,526				
Trade deposits and prepayments	28.1	-	-	-	10,305	-	-	10,305				
Tax refunds due from government	28.1	-	-	-	510,501	-	-	510,501				
Short term investments	28.1	-	-	-	85,000	-	-	85,000				
Cash and bank balances	28.1	-	-	-	1,120,591	-	-	1,120,591				
		-	-	13,124	3,290,770	-	-	3,303,894				
Financial liabilities not measured at fair value												
Long-term financing	28.1	-	-	-	-	-	9,460,000	9,460,000				
Current portion of long term financing	28.1	-	-	-	-	-	110,000	110,000				
Loan from previous sponsors	28.1	-	-	-	-	-	735	735				
Trade and other payables	28.1	-	-	-	-	-	1,844,801	1,844,801				
Unclaimed dividend	28.1	-	-	-	-	-	126	126				
Mark-up accrued	28.1	-	-	-	-	-	249,507	249,507				
Short-term financing	28.1	-	-	-	-	-	1,032,890	1,032,890				
		-	-	-	-	-	12,698,059	12,698,059				

28.1 These financial assets and liabilities are for short term or repriced over short term. Therefore their carrying amounts are reasonable approximation of fair value.

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

For the six months period ended 31 December 2018

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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) Six months period ended 31 December	
	2018	2017
	-----Rupees in'000-----	
Transactions with related parties		
Aisha Steel Mills Limited		
- Sale of goods	1,473	636
- Payment received	1,752	662
Safe Mix Concrete Limited		
- Sale of goods	210,695	162,178
- Payment received	116,100	75,100
Javedan Corporation Limited		
- Sale of goods	31,187	49,999
- Payment received	35,976	38,870
Rotocast Engineering Company (Private) Limited		
- Services received	7,225	2,875
- Rent accrued	3,190	-
- Payments made	8,197	2,909
Arif Habib Corporation Limited		
- Guarantee commission accrued during the period	-	41
- Guarantee commission paid	-	108
EFU Life Assurance Limited		
-Services received	2,357	14,901
-Payments made	2,357	9,921
FLSmith A/S		
- Purchase of goods	1,852,825	-
- Payment made	1,852,825	-
Fatima Packaging Limited		
- Purchase of goods	10,301	-
- Payment made	4,278	-
Key management personnel		
-Remuneration and other benefits (2017 : Restated)	85,492	71,544
-Advances disbursed to employees	-	778
-Advances repaid by employees	1,111	663
Staff retirement benefit fund		
-Charge during the period	13,301	7,261
-Contribution during the period	8,218	9,277

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

For the six months period ended 31 December 2018

	(Un-audited) 31 December 2018	(Audited) 30 June 2018
-----Rupees in'000-----		
Balances with related parties		
Aisha Steel Mills Limited		
- Trade receivable	-	278
Safe Mix Concrete Limited		
- Trade receivable	255,718	161,123
Javedan Corporation Limited		
- Trade receivable	26,090	30,879
- Other receivable	39	39
Rotocast Engineering Company (Private) Limited		
- Amount payable against services received	2,685	467
Fatima Packaging Limited		
- Amount payable against purchase of goods	6,023	-
Key management personnel		
- Advances to employees	32,240	33,262
Staff retirement benefit fund		
- Payable to gratuity fund	83,865	78,782

30. OPERATING SEGMENTS

- 30.1 This condensed interim financial information have been prepared on the basis of single reporting segment.
- 30.2 Revenue from sale represents 100% (2018: 100%) of the total revenue of the Company.
- 30.3 99% (30 June 2018; 98%) sales of the Company relates to customers in Pakistan.
- 30.4 All non-current assets of the Company as at 31 December 2018 are allocated in Pakistan.

31. GENERAL**Corresponding Figures**

The fourth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. Accordingly, the corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017. Following major reclassifications have been made during the period other than disclosed elsewhere in these condensed interim financial information.

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

For the six months period ended 31 December 2018

Description	Reclassified from	Reclassified to	31 December
Selling and distribution expenses	Others	Advertisement expense (presented as separate line item)	4,780

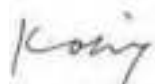
Corresponding figure for salaries and benefits disclosed under transactions with key management personnel (Note - 27) has been recalculated based on the definition of Executive as per Companies Act, 2017.

32. DATE OF AUTHORIZATION FOR ISSUE

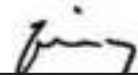
This condensed interim financial information has been authorized for issue on **28 February 2019** by the Board of Directors.



Chief Financial Officer



Chief Executive



Director

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 جنہوں نے پیداواری لاگت کو کم ترین سطح پر رکھنے میں کامیابی حاصل کی ہے۔ فی الوقت 7,700TPD لائن کا تعمیراتی کام پورے زور شور کے ساتھ جاری ہے اور تقریباً 91% سول ورکس مکمل کیا جا چکا ہے۔ جبکہ دوسری جانب مکینیکل اور الیکٹریکل کا تعمیراتی کام 25% تک مکمل کیا جا چکا ہے۔ تقریباً تمام ٹیمٹس 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۔

مستقبل پر نظر

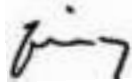
ریٹیل اسٹیٹ بینکر میں زبردست سرگرمیوں، ہائر پبلک سیکٹر ڈیولپمنٹ پروگرام (PSDP) اور پاک چین معاشی راہداری (CPEC) میں بڑے پیمانے پر جاری تعمیراتی سرگرمیوں اور مجوزہ ڈیموں کی تعمیرات کے پیش نظر اس بات کی امید ہے کہ مقامی سطح پر سیمنٹ کی طلب میں زبردست اضافے کا رجحان برقرار رہے گا۔ سیمنٹ کی صنعت میں یہ صلاحیت پائی جاتی ہے کہ برآمدات کی مدد 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۔ گزشتہ چند سہ ماہیوں 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 درآمد کیا جا رہا ہے جو کہ ماضی میں بذات خود سیمنٹ کا ایک بڑا برآمد 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۔ 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 بھرپور فائدہ اٹھایا جائے گا۔

اظہار تشکر

ڈائریکٹرز 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 بھرپور 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۔ ڈائریکٹرز 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۔

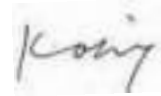
برائے و از بورڈ



نسیم

چیرمین

کراچی: 28 فروری 2019



محمد کاشف حبیب

چیف ایگزیکٹو آفیسر

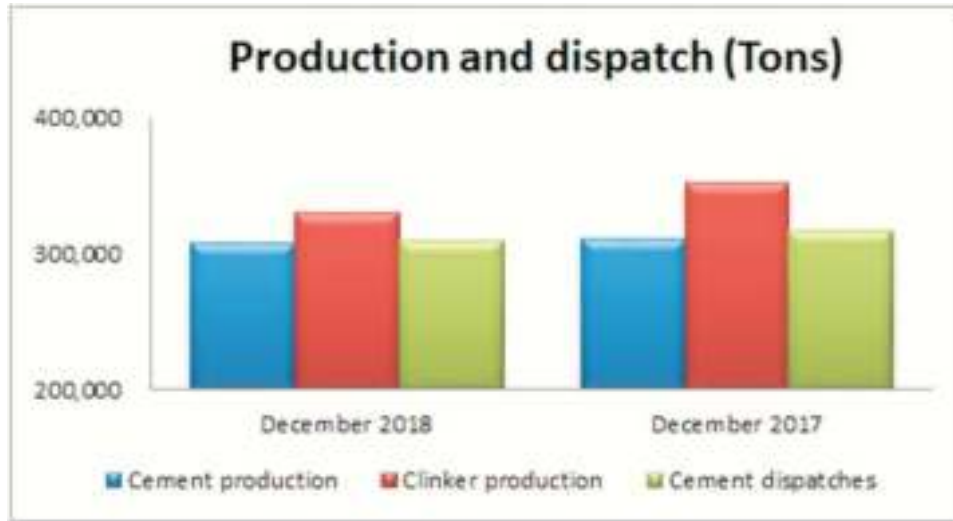
زیر نظر سہ ماہی کے دوران پیداواری صلاحیت کا 73% زیر استعمال لایا جا سکا جبکہ گزشتہ سال کی پہلی سہ ماہی کے دوران 78% پیداواری صلاحیت زیر استعمال لائی گئی تھی، کل ترسلا کم و بیش پیداوار کے مساوی رہیں اور یہ مقدار گزشتہ سال کی پہلی ششماہی کے قریب قریب ہی ہے۔

مالیاتی کارکردگی

آپ کی کمپنی کی جانب سے 31 دسمبر 2018 کو ختم ہونے والی پہلی ششماہی کے دوران پیش کی جانے والی مالیاتی کارکردگی کی اہم جھلکیاں بہمقابلہ گزشتہ سال کی پہلی ششماہی ذیل میں پیش کی جا رہی ہیں:

ششماہی اختتامیہ		کوائف
31 دسمبر 2017	31 دسمبر 2018	
-/000 روپے میں		
2,092,008	2,018,137	محصولات فروخت
438,874	197,812	مجموعی منافع
198,124	29,143	منافع از ٹیکس
0.21	0.03	آمدن فی حصص (روپے)

زیر نظر عرصے کے دوران آمدن از فروخت میں 3% کا اضافہ درج کیا گیا ہے تاہم روپے کی قدر میں زبردستی کمی اور ایندھن و توانائی کی قیمتوں میں اضافے کے باعث کمپنی کی منفعت دباؤ کا شکار رہی ہے۔



ڈائریکٹرز کا جائزہ:

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2018 کو ختم ہونے والی پہلی ششماہی سے متعلق اپنی جائزہ رپورٹ بمعہ غیر آڈٹ شدہ مرتکز و عبوری مالیاتی دستاویزات آپ کی خدمت میں پیش کر رہے ہیں۔

صنعتی جائزہ

زیر نظر عرصے کے دوران پاکستان میں سیمنٹ کی صنعت میں 23.12 ملین ٹن پیداوار کے ساتھ 3.9% کی شرح نمو درج کی گئی ہے جبکہ گزشتہ مالی سال میں اسی عرصے کے دوران پیداوار 22.24 ملین ٹن درج کی گئی ہے۔

کاروباری جائزہ

کارکردگی برائے پیداوار و فروخت بلحاظ حجم

رواں مالی سال کے دوران 31 دسمبر 2018 کو ختم ہونے والی پہلی ششماہی کی بابت آپ کی کمپنی سے متعلق شماریات (ٹنوں میں) برائے پیداوار و فروخت کو گزشتہ سال کی پہلی ششماہی کے مد مقابل ذیل میں پیش کیا جا رہا ہے:















تغیر %	ششماہی اختتامیہ		کوائف
	31 دسمبر 2017	31 دسمبر 2018	
	ٹن		
(1) %	311,052	307,903	سیمنٹ کی پیداوار
(6) %	352,032	329,872	کلنکر کی پیداوار

تغیر %	ششماہی اختتامیہ		کوائف
	31 دسمبر 2017	31 دسمبر 2018	
	ٹن		
(2) %	311,152	305,356	سیمنٹ کی ترسیل (مقامی)
(34) %	5,321	3,495	سیمنٹ کی ترسیل (برآمدی)
(2) %	316,473	308,851	کل ترسیل



**Be aware, Be alert,
Be safe**
Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered
-  Stock trading simulator (based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama-Punji is an Investor Education Institute of Securities and Exchange Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices



Power Cement Limited

Arif Habib Centre,
23, M.T. Khan Road, Karachi
Ph: 021-32468231-8
www.powercement.com.pk