

Quarterly Report **2018**
September 30,



STRENGTH
YOU CAN **TRUST**



A Group Company of



ARIF HABIB GROUP

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Corporate Information

Board of Directors

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

Audit Committee

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

HR & Remuneration Committee

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

Chief Financial Officer & Company Secretary

Mr. Tahir Iqbal

External Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisor

HaiderMota BNR

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
Standard Chartered Bank (Pakistan) 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 along with the un-audited condensed interim financial information for the first quarter ended September 30, 2018.

INDUSTRY OVERVIEW

The local market in the South Zone, where your Company is situated, registered a growth of 21.51% whereas exports increased by a staggering 212%. Domestic dispatches were 1.87 million tons and exports were 1.04 million tons. As a result, the South Zone closed at total dispatches of 2.91 million tons recording a net growth of 56%. On the other hand, the North Zone's domestic demand decreased by 4.94% and export demand for the same period declined by 21.58% recording a net decline of 6.8% as compared to the corresponding period.

Cumulatively, the Cement industry closed the first quarter of this financial year on a moderate note growing by 4.48% i.e. 10.81 million tons were dispatched as compared to 10.35 million tons during the corresponding period of the last year.

BUSINESS PERFORMANCE

Production & sales volume performance

The production and sales volume statistics (in tons) of your Company for the first quarter ended September 30, 2018 together with the corresponding period is as under:

Particulars	First Quarter Ended		Variance %
	September 30 2018	September 30 2017	
	In Tons		
Cement production	134,102	138,631	(3 %)
Clinker production	171,536	185,303	(7 %)

Particulars	First Quarter Ended		Variance %
	September 30 2018	September 30 2017	
	In Tons		
Cement dispatches(Local)	134,519	137,619	(2%)
Cement dispatches(Export)	2,325	2,026	15%
Total Dispatches	136,844	139,645	(2%)

Capacity utilization stood at 76% as compared to 82% of the corresponding period, however, due to increased competition in the market caused by enhanced and new capacities in the South Zone, total dispatches stood close to that of the corresponding period.

FINANCIAL PERFORMANCE

An analysis of the key financial results of your Company for the first quarter ended September 30, 2018 is as under:

Particulars	Quarter Ended	
	September 30 2018	September 30 2017
	Rs. '000	
Sales revenue	892,112	924,421
Gross profit	79,657	199,151
Net profit after tax	10,973	85,002
Earnings per share (Rupees)	0.01	0.09

During the period under review, the sales revenue decreased by 3%. Profitability remained under pressure due to enhanced levies, falling rupee and increasing fuel and power costs.

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, civil work is at an advanced stage of completion and the mechanical and electrical erection work of the new 7,700 TPD line has also commenced at the plant site.

FUTURE OUTLOOK

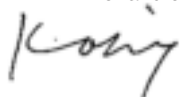
Domestic sales are expected to remain strong on the back of private, as well as public sector construction projects, including the mega infrastructure development projects under the China-Pakistan Economic Corridor (CPEC), the proposed construction of dams and the Government sponsored housing schemes. 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 Philippines are also likely to contribute to a higher capacity utilizations of the cement plants in Pakistan. In this backdrop, the Board is fully confident of benefiting from the expansion project it has embarked upon.

ACKNOWLEDGEMENT

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

The results of an organization are greatly reflective of the efforts put in by the people who work for and with the Company. The Directors fully recognize the collective contribution made by the employees of the Company and 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: **October 27, 2018**

Condensed Interim Statement of Financial Position

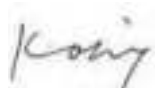
As at September 30, 2018

	Note	(Un-audited) 30 Sep 2018	(Audited) 30 June 2018
----- (Rupees in '000) -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	25,562,584	19,843,344
Intangible assets		306	1,077
Investments		13,351	13,124
Long term deposits		19,635	19,635
		25,595,876	19,877,180
CURRENT ASSETS			
Stores, spares and loose tools		945,791	1,067,082
Stock-in-trade	5	533,189	301,909
Trade debts		555,630	456,212
Advances and other receivables		1,230,355	1,088,526
Trade deposits and prepayments		24,077	10,305
Tax refunds due from government		510,501	510,501
Short term investments		84,000	84,000
Cash and bank balances	6	751,841	1,121,591
		4,635,384	4,640,126
TOTAL ASSETS		30,231,260	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	7	10,634,144	10,634,144
Premium on issuance of shares		750,714	750,714
Accumulated loss		(74,823)	(85,796)
		11,310,035	11,299,062
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing	8	12,080,830	9,460,000
Deferred taxation		365,917	441,403
Staff retirement benefits		80,752	78,782
		12,527,499	9,980,185
CURRENT LIABILITIES			
Loan from previous sponsors		735	735
Trade and other payables	9	3,576,970	1,844,801
Unclaimed Dividend		126	126
Accrued mark-up		245,801	249,507
Short-term financing	10	2,460,094	1,032,890
Current portion of long term financing		110,000	110,000
		6,393,726	3,238,059
CONTINGENCIES AND COMMITMENTS	11		
TOTAL EQUITY AND LIABILITIES		30,231,260	24,517,306

The annexed notes from 1 to 18 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)

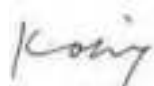
For the first quarter ended September 30, 2018

		Quarter Ended	
		30 Sep 2018	30 Sep 2017
		----- (Rupees in '000) -----	
Sales - net	12	892,112	924,421
Cost of sales	13	(812,455)	(725,270)
Gross profit		79,657	199,151
Selling and distribution expenses		(34,034)	(34,881)
Administrative expenses		(39,041)	(27,159)
Other income		29	415
Other operating expenses		(24,661)	(10,260)
		(97,707)	(71,886)
Operating profit		(18,050)	127,266
Finance income		964	32,824
Finance costs		(43,120)	(36,101)
Finance costs - net		(42,156)	(3,277)
Profit before taxation		(60,206)	123,989
Taxation		71,179	(38,987)
Profit after taxation		10,973	85,002
Other comprehensive income		-	-
Total comprehensive income for the period		10,973	85,002
		----- (Rupee) -----	
Earnings per share - basic and diluted		0.01	0.09

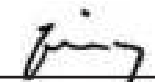
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Chief Financial Officer



Chief Executive



Director

Condensed Interim Cash Flow Statement (Un-audited)

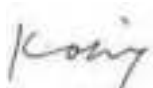
For the first quarter ended September 30, 2018

		Quarter Ended	
		30 Sep 2018	30 Sep 2017
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	14	1,407,572	(75,082)
Gratuity paid		(7,120)	-
Income tax paid		(14,715)	(11,050)
Financial charges paid		(5,066)	(14,009)
		(26,901)	(25,059)
Net cash generated from / (used in) operating activities		1,380,671	(100,141)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure - Operations		(51,064)	(74,255)
Capital expenditure - Project Line III		(5,748,128)	(2,096,367)
Investments made during period		-	(218)
Interest received		737	-
Net cash generated from / (used in) investing activities		(5,798,455)	(2,170,840)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from rights issue		-	1,330,545
Loan from Syndicate - Project Line III		2,620,830	-
Expenses incurred on issuance of right shares		-	(27,616)
Net cash generated from financing activities		2,620,830	1,302,929
Net decrease in cash and cash equivalents		(1,796,954)	(968,052)
Cash and cash equivalents at beginning of the period		88,701	2,701,150
Cash and cash equivalents at end of the period	15	(1,708,253)	1,733,098

The annexed notes from 1 to 18 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)

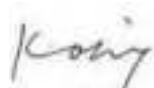
For the first quarter ended September 30, 2018

	Capital Reserve			Revenue Reserve	Total
	Share Capital	Shares Premium/ (Discount)	Advance against shares	Accumulated Profit/ (Loss)	
	----- (Rupees in '000) -----				
Balance as at July 1, 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 share premium		(61,336)	61,336	-	-
Issuance costs	-	-	(27,616)	-	(27,616)
	5,930,658	1,421,328	(6,049,057)	-	1,302,929
Total comprehensive income for the period					
Profit for the period	-	-	-	85,002	85,002
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	85,002	85,002
Balance as at Sep 30, 2017	9,587,557	507,103	-	(312,489)	9,782,171
Balance as at July 1, 2018	10,634,144	750,714	-	(85,796)	11,299,062
Total comprehensive income for the period					
Profit for the period	-	-	-	10,973	10,973
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	10,973	10,973
Balance as at Sep 30, 2018	10,634,144	750,714	-	(74,823)	11,310,035

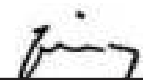
The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



Chief Financial Officer



Chief Executive



Director

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

For the first quarter ended September 30, 2018

1. STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the first quarter ended September 30, 2018 has been prepared in accordance with the requirements of the International Accounting Standards (IAS) 34 Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017.

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

3. ACCOUNTING POLICIES

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

	Note	(Un-audited) 30 Sep 2018 ----- (Rupees in '000) -----	(Audited) 30 June 2018 -----
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	5,157,512	5,110,695
Capital work in progress - Project Line III	4.2	20,311,159	14,604,791
Capital Work in progress - Existing		-	5,797
Capitalisable stores and spares	4.3	93,913	122,061
		<u>25,562,584</u>	<u>19,843,344</u>
4.1 Operating assets			
Opening written down value		5,110,695	4,912,987
Additions during the period / year - at cost			
Plant and Machinery		68,503	267,248
Factory building on leasehold land		-	1,581
Non factory building on leasehold land		-	4,034
Lease hold improvements		2,635	895
Factory and laboratory equipment		2,219	28,191
Computers and peripherals		883	7,432
Quarry equipment		-	530
Office equipment		287	15,866
Furniture and fixtures		6,734	5,447
Vehicles		3,749	17,596
		<u>85,010</u>	<u>348,820</u>
Written down value of deletions during the period / year		-	(1,319)
Depreciation for the period / year		(38,193)	(149,793)
		<u>(38,193)</u>	<u>(151,112)</u>
Closing written down value		<u>5,157,512</u>	<u>5,110,695</u>

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

For the first quarter ended September 30, 2018

	Note	(Un-audited) 30 Sep 2018 ----- (Rupees in '000) -----	(Audited) 30 June 2018
4.2 Capital Work in progress - Project Line III			
Opening balance		14,604,791	235,751
Additions		5,706,368	14,369,040
Closing balance		20,311,159	14,604,791
4.3 Capitalisable stores and spares			
Opening balance		122,061	99,738
Additions during the period / year		8,943	107,278
Transferred to property, plant and equipment		(37,091)	(84,955)
Closing balance		93,913	122,061
5. STOCK-IN-TRADE			
Raw material		25,163	14,883
Packing material		50,962	47,596
Work-in-process		402,176	173,256
Finished goods		54,888	66,174
		533,189	301,909
6. CASH AND BANK BALANCES			
Cash in hand		919	781
Cash with banks:			
- In current accounts		33,290	31,671
- In savings accounts	6.1	566,632	938,139
- Term deposits	6.2	151,000	151,000
		751,841	1,121,591

6.1 These accounts are maintained under profit and loss sharing arrangements with Islamic banks at rates ranging from 3.5% - 7.5% (30 June 2018: 3% - 6.5%).

6.2 This includes term deposit certificates placed with local banks and carry profit at declared rates of 3.14% - 7.2% (30 June 2018: 3.14% - 6.65%) per annum.

7. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

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

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

For the first quarter ended September 30, 2018

	Note	(Un-audited) 30 Sep 2018 ----- (Rupees in '000) -----	(Audited) 30 June 2018
8. LONG TERM FINANCING			
Long Term Loan - Existing Operations	8.1 & 8.2	110,000	110,000
Less current maturity shown under current liabilities		(110,000)	(110,000)
		-	-
Long Term Loan- Project Line III	8.3	9,460,000	9,460,000
Draw-downs during the period		2,620,830	-
Total Long Term Loan		12,080,830	9,460,000

- 8.1** This represents syndicated term finance facility arranged by the Company with a syndicate of local commercial banks (the Syndicate). In 2012, the Company entered into a revised restructuring agreement with the Syndicate dated 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 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 26 December 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 will be repaid on 23 December 2018.

The outstanding principal will be paid as per the existing repayment terms. The loan is secured by way of mortgage over property and hypothecation over assets.

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

- 8.3** This represents funded / Musharaka contribution amount drawn from National Bank of Pakistan (the syndicate participant bank) under the long-term syndicate finance facility of Rs. 16,200 million having NBP participation of TPD Rs. 4,500 million, for the ongoing expansion project of 7,700 TPD, led by NBP as Investment Agent (30 June 2018: 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 and subsequent 12 instalments including both principal and mark-up. The facility carry 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. 4,119 million (30 June 2018: Rs. 6,740 million).

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

For the first quarter ended September 30, 2018

	Note	(Un-audited) 30 Sep 2018	(Audited) 30 June 2018
----- (Rupees in '000) -----			
9. TRADE AND OTHER PAYABLES			
Trade creditors		288,335	276,831
Project Line III creditors		2,658,958	695,199
Bills payable		254,586	565,068
Accrued liabilities		63,397	82,676
Royalty payable on raw material		2,226	964
Excise duty payable on raw material		2,822	4,065
Advances from customers		69,598	68,508
Retention money payable		1,427	1,427
Federal excise duty payable		65,749	9,238
Workers' Welfare Fund		5,012	5,012
Workers' Profit Participation Fund		90,368	86,217
Withholding tax payable		50,469	23,815
Leave encashment payable		23,703	22,716
Others		320	3,065
		<u>3,576,970</u>	<u>1,844,801</u>
10. SHORT TERM FINANCING			
Conventional			
Running finances	10.1	260,094	32,890
Islamic			
Istisna / Running Musharaka	10.2	2,200,000	1,000,000
		<u>2,460,094</u>	<u>1,032,890</u>

10.1 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 01 Oct 2018 to 30 April 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. 39.91 million (30 June 2018: Rs. 267.11 million).

10.2 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. 1,550 million (30 June 2018: Rs. 2,700 million). These are secured by first pari passu charge against current & fixed assets of the Company.

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

11. CONTINGENCIES AND COMMITMENTS**11.1 Contingencies**

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

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

For the first quarter ended September 30, 2018

11.2 Commitments

Commitments against open letter of credit for:

	(Un-audited) 30 Sep 2018	(Audited) 30 June 2018
	----- (Rupees in '000) -----	
Coal	305,336	568,747
Clinker plant project	199,052	1,440,904
Cement production and dispatch project	12,129	429,953
Stores and spares	83,293	79,436
	<u>599,810</u>	<u>2,519,040</u>

Commitments against capital expenditures

Commitments against letters of guarantees	2,484,871	6,238,007
Commitment against purchase of land	1,610,500	1,610,500
ljarah rentals	61,370	61,370
Supervisory fees	16,228	17,722
	<u>660,138</u>	<u>690,076</u>
	<u>5,432,917</u>	<u>11,136,715</u>

12. SALES - NET

	(Un-audited) Quarter Ended 30 Sep 2018	30 Sep 2017
	----- (Rupees in '000) -----	
Local	1,292,709	1,299,393
Export	22,687	17,445
	<u>1,315,396</u>	<u>1,316,838</u>
Less :		
Sales tax	(221,506)	(220,393)
Federal excise duty	(201,778)	(172,024)
	<u>(423,284)</u>	<u>(392,417)</u>
	<u>892,112</u>	<u>924,421</u>

13. COST OF SALES

Salaries, wages and other benefits including retirement benefits	88,370	79,128
Raw materials consumed	55,850	57,118
Packing material consumed	57,867	53,009
Stores, spares and loose tools	62,352	59,751
Fuel and power	689,443	613,384
Insurance	2,912	3,043
Repairs and maintenance	24,546	27,262
Depreciation	33,627	33,091
Other production overheads	15,122	8,325
	<u>1,030,089</u>	<u>934,111</u>
Work in process		
Opening	173,256	73,846
Closing	(402,176)	(287,465)
	<u>(228,920)</u>	<u>(213,619)</u>
Cost of goods manufactured	801,169	720,492
Finished goods		
Opening	66,174	101,721
Closing	(54,888)	(96,943)
	<u>11,286</u>	<u>4,778</u>
	<u>812,455</u>	<u>725,270</u>

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

For the first quarter ended September 30, 2018

	(Un-audited) Quarter Ended	
	30 Sep 2018	30 Sep 2017
	----- (Rupees in '000) -----	
14. CASH GENERATED FROM / (USED IN) OPERATIONS		
Profit before taxation	(60,206)	123,989
Adjustment for:		
Depreciation and amortization	38,963	39,884
Finance cost on short term borrowings	40,688	15,745
Finance cost on unwinding of discount on deferred accrued markup	2,432	20,356
Exchange loss on bills payable	24,661	824
Finance income	(964)	-
Provision for gratuity	9,090	3,630
	114,870	80,439
Operating profit before working capital changes	54,664	204,428
Increase in current assets		
Stores, spares and loose tools	121,291	137,683
Stock-in-trade	(231,280)	(212,973)
Trade debts	(99,417)	(36,233)
Advances and other receivables	(131,421)	(88,311)
Trade deposits	(13,772)	(12,194)
	(354,599)	(212,028)
Increase / (decrease) in trade and other payables	1,707,508	(67,482)
Net cash generated from / (used in) operations	1,407,572	(75,082)
15. CASH AND CASH EQUIVALENTS		
Cash and bank balances	751,841	3,037,662
Short term borrowings	(2,460,094)	(1,304,564)
	(1,708,253)	1,733,098
16. 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 arms' length terms. Details of transactions / balances with related parties are as follows:

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

For the first quarter ended September 30, 2018

	(Un-audited) Quarter Ended	
	30 Sep 2018	30 Sep 2017
	-----Rupees in'000-----	
Transactions with related parties		
Aisha Steel Mills Limited		
- Sale of goods	54	451
- Payment received	255	469
Safe Mix Concrete Limited		
- Sale of goods	92,515	54,888
- Payment received	29,750	23,799
Javedan Corporation Limited		
- Sale of goods	24,301	16,483
- Payment received	35,976	16,505
Rotocast Engineering Company (Private) Limited		
- Services received	3,541	1,286
- Rent accrued	1,920	-
- Payments made	2,912	845
Arif Habib Corporation Limited		
- Guarantee commission accrued during the period	-	67
- Guarantee commission paid	-	67
EFU Life Assurance Limited		
- Services received	2,357	1,094
- Payments made	2,357	1,094
FLSmith A/S		
- Purchase of goods	1,745,775	-
- Payment made	1,745,775	-
Key management personnel		
- Remuneration and other benefits	33,802	25,771
- Advances disbursed to employees	-	13,507
- Advances repaid by employees	719	910
Staff retirement benefit fund		
- Charge during the period	7,361	4,107
- Contribution during the period	7,120	-

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

For the first quarter ended September 30, 2018

	(Un-audited) 30 Sep 2018	(Audited) 30 June 2018
-----Rupees in '000-----		
Balances with related parties		
Aisha Steel Mills Limited		
- Trade receivable	77	278
Safe Mix Concrete Limited		
- Trade receivable	223,888	161,123
Javedan Corporation Limited		
- Trade receivable	19,204	30,879
- Other receivable	39	39
Rotocast Engineering Company (Private) Limited		
- Amount payable against services received	1,096	467
- Rent payable	1,920	-
Key management personnel		
- Advances to employees	33,351	33,262
Staff retirement benefit fund		
- Payable to gratuity fund	80,752	78,782

17. GENERAL

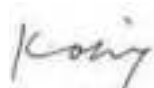
Figures have been rounded off to the nearest of thousand rupees.

18. DATE OF AUTHORIZATION FOR ISSUE

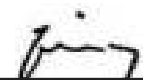
This condensed interim financial information has been authorized for issue on October 27, 2018 by the Board of Directors.



Chief Financial Officer



Chief Executive



Director

مستقبل پر نظر

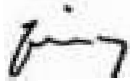
نجی اور پبلک سیکٹرز کی جانب سے تعمیراتی سرگرمیوں میں شرکت کی بنیاد پر یہ کہا جاسکتا ہے کہ مقامی طور پر سیمنٹ کی فروخت مضبوطی لائے گی۔ اس سلسلے میں پاک چین معاشی راہداری سے منسلک تعمیراتی منصوبوں، ڈیموں کی تعمیرات کے فیصلوں اور حکومت کی جانب سے کئے گئے اعلان کے تحت گھروں کی تعمیرات کا ذکر بالخصوص ضروری ہے۔ سیمنٹ کی برآمدات میں بھی گزشتہ چند ماہوں سے مستقل بنیادوں پر اضافے کا رجحان دیکھنے کو مل رہا ہے جس کی بنیاد وجہ چین کے معاشی نظام میں آنے والی تبدیلی ہے کیونکہ چین سیمنٹ کو برآمد کرنے والے بڑے ممالک کی فہرست سے نکل کر اب تعمیرات کیلئے بذات خود سیمنٹ درآمد کر رہا ہے۔ اسی طرح بنگلہ دیش، سری لنکا اور فلپائن جیسے ممالک کی جانب سے آنے والی سیمنٹ کی زبردست طلب کے پیش نظر بھی اس بات کے قوی امکانات موجود ہیں کہ پاکستان میں سیمنٹ کے پائپس کی پیداواری صلاحیتوں کا بھرپور استعمال دیکھنے کو ملے گا۔ ان تمام حالات کے پیش نظر بورڈ کو اپنے توسیعی منصوبے پر مکمل اعتماد ہے کہ اس سے بھرپور فائدہ اٹھایا جائے گا۔

اظہار تشکر

ڈائریکٹرز کمپنی کے تمام شرکاء 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 شرکاء داروں، بینکاروں اور مالیاتی اداروں کا بھی تہ دل سے شکر یہ 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 بھٹک 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



نیم بیگ

چیرمین

27 اکتوبر 2018



محمد کاشف حبیب

چیف ایگزیکٹو آفیسر

زیر نظر سہ ماہی کے دوران پیداواری صلاحیت کا 76% زیر استعمال لایا جا سکا جبکہ گزشتہ سال کی پہلی سہ ماہی کے دوران 82% پیداواری صلاحیت زیر استعمال لائی گئی تھی۔ تاہم جنوبی زون میں سینٹ کی نئی پیداواری سہولیات اور پہلے سے موجود پیداواری صلاحیتوں میں اضافے کے باعث مارکیٹ میں ایک سخت مسابقت کی فضاء قائم رہی جس کی وجہ سے سینٹ کی تربیل زیر نظر سہ ماہی کے دوران گزشتہ سال کی پہلی سہ ماہی کے مقابلے میں زیادہ مختلف تھی۔

مالیاتی کارکردگی

آپ کی کمپنی کی جانب سے 30 ستمبر 2018 کو ختم ہونے والی پہلی سہ ماہی کے دوران پیش کی جانے والی مالیاتی کارکردگی کی اہم جھلکیاں، بمقابلہ گزشتہ سال کی پہلی سہ ماہی ذیل میں پیش کی جا رہی ہیں:

سہ ماہی اختتامیہ		کوائف
30 ستمبر 2017	30 ستمبر 2018	
-/000 روپے میں		
924,421	892,112	محصولات فروخت
199,151	79,657	مجموعی منافع
85,002	10,973	منافع از ٹیکس
0.09	0.01	آمدن فی حصص (روپے)

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

پلانٹ کی پیداواری صلاحیت میں اضافہ

آپ کی کمپنی اس بات کیلئے تیار 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 ہونے والی پیداواری لاگت کو کم ترین سطح پر رکھنے میں کامیابی حاصل کی ہے۔ فی الوقت سول ورکس ٹیم کے اگلے مراحل میں ہیں اور اس کے ساتھ ساتھ 7,700TPD لائن کی تعمیر کیلئے سائٹ پرائیکٹرک اور مکینیکل کام کا آغاز بھی کیا جا چکا ہے۔

ڈائریکٹرز کا جائزہ:

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2018 کو ختم ہونے والی پہلی سہ ماہی سے متعلق اپنی جائزہ رپورٹ بمعہ غیر آڈٹ شدہ مرکز و عبوری مالیاتی دستاویزات آپ کی خدمت میں پیش کر رہے ہیں۔

صنعتی جائزہ

جنوبی خطے کی مقامی مارکیٹ جہاں آپ کی کمپنی بھی واقع ہے میں %21.51 کی شرح نمو درج کی گئی ہے جبکہ برآمدات میں %212 کا زبردست اضافہ ریکارڈ کیا گیا ہے۔ مقامی سطح پر مال کی ترسیل 1.87 ملین ٹن درج کی گئی ہے جبکہ برآمدات کی مد میں مال کی ترسیل کا حجم 1.04 ملین ٹن درج کیا گیا ہے۔ نتیجتاً جنوبی زون میں مال کی ترسیل کا کل حجم 2.91 ملین ٹن درج کیا گیا ہے اور اس کے نتیجے میں مجموعی شرح نمو %56 درج کی گئی ہے۔ اس کے برعکس، شمالی زون میں مقامی سطح پر طلب میں %4.94 کی کمی واقع ہوئی ہے اور اسی طرح برآمدات کی مد میں بھی اس عرصے کے دوران %21.58 کی کمی درج کی گئی ہے، اس طرح گزشتہ سال کے اسی عرصے کے مقابلے میں زیر نظر سہ ماہی کے دوران شمالی زون میں مجموعی طور پر %6.8 کی کمی درج کی گئی ہے۔

مجموعی طور پر رواں مالی سال کی پہلی سہ ماہی کے اختتام پر سینٹ کی صنعت کی کارکردگی معتدل رہی جس کے تحت شرح نمو %4.48 درج کی گئی اور مال کی ترسیل 10.81 ملین ٹن درج کی گئی ہے جبکہ گزشتہ مالی سال کی پہلی سہ ماہی کے اختتام پر مال کی ترسیل 10.35 ملین ٹن درج کی گئی تھی۔

کاروباری جائزہ

کارکردگی برائے پیداوار و فروخت بلحاظ حجم

رواں مالی سال کے دوران 30 ستمبر 2018 کو ختم ہونے والی پہلی سہ ماہی کی بابت آپ کی کمپنی سے متعلق شماریات (ٹنوں میں) برائے پیداوار و فروخت کو گزشتہ سال کی پہلی سہ ماہی

تغییر %	پہلی سہ ماہی اختتامیہ		کوائف
	30 ستمبر 2017	30 ستمبر 2018	
	ٹن		
(3 %)	138,631	134,102	سینٹ کی پیداوار
(7 %)	185,303	171,536	کلنر کی پیداوار

تغییر %	پہلی سہ ماہی اختتامیہ		کوائف
	30 ستمبر 2017	30 ستمبر 2018	
	ٹن		
(2%)	137,619	134,519	سینٹ کی ترسیل (مقامی)
15%	2,026	2,325	سینٹ کی ترسیل (برآمدی)
(2%)	139,645	136,844	کل ترسیل

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