



Half Yearly Report **2018**  
December 31,

# STRENGTH YOU CAN TRUST



A Group Company of



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# Corporate Information



## Board of Directors

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

## 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

## 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

## Registered Office

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

## External Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants

## Website

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

## Legal Advisor

Awais Aziz

## Contact Number

021-32468231-32  
021-32468350-51

## Fax Number:

021-32463209

## Share Registrar

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

## 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%)

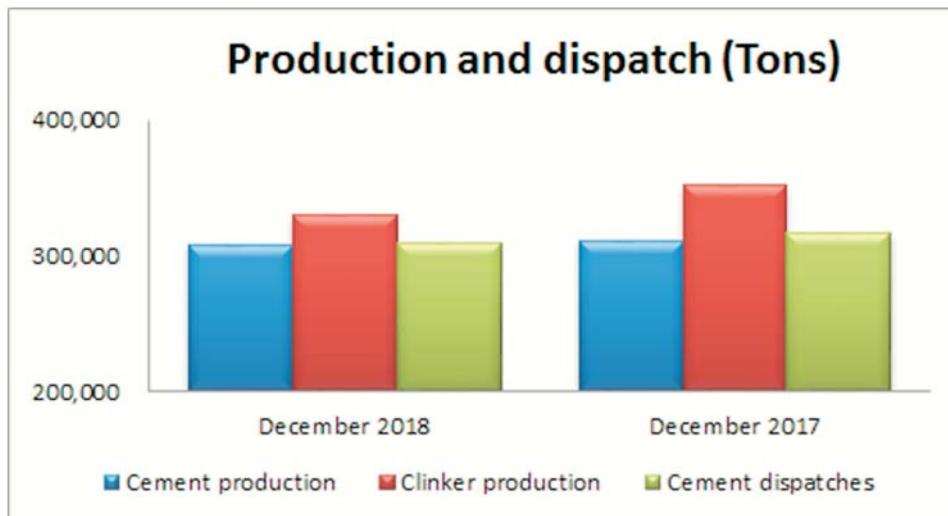
Capacity utilization stood at 73% as compared to 78% of the corresponding period, total dispatches more or less equated what was produced and stood close to that of the corresponding period.

#### 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, whereas 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

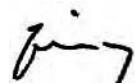
The Directors are grateful to your Company's stakeholders for their continuing confidence and patronage. We wish to place on record our appreciation and thanks for the faith and trust reposed by our Business Partners, Bankers and Financial Institutions. We thank the Ministry of Finance, Ministry of Industries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

KPMG Taseer Hadi & Co.

Chartered Accountants

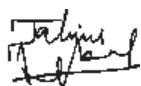
Date: 28 February 2019  
Karachi

# Condensed Interim Statement of Financial Position

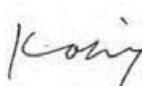
As at 31 December 2018

	Note	(Un-audited) 31 December 2018	(Audited) 30 June 2018
		----- ( Rupees in '000 ) -----	
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	7	<b>26,117,022</b>	19,843,344
Intangible assets		55	1,077
Investments	8	13,612	13,124
Long term deposits		19,635	19,635
		<b>26,150,324</b>	19,877,180
<b>CURRENT ASSETS</b>			
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
<b>TOTAL ASSETS</b>		<b>32,062,518</b>	24,517,306
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
1,200,000,000 (30 Jun 2018: 1,200,000,000) Ordinary shares of Rs. 10/- each		<b>12,000,000</b>	12,000,000
<b>Issued, subscribed and paid-up capital</b>			
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)
		<b>11,328,205</b>	11,299,062
<b>LIABILITIES</b>			
<b>NON - CURRENT LIABILITIES</b>			
Long-term financing - secured	15	14,755,894	9,460,000
Deferred taxation		331,094	441,403
Staff retirement benefits		83,865	78,782
		<b>15,170,853</b>	9,980,185
<b>CURRENT LIABILITIES</b>			
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
		<b>5,563,460</b>	3,238,059
<b>CONTINGENCIES AND COMMITMENTS</b>	19		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32,062,518</b>	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



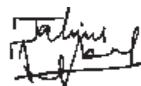
Director

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

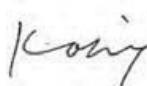
For the six months period and quarter ended 31 December 2018

	Note	Six months period ended 31 December		Quarter ended 31 December	
		2018	2017	2018	2017
		(Rupees in '000) -----			
Sales - net	20	<b>2,018,137</b>	2,092,008	<b>1,126,025</b>	1,167,587
Cost of sales	21	(1,820,325)	(1,653,134)	(1,007,870)	(927,866)
<b>Gross profit</b>		<b>197,812</b>	438,874	<b>118,155</b>	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)
<b>Operating profit</b>		<b>(196,714)</b>	(155,476)	<b>(99,007)</b>	(83,589)
		<b>1,098</b>	283,398	<b>19,148</b>	156,132
Finance income		<b>10,841</b>	66,900	<b>9,877</b>	34,076
Finance cost		(77,988)	(78,752)	(34,868)	(42,651)
Finance cost - net		<b>(67,147)</b>	(11,852)	<b>(24,991)</b>	(8,575)
<b>(Loss) / profit before taxation</b>		<b>(66,049)</b>	271,546	<b>(5,843)</b>	147,557
Taxation		<b>95,192</b>	(73,422)	<b>24,013</b>	(34,435)
<b>Profit after taxation</b>		<b>29,143</b>	198,124	<b>18,170</b>	113,122
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>29,143</b>	198,124	<b>18,170</b>	113,122
		(Rupees) -----			
<b>Earnings per share - Basic and diluted</b>		<b>0.03</b>	0.21	<b>0.02</b>	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  Accumulated profit / (loss)	Total
	Share capital	Shares premium / (discount)	Advance against shares		
----- (Rupees in '000) -----					
Balance as at 1 July 2017	3,656,900	(914,225)	6,049,057	(397,491)	8,394,241
<i>Transaction with owners recorded directly in equity</i>					
Issuance of right shares	5,930,658	1,482,664	(7,413,322)	-	-
Receipt against right shares	-	-	1,330,545	-	1,330,545
Issuance costs charged against premium	-	(64,350)	64,350	-	-
Issuance costs	-	-	(30,630)	-	(30,630)
	5,930,658	1,418,314	(6,049,057)	-	1,299,915
<i>Total comprehensive income for the period</i>					
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
<b>Balance as at 1 July 2018</b>	<b>10,634,144</b>	<b>750,714</b>	<b>-</b>	<b>(85,796)</b>	<b>11,299,062</b>
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	29,143	29,143
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	29,143	29,143
<b>Balance as at 31 December 2018</b>	<b>10,634,144</b>	<b>750,714</b>	<b>-</b>	<b>(56,653)</b>	<b>11,328,205</b>

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

Chief Financial Officer

Chief Executive

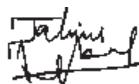
Director

## Condensed Interim Cash Flow Statement (Un-audited)

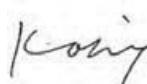
For the six months period ended 31 December 2018

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

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	Note	(Un-audited) 31 December 2018		(Audited) 30 June 2018
		----- (Rupees in '000 ) -----		
Operating assets	7.1	5,172,063		5,110,695
Capital work in progress - Project Line III	7.2	20,842,353		14,604,791
Capital work in progress - Existing		-		5,797
Capitalisable stores and spares	7.3	102,606		122,061
		<b>26,117,022</b>		<b>19,843,344</b>

## 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 ) -----	
<b>7.1 Operating assets</b>		
<b>Opening written down value</b>	<b>5,110,695</b>	4,912,987
<b>Additions during the period / year - at cost</b>		
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)
<b>Closing written down value</b>	<b>5,172,063</b>	5,110,695
<b>7.2 Capital Work in progress - Project Line III</b>		
Opening balance	14,604,791	235,751
Additions	6,237,562	14,369,040
<b>Closing balance</b>	<b>20,842,353</b>	14,604,791
<b>7.3 Capitalisable stores and spares</b>		
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)
<b>Closing balance</b>	<b>102,606</b>	122,061
<b>8. INVESTMENTS</b>		
<b>8.1 Held to maturity</b>		
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.		
<b>9. STORES, SPARES AND LOOSE TOOLS</b>		
	(Un-audited) 31 December 2018	(Audited) 30 June 2018
	----- ( Rupees in '000 ) -----	
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

	Note	(Un-audited) 31 December 2018	(Audited) 30 June 2018
		----- ( Rupees in '000 ) -----	
<b>10. STOCK-IN-TRADE</b>			
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
		<b>538,542</b>	<b>301,909</b>
<b>11. TRADE DEBTS - Considered good</b>			
Unsecured			
- Due from related parties	11.1	281,847	192,319
- Others		369,964	270,193
		<b>651,811</b>	<b>462,512</b>
Less: Provision for doubtful debts		(11,141)	(6,300)
		<b>640,670</b>	<b>456,212</b>
<b>11.1 The related parties from whom the debts are due are as under :</b>			
Javedan Corporation Limited		26,129	30,918
Safe Mix Concrete Products Limited		255,718	161,123
Aisha Steel Mills Limited		-	278
		<b>281,847</b>	<b>192,319</b>
<b>12. TAX REFUND DUE FROM GOVERNMENT</b>			
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
		<b>637,464</b>	<b>510,501</b>

**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 suit 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

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

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

### 15. LONG TERM FINANCING - secured

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

**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
	<b>1,526,665</b>	<b>1,844,801</b>

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

For the six months period ended 31 December 2018

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

**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.

	Note	(Un-audited) 31 December 2018	(Audited) 30 June 2018
		----- (Rupees in '000) -----	
<b>19.2 Commitments</b>			
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
		<u>523,762</u>	<u>2,519,040</u>
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
		<u>6,380,906</u>	<u>11,136,715</u>

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

For the six months period ended 31 December 2018

### 20. SALES - NET

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

### 21. COST OF SALES

Salaries, wages and other benefits including retirement benefits  
Raw materials consumed  
Packing material consumed  
Stores, spares and loose tools  
Fuel and power  
Insurance  
Repairs and maintenance  
Depreciation  
Other production overheads

(Un-audited) Six months period ended 31 December	
2018	2017
----- (Rupees in '000) -----	
Ordinary Portland Cement Sulphate Resistant Cement Slag	1,880,601 137,536 - <hr/> 2,018,137
	1,909,980 148,487 33,541 <hr/> 2,092,008

#### Work in process

Opening  
Closing

173,256 (394,768) (221,512) <hr/> 1,818,363	73,846 (287,001) (213,155) <hr/> 1,627,693
--	---

#### Cost of goods manufactured

Opening  
Closing

66,174 (64,212) 1,962 <hr/> 1,820,325	101,721 (76,280) 25,441 <hr/> 1,653,134
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## 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) -----	
<b>22. SELLING AND DISTRIBUTION EXPENSES</b>		
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
	<b>57,392</b>	<b>67,541</b>
<b>23. ADMINISTRATIVE EXPENSES</b>		
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
	<b>78,374</b>	<b>57,175</b>
<b>24. OTHER INCOME</b>		
Gain on disposal of fixed assets	248	450
Scrap sales	72	791
	<b>320</b>	<b>1,241</b>
<b>25. OTHER OPERATING EXPENSES</b>		
Workers' Welfare Fund	-	4,884
Exchange loss	38,542	12,733
Workers' Profit Participation Fund	22,726	14,384
	<b>61,268</b>	<b>32,001</b>
<b>26. CASH (USED IN) / FROM OPERATIONS</b>		
(Loss) / profit before taxation	(66,049)	271,546
<b>Adjustment for:</b>		
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
	<b>198,262</b>	<b>110,986</b>
<b>Operating profit before working capital changes</b>	<b>132,213</b>	<b>382,532</b>
<b>Decrease / (Increase) in current assets</b>		
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)
	<b>(223,543)</b>	<b>(295,088)</b>
Decrease in trade and other payables	(307,495)	(85,359)
<b>Net cash (used in) / from operations</b>	<b>(398,825)</b>	<b>2,085</b>

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

For the six months period ended 31 December 2018

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

### 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:

Note	As at 31 December 2018 (Un-audited)										
	Held for trading	Available for sale	Held to maturity	Carrying value			Fair value				
				Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000) -----											
<b>Financial assets not measured at fair value</b>											
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	-	-	<u>1,094,647</u>	-	-	<u>1,094,647</u>				
				<u>13,612</u>	<u>4,508,835</u>		<u>4,522,447</u>				
<b>Financial liabilities not measured at fair value</b>											
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	-	-	-	-	-	<u>3,450,144</u>	<u>3,450,144</u>			
				<u>-</u>	<u>-</u>		<u>20,319,354</u>	<u>20,319,354</u>			
As at 30 June 2018 (Audited)											
Note	Held for trading	Available for sale	Held to maturity	Carrying value			Fair value				
				Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000) -----											
<b>Financial assets not measured at fair value</b>											
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	-	-	<u>1,120,591</u>	-	-	<u>1,120,591</u>				
				<u>13,124</u>	<u>3,290,770</u>		<u>3,303,894</u>				
<b>Financial liabilities not measured at fair value</b>											
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			
				<u>-</u>	<u>-</u>		<u>12,698,059</u>	<u>12,698,059</u>			

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:

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

## 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-----	
<b>Balances with related parties</b>		
<b>Aisha Steel Mills Limited</b>		
- Trade receivable	-	278
<b>Safe Mix Concrete Limited</b>		
- Trade receivable	<b>255,718</b>	161,123
<b>Javedan Corporation Limited</b>		
- Trade receivable	<b>26,090</b>	30,879
- Other receivable	<b>39</b>	39
<b>Rotocast Engineering Company (Private) Limited</b>		
- Amount payable against services received	<b>2,685</b>	467
<b>Fatima Packaging Limited</b>		
- Amount payable against purchase of goods	<b>6,023</b>	-
<b>Key management personnel</b>		
- Advances to employees	<b>32,240</b>	33,262
<b>Staff retirement benefit fund</b>		
- Payable to gratuity fund	<b>83,865</b>	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)

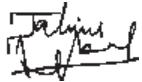
For the six months period ended 31 December 2018

Description	Reclassified from	Reclassified to	31 December
Distribution Cost	Others	Advertisement expense (presented as separate line item)	4,780

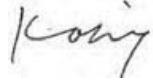
Corresponding figure for salaries and benefits disclosed under transactions with key management personnel (Note - 27) has been recalculated based on the definition of Executive as per Companies Act, 2017.

### 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

## پلائٹ کی پیداواری صلاحیت میں اضافہ

آپکی کمپنی اس بات کیلئے پر عزم ہے کہ پیداواری چم کے لحاظ سے جنوبی زون میں دوسری بڑی کمپنی کے بطور اجر کر سامنے آئے اور اس کا شمار ان بڑی کمپنیوں میں ہو جنھوں نے پیداواری لاگت کو کم ترین سطح پر رکھنے میں کامیابی حاصل کی ہے۔ فی الواقع 7,700TPD لائن کا تعمیراتی کام پورے ہے ورثوں کے ساتھ چاری ہے اور تقریباً 91% سول ورک مکمل کیا جا چکا ہے۔ جبکہ دوسری جانب مکمل یکل اور ایکٹر یکل کا تعمیراتی کام 25% تک مکمل کیا جا چکا ہے۔ تقریباً تمام شہنشہ بھی سائب پاچھی ہیں۔ اس بات کی قوی امید ہے کہ اس نئی لائن سے کمرش بنا دوں پر رواں سال ہی پیداواری عملی بھی شروع ہو جائے گا۔

## مستقبل پر نظر

ریکل اسٹیٹ میٹر میں زبردست سرگرمیوں، ہائی پلک سیکٹر ڈیپہنٹ پروگرام (PSDP) اور پاک چین معاشری رہاداری (CPEC) میں بڑے پیمانے پر جاری تعمیراتی سرگرمیوں اور مجوزہ ڈیموں کی تعمیرات کے پیش نظر اس بات کی امید ہے کہ مقانی سطح پر سینٹ کی طلب میں زبردست اضافہ فارجوان برقرار ہے گا۔ سینٹ کی صنعت میں یہ صلاحیت پائی جاتی ہے کہ برآمدات کی مد میں بڑھتی ہوئی طلب کو پورا کر سکے اور اضافی پیداواری صلاحیتوں سے اس سلسلے میں بندراگاہ کی وجہ سے جنوبی زون کی کمپنیاں بالخصوص فائدہ اٹھائیں گے۔ گریٹر چندسماہیوں کے دوران برآمدات میں مستقل اضافہ درج کیا گیا ہے جس کی بنیادی وجہ چین کی معاشری ست میں آنے والی تبدیلی ہے جس کے باعث اب چین کی جانب سے سینٹ اور ٹکٹر درآمد کیا جا رہا ہے جو کہ ماضی میں بذات خود سینٹ کا ایک بڑا برآمد لکندا ہے۔ اسی طرح یکلہ دیش، سری لانکا اور فلپائن بھی پاکستان میں سینٹ کے کارخانوں میں موجود اضافی پیداواری صلاحیت کو بروئے کار لانے کا باعث بنیں گے۔ اس تمام صورت حال کو منظر کھٹے ہوئے بورڈ اس بات پر اعتماد ہے کہ کمپنی کی جانب سے شروع کئے جانے والے تو یعنی منصوبے بھر پورا فائدہ اٹھایا جائے گا۔

## اطھار تکشیر

ڈائریکٹر کمپنی کے تمام شرکت داروں کی جانب سے کمپنی پرانے اعتماد اور سرپرستی کیلئے بحد مذکور ہیں۔ ہم اس موقع سے فائدہ اٹھاتے ہوئے اپنے تمام کاروباری شرکت داروں، بیکاروں اور مالیاتی داروں کا بھی تہذیل سے شکر یاد کرنا چاہتے ہیں جن کی جانب سے کمپنی پر بھر پورا اعتماد اور بھروسہ کیا گیا۔ ہم وزارت مالیات، وزارت صنعت و پیداوار، سیکورٹیز ایڈا ٹکچنچ کمیشن آف پاکستان، مساتقی کمیشن پاکستان، سیکٹر ڈیپاڑی کمپنی آف پاکستان اور پاکستان اسٹاک اسٹکچن کی انتظامیہ کے بھی بحد مذکور 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 کوششوں کی جملک پائی جاتی ہے جو اس کیلئے جانشناختی کے ساتھ محنت کرتے ہیں۔ ڈائریکٹر کمپنی کے تمام ملازمین کی جانب سے کی جانے والی مجموعی کوششوں کا تہذیل سے اعتراف کرتے ہیں اور اس بات کی امید کرتے ہیں کہ تو یعنی منصوبہ اپنی مقررہ مدت کے اندر ہی پائیکل کو پہنچ جائے گا۔ ہم آڈٹ کمیٹی اور دیگر کمیٹیوں کے ممبران کے بھی بحد مذکور ہیں کہ ان کی جانب سے انتظامیہ کو ہم معاملات پر گاہے بگاہے رہنمائی اور حمایت فراہم کی جاتی رہی۔

برائے و از بورڈ

حسن

Hassan

محمد کاشف حسیب

چیف ایگریکٹر افسر

چیئرمین

کراچی: 28 فروری 2019

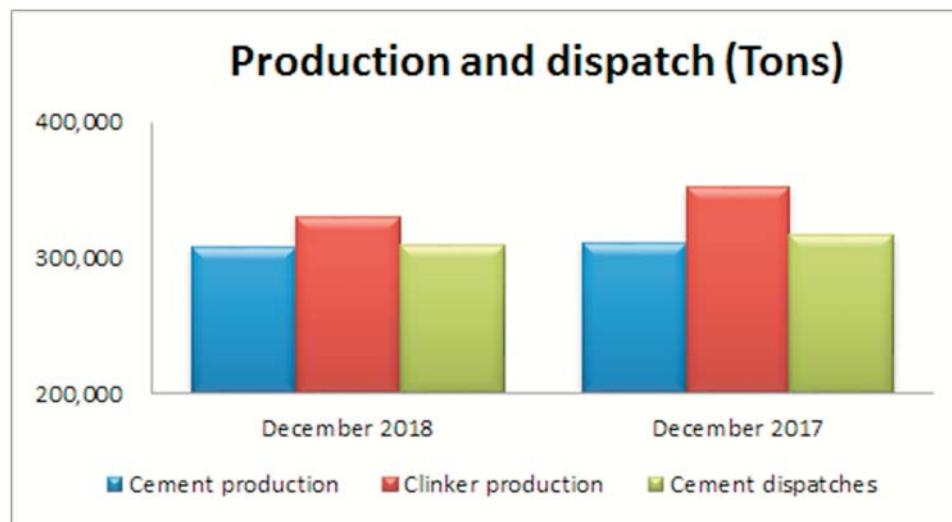
زیر نظر سے ماهی کے دوران پیداواری صلاحیت کا %73 زیر استعمال لایا جا سکا جبکہ گزشتہ سال کی پہلی سماں کے دوران %78 پیداواری صلاحیت زیر استعمال لائی گئی تھی،  
کل ترسلات کم و بیش پیداوار کے مساوی رہیں اور یہ مقدار گزشتہ سال کی پہلی شماہی کے قریب قریب ہی ہے۔

### مالیتی کارکردگی

آپکی کمپنی کی جانب سے 31 دسمبر 2018 کو ختم ہونے والی پہلی شماہی کے دوران پیش کی جانے والی مالیتی کا کارکردگی کی اہم جھلکیاں بمقابلہ گزشتہ سال کی پہلی شماہی ذیل میں پیش کی جا رہی ہیں:

شماہی اختتامیہ		کواںف
31 دسمبر 2017	31 دسمبر 2018	
روپے میں 000/-		
2,092,008	2,018,137	محصولات فروخت
438,874	197,812	مجموعی منافع
198,124	29,143	منافع ازٹکس
0.21	0.03	آمدنی حصص (روپے)

زیر نظر عرضے کے دوران آمدن از فروخت میں 3% کا اضافہ درج کیا گیا ہے تاہم روپے کی تدریمیں زبردست کی اور ایڈھن و تو انائی کی قیتوں میں اضافے کے باعث کمپنی کی منفعت دہاء کا شکار رہی ہے۔



## ڈائریکٹر کا جائزہ:

آپکی کمپنی کے ڈائریکٹر 31 دسمبر 2018 کو ختم ہونے والی پہلی ششماہی سے متعلق اپنی جائزہ رپورٹ بمحض غیر آڈٹ شدہ مرکوز عبوری مالیاتی دستاویزات آپکی خدمت میں پیش کر رہے ہیں۔

### صنعتی جائزہ

زیرِ نظر عرصے کے دوران پاکستان میں سینٹ کی صنعت میں 12.23 ملین ٹن پیداوار کے ساتھ 3.9% کی شرح نمودرن 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 جم

روایتی مالی سال کے دوران 31 دسمبر 2018 کو ختم ہونے والی پہلی ششماہی کی باہت آپکی کمپنی سے متعلق ثماریات (ٹنوں میں) برائے پیداوار و فروخت گزشتہ سال کی پہلی ششماہی کے مقابل ذیل میں پیش کیا جا رہا ہے:

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

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

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