PIONEER CEMENT LIMITED.

Condensed Interim Financial Statements

SEPTEMBER 30, 2019

CONTENTS

CORPORATE INFORMATION

Board of Directors
- Mr. Aly Khan (Chairman)
- Mr. Arif Hamid Dar (CEO)
- Ms. Aleeya Khan
- Mr. Shafiuddin Ghani Khan
- Mr. Mohammad Aftab Alam
- Mirza Ali Hassan Askari
- Mr. Jamal Nasim
- Mr. Rafique Dawood

Audit Committee
- Mr. Jamal Nasim (Chairman)
- Mr. Aly Khan
- Ms. Aleeya Khan
- Mr. Shafiuddin Ghani Khan
- Mr. Mohammad Aftab Alam

HR & Remuneration Committee
- Mr. Shafiuddin Ghani Khan (Chairman)
- Mr. Aly Khan
- Ms. Aleeya Khan
- Mr. Mohammad Aftab Alam
- Mr. Arif Hamid Dar (CEO)

Chief Financial Officer
- Mr. Waqar Naeem

Chief Internal Auditor
- Mr. Jamal-ud-Din

Company Secretary
- Mr. Abdul Wahab

Bankers
- Allied Bank Limited
- Askari Bank Limited
- Bank Al Habib Limited
- Meezan Bank Limited
- Dubai Islamic Bank
- Bank of Khyber
- Habib Bank Limited
- JS Bank Limited
- MCB Bank Limited
- First Credit and Investment Bank
- The Bank of Punjab
- United Bank Limited
- National Bank of Pakistan

Statutory Auditors
- EY Ford Rhodes
  Chartered Accountants

Legal Advisor
- Hassan & Hassan

Registered Office
135-Ferozepur Road, Lahore
Tel: +92 (42) 37503570-72
Fax: +92 (42) 37503573-4
Email: pioneer@pioneercement.com

Factory
Chenki, District Khushab
Tel: +92 (454) 898101-3
Fax: +92 (454) 898104
Email: factory@pioneercement.com

Regional Offices

Karachi Office
4th Floor, KDLB Building West Wharf,
Karachi
Tel: +92 (21) 32201232-3
Fax: +92 (21) 32201234
Email: pclkhi@pioneercement.com

Multan Office
House No. 218, Naqshband Colony
Khanewal Road, Multan
Tel: +92 (61) 6510404
Fax: +92 (61) 6510405

Faisalabad Office
Office No. 3, 2nd Floor, Sitara Tower,
Bilal Chowk, New Civil Lines, Faisalabad,
Tel: +92 (41) 2630030, 2640406-7
Fax: +92 (41) 2630923

Share Registrar
Corplink (Pvt) Limited
Wings Arcade, 1-K Commercial,
Model Town, Lahore
Tel: +92 (42) 35839182, 35916714
Fax: +92 (42) 35869037
Email: corplink786@yahoo.com,
shares@pioneercement.com

DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board, we present the directors' report for the quarter ended September 30, 2019.

The Cement Sector

The industry has dispatched 11.13 million tons (September 2018: 10.85 million tons) cement during the first quarter of financial year 2019-20, growth of 2.57% over the corresponding period. This comprised of 9.12 million tons of domestic consumption (September 2018: 9.06 million tons) and 2.02 million tons exports (September 2018: 1.79 million tons).

Business Performance

Your Company has produced 339,410 tons of clinker against 297,016 tons produced same period last year (SPLY). During the same period, 344,560 tons cement was produced (September 2018: 332,855 tons), increase of 11,705 tons. Following table exhibits the quantitative data of production and sale for the period under review.

(Tons)

Particulars	First Quarter FY 2020	First Quarter FY 2019	Variance	%
		Production		
Clinker	339,410	297,016	42,394	14.27
Cement	344,560	332,855	11,705	3.52
		Sales		
Cement				
Local	347,193	311,538	35,656	11.45
Export	6,538	15,750	(9,212)	(58.49)
Total	353,731	327,288	26,444	8.08

Financial Performance

The summarized financial results are given below:

(Rs. in million)

Particulars	First Quarter FY 2020	First Quarter FY 2019	Variance	%
Net sales	1,871.04	2,231.53	(360.49)	(16.15)
Cost of sales	1,837.31	1,707.25	130.06	7.62
Gross profit	33.72	524.28	(490.56)	(93.57)
Operating (loss)/ profit	(64.11)	416.27	(480.39)	(115.40)
(Loss)/profit after tax	(185.41)	257.97	(443.38)	(171.87)

Net sales for the current quarter amounted to Rs. 1,871.04 million (September 2018: Rs. 2,231.53 million). The quantitative sale to domestic market has increased by 35,656 ton; however sales revenue has dropped due to drop in net prices.

Cost of sale has increased by Rs. 130.06 million to Rs. 1,837.31 million (September 2018: Rs. 1,707.25 million). Fuel and power cost has increased to Rs. 1,305.92 million (September 2018: Rs. 1143.85 million), Raw material cost increased to Rs. 161.71 million (September 2018: Rs. 131.26 million) and Packing material cost increased to Rs. 204.70 million (September 2018: Rs. 163.08 million). Although the coal prices in international market have dropped during the period under review; however due to devaluation of Pak Rupee and increased in local freight cost, coal cost has increased as a whole.

The above mentioned factors have eventually resulted in gross profit of Rs. 33.72 million only. After deduction of operational expenses for the quarter under review, operating loss for the period amounts to Rs. 64.11 million (September 2018: Rs. 416.27 million profit). After deducting tax expense for the period, loss after tax was Rs 185.41 million (September 30, 2018: Rs. 257.97 million profit).

Acknowledgement:

The Board acknowledges the assistance and cooperation of all stakeholders including financial institutions, customers, creditors, government departments and all others who strengthened the Company. The Board also places on record its gratitude for the dedication of employees of the Company.

For and on behalf of the Board.

Arif Hamid Dar
Chief Executive Officer

October 28, 2019
Lahore

Aly Khan
Chairman

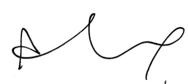
October 28, 2019
Lahore

اوپر بیان کردہ حالات کی وجہ سے کمپنی کا مجموعی منافع 33.72 ملین روپے تک محدود رہا۔ زیرِ نظر سہ ماہی کے اخراجات منہا کرنے کے بعد اس سہ ماہی کا خسارہ 64.11 ملین روپے رہا جبکہ گزشتہ سال اسی عرصہ میں 416.27 ملین روپے کا منافع تھا۔ ٹیکس منہا کرنے اور مالیاتی اخراجات کے بعد خسارہ 185.41 ملین روپے ہو گیا جو کہ گزشتہ سال 257.97 ملین روپے منافع تھا۔

اعتراف

بورڈ تمام پیش کنندگان بشمول مالیاتی اداروں، صارفین، قرض دہندگان، سرکاری محکموں اور کمپنی کو مضبوط بنانے والے تمام دیگر کی امداد اور تعاون کو تسلیم کرتا ہے۔ بورڈ کمپنی کے ملازمین کی محنت اور لگن پر ان کا شکر گزار ہے۔

عارف حمید ڈار
چیف ایگزیکٹو آفیسر
28 اکتوبر 2019
لاہور



علی خان
چیئرمین بورڈ آف ڈائریکٹرز
28 اکتوبر 2019
لاہور

ڈائریکٹرز رپورٹ برائے حصص داران

بورڈ کی جانب سے ہم 30 ستمبر، 2019 کو ختم ہونے والی پہلی سہ ماہی کے حسابات کا جائزہ پیش کرتے ہیں۔

سیمنٹ سیکٹر

سیمنٹ کی صنعت نے مالی سال 20-2019 کی پہلی سہ ماہی میں کل 11.13 ملین ٹن ترسیلات کیں جبکہ گزشتہ سال اسی عرصہ میں 10.85 ملین ٹن ترسیلات کی گئیں جو کہ تقابلی عرصہ کی نسبت 2.57% کا اضافہ ظاہر کرتا ہے۔ ان ترسیلات میں مقامی 9.12 ملین ٹن (ستمبر 2018: 9.06 ملین ٹن) ہیں جبکہ برآمدات 2.02 ملین ٹن (ستمبر 2018: 1.79 ملین ٹن) شامل ہیں۔

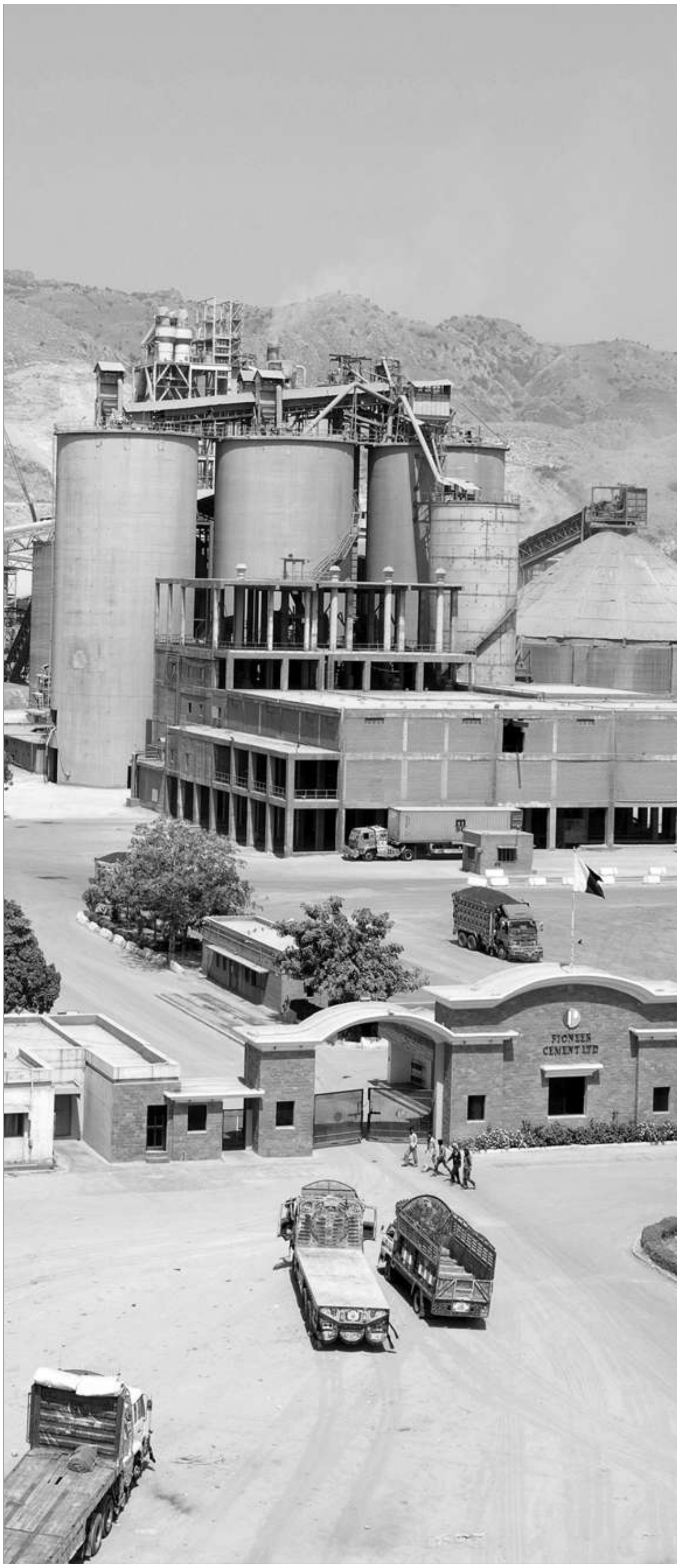
کاروباری کارکردگی

آپ کی کمپنی نے زیرنظر عرصہ کے دوران 339,410 ٹن کلنکر اور 344,560 ٹن سیمنٹ پیدا کیا جبکہ گزشتہ سال اسی عرصہ کے دوران 297,016 ٹن کلنکر اور 332,855 ٹن سیمنٹ پیدا کیا گیا تھا۔

مالیاتی کارکردگی

زیرنظر عرصہ میں کمپنی نے خالص فروخت سے 1,871.04 ملین روپے حاصل کئے جو کہ ستمبر 2018 کے تقابلی عرصہ میں 2,231.53 ملین روپے تھے۔ اگرچہ مقامی منڈی میں عددی فروخت میں 35,656 ٹن کا اضافہ ہوا تاہم قیمتوں میں کمی کی وجہ سے آمدن میں کمی واقع ہوئی۔

فروخت کی لاگت 130.06 ملین روپے کے اضافہ کے ساتھ 1,837.31 ملین روپے رہی (ستمبر 2018: 1,707.25 ملین روپے) ایندھن اور بجلی کی لاگت میں 1,305.92 ملین روپے تک کا اضافہ ہوا (ستمبر 2018: 1,143.85 ملین روپے) خام مال کی قیمت میں 161.71 ملین روپے تک کا اضافہ ہوا (ستمبر 2018: 131.26 ملین روپے) اور پیکنگ کے سامان کی قیمت میں 204.70 ملین روپے تک کا اضافہ ہوا (ستمبر 2018: 163.08 ملین روپے) اگرچہ زیرنظر عرصہ کے دوران بین الاقوامی منڈی میں کوئلے کی قیمت میں کمی واقع ہوئی تاہم پاکستانی روپے کی قدر میں کمی اور مقامی کرایوں میں اضافہ کی وجہ سے مجموعی طور پر کوئلہ کی قیمت میں اضافہ ہوا۔



CONDENSED INTERIM FINANCIAL STATEMENTS

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

Rupees in thousand	Note	September 30, 2019 Un-audited	June 30, 2019 Audited
Assets			
Non-current assets			
Property, plant and equipment	4	37,771,945	36,106,515
Investment property		83,605	83,605
Long term deposits		64,936	57,247
		37,920,486	36,247,367
Current assets			
Stores, spare parts and loose tools	5	2,763,502	1,889,241
Stock in trade	6	421,209	325,812
Trade debts - unsecured		536,089	482,724
Loans and advances		345,441	306,458
Trade deposits and short term prepayments		9,162	8,263
Advance taxes-net		2,049,957	2,077,938
Other receivables		226	325
Short term investments	7	693,480	728,359
Cash and bank balances	8	258,740	210,924
		7,077,806	6,030,044
Total Assets		44,998,292	42,277,411
Equity and liabilities			
Share capital and reserves			
Authorized share capital		3,500,000	3,500,000
Issued, subscribed and paid-up share capital		2,271,489	2,271,489
Reserves			
Capital			
Share premium		197,517	197,517
Surplus on revaluation of fixed asses-net of taxes		2,781,962	2,816,077
Revenue			
Accumulated profits		7,884,966	8,036,260
		10,864,445	11,049,854
		13,135,934	13,321,343
Liabilities			
Non- current liabilities			
Long term financing - secured	9	14,952,410	14,856,329
Long term deposits		4,272	4,272
Deferred liabilities		2,517,268	2,509,565
Retention money		2,006,323	1,898,307
		19,480,273	19,268,473
Current liabilities			
Trade and other payables	10	3,262,966	2,275,190
Contract Liability		128,021	88,682
Accrued interest / profit on financing		709,742	659,433
Short term borrowings - secured	11	6,449,341	4,830,550
Current portion of long term financing - secured		1,765,116	1,765,116
Unclaimed dividend		66,900	68,624
		12,382,086	9,687,595
Total liabilities		31,862,359	28,956,068
Contingencies and commitments	12	-	-
Total equity and liabilities		44,998,292	42,277,411

The annexed notes from 1 to 18 form an integral part of these interim financial statements.

Chief Financial Officer | Chief Executive Officer | Chairman

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

Rupees in thousand	Note	September 30, 2019	September 30, 2018
		Un-audited	
Gross revenue earned from contracts with customers			
Cement		3,111,963	3,233,900
Less			
Sales tax		534,628	513,084
Excise duty		694,388	467,307
Commission		8,306	7,242
Discount & Rebate		3,606	14,739
		1,240,928	1,002,372
Net revenue earned from contracts with customers		1,871,035	2,231,528
Cost of sales	13	1,837,312	1,707,248
Gross profit		33,722	524,280
Distribution cost		44,311	41,680
Administrative expenses		29,931	28,309
Other income		(11,861)	(9,250)
Other expenses		35,452	47,266
		97,833	108,005
Operating (Loss)/profit		(64,110)	416,275
Finance cost		92,971	60,966
(Loss)/Profit before taxation		(157,081)	355,309
Taxation		28,328	97,340
(Loss)/Profit after taxation		(185,409)	257,969
(Loss)/Earnings per share - basic and diluted (Rs.)	14	(0.82)	1.14

The annexed notes from 1 to 18 form an integral part of these interim financial statements.

Chief Financial Officer | Chief Executive Officer | Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

Rupees in thousand	September 30, 2019	September 30, 2018
	Un-audited	Un-audited
(Loss)/Profit after taxation	(185,409)	257,969
Other comprehensive income:		
Items that may be subsequently reclassified to statement of profit or loss	-	-
Items that will not be reclassified to statement of profit or loss subsequently	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	(185,409)	257,969

The annexed notes from 1 to 18 form an integral part of these interim financial statements.

Chief Financial Officer　　Chief Executive Officer　　Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

Rupees in thousand	Note	September 30, 2019	2018
		Un-audited	
Cash flows from operating activities			
Cash generated from operations	15	313,951	217,508
Income tax paid		(108,508)	(72,402)
Workers' profit participation fund paid		(13,305)	(10,684)
Gratuity and compensated absences paid		(1,619)	(1,242)
Provident Fund paid		(4,817)	(3,541)
Decrease in long term deposits - net		(7,689)	(12,098)
		(135,938)	(99,966)
Net cash generated from/(used in) operating activities		178,013	117,543
Cash flows from investing activities			
Capital expenditures incurred		(1,750,246)	(3,402,678)
Redemption of short term investment		-	51,684
Net cash used in investing activities		(1,750,246)	(3,350,994)
Cash flows from financing activities			
Long term financing obtained-net		96,079	2,223,617
Increase in short term borrowings		1,618,791	1,181,199
Finance cost paid		(93,096)	(200,137)
Dividend paid		(1,724)	(99)
Net cash generated from financing activities		1,620,050	3,204,580
Net decrease in cash and cash equivalents		47,817	(28,872)
Cash and cash equivalents at the beginning of the period		210,924	493,261
Cash and cash equivalents at the end of the period	8	258,740	464,388

The annexed notes from 1 to 18 form an integral part of these interim financial statements.

Chief Financial Officer | Chief Executive Officer | Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

Rupees in thousand	Issued, subscribed and paid-up capital	Reserves				Total equity
		Capital		Revenue	Sub total	
		Share premium	Surplus on revaluation of property, plant and equipment	Accumulated profits		
Balance as at June 30, 2018	2,271,489	197,517	3,111,554	8,048,399	11,357,470	13,628,959
Final dividend for the year ended June 30, 2018 @ Rs. 4.07 per share	-	-		(924,496)	(924,496)	(924,496)
Transaction with owners	-	-	-	(924,496)	(924,496)	(924,496)
Profit after taxation for the period	-	-	-	257,969	257,969	257,969
Other comprehensive income for the period	-	-	(30,364)	30,364	-	-
Total comprehensive income for the period	-	-	(30,364)	288,333	257,969	257,969
Balance as at September 30, 2018 - unaudited	2,271,489	197,517	3,081,190	7,412,236	10,690,943	12,962,432
Balance as at June 30,2019 - audited	2,271,489	197,517	2,816,077	8,036,260	11,049,854	13,321,343
Loss after taxation for the period	-	-	-	(185,409)	(185,409)	(185,409)
Other comprehensive income for the period	-	-	(34,115)	34,115	-	-
Balance as at September 30, 2019 - unaudited	2,271,489	197,517	2,781,962	7,884,966	10,864,445	13,135,934

The annexed notes from 1 to 18 form an integral part of these interim financial statements.

Chief Financial Officer   Chief Executive Officer   Chairman

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Pioneer Cement Limited (the Company) was incorporated in Pakistan as a public company limited by shares on February 09, 1986. Its shares are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of cement. The registered office of the Company is situated at 135 Ferozepur Road, Lahore. The Company's production facility is situated at Chenki, District Khushab in Punjab Province with the land area 2,429 kanals and 9 marlas.

1.2 The Company commenced its operations with an installed clinker production capacity of 2,000 tons per day. During 2005, the capacity was optimized to 2,350 tons clinker per day. In financial year 2006, another production line of 4,300 tons per day capacity was completed which started commercial operations from April 2006.

1.3 The Company is in process of installing a new brown field cement plant having production capacity of approximately 8,000 tons clinker per day supported by a 12 MW Waste Heat Recovery Power Plant. In addition, a 24 MW Coal Fired Power Plant is also being installed at the existing plant site.

2 STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements have 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 Standards IAS-34, Interim Financial reporting issued by IASB as notified under the Companies Act, 2017

- Provisions 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.

2.2 The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2019.

2.3 The condensed interim financial statements have been prepared under the historical cost convention. These financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee unless otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2019

Rupees in thousand	Note	September 30, 2019 Un-audited	June 30, 2019 Audited
4 PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	4.1	10,925,117	11,053,352
Capital work in progress	4.2	26,846,828	25,053,163
		37,771,945	36,106,515
4.1 Operating fixed assets			
Opening book value		11,053,352	11,350,064
Additions for the period - net	4.1.1	7,016	210,653
Revaluation of building, plan and machinery		-	-
Depreciation for the period / year		(135,251)	(507,365)
		10,925,117	11,053,352
4.1.1 Additions for the period/year - net			
Plant and machinery		6,668	147,295
Furniture and fixtures		203	4,067
Office and other equipment		-	7,292
Computers and accessories		145	5,379
Vehicles		-	46,620
		7,016	210,653
4.2 Capital Work in Progress			
Opening balance		25,053,163	11,569,955
Additions during the period / year		1,789,165	13,483,208
		26,842,328	25,053,163
5 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		507,329	529,639
Spare parts		872,778	860,802
Loose tools		16,127	17,120
		1,396,234	1,407,561
In transit			
Spare parts in transit		219,510	208,516
Imported coal in transit		1,191,691	317,097
		1,411,201	525,613
Provision for slow moving stores, spare parts and loose tools		(43,933)	(43,933)
		2,763,502	1,889,241
6 STOCK IN TRADE			
Raw material		21,955	28,565
Packing material		17,217	30,190
Work in process		337,516	201,136
Finished goods		44,521	65,921
		421,209	325,812

Rupees in thousand		September 30, 2019 Un-audited	June 30, 2019 Audited
7	SHORT TERM INVESTMENTS		
	Meezan Islamic Fund - 3,830,338 units (June 30, 2019: 3,830,338)	171,876	183,588
	NBP Islamic Stock Fund 22,977,008 units (June 30, 2019: 22,977,008)	197,202	209,268
	KSE Meezan Index Fund 913,849 units (June 30, 2019: 913,849)	45,629	48,386
	Meezan Balance Fund - 10,873,817units (June 30, 2019: 10,873,817)	142,843	146,351
	Meezan Assets Allocation Fund 3,427,064units (June 30, 2019: 3,427,064)	116,021	121,430
	Meezan Islamic Income fund 11,167 units(June 30, 2019: 11,167)	591	574
		674,162	709,597
	- Investments with conventional funds		
	ABL Government Securities Fund - 1,663,177 units(June 30, 2019: 1,663,177)	17,278	16,724
	NBP Government Securities Liquid Fund 1,280 units (June 30, 2019: 1,280)	13	13
	NBP Money Market Fund 205,240 units (June 30, 2019: 205,240)	2,028	2,025
		19,319	18,762
		693,480	728,359

8 CASH AND BANK BALANCES

8.1 Includes sales collection in process amounting to Rs.199.863 million (June 2019: Rs.171.441 million).

		September 30, 2019	June 30, 2019
9	LONG TERM FINANCING - SECURED		
	Meezan Bank Limited	506,250	562,500
	Meezan Bank Limited	450,000	487,500
	Meezan Bank Limited Syndicate	2,235,114	2,045,283
		3,191,364	3,095,283
	Current portion	(412,500)	(412,500)
		2,778,864	2,682,783
	NATIONAL BANK OF PAKISTAN SYNDICATE		
	Conventional Component	11,725,305	11,725,305
	Islamic Component	1,800,857	1,800,857
		13,526,162	13,526,162
	Current portion	(1,352,616)	(1,352,616)
		12,173,546	12,173,546
		14,952,410	14,856,329

9.1 There is no change in the terms of the facilities disclosed in financial statements for the year ended June 30, 2019

Rupees in thousand	Note	September 30, 2019 Un-audited	June 30, 2019 Audited
10 TRADE AND OTHER PAYABLES			
Creditors		2,382,206	1,600,656
Accrued expenses		262,463	295,295
Deposits		21,088	18,378
Excise duty on cement		420,702	251,698
Royalty and excise duty		24,832	1,622
Withholding tax payable		59,242	3,867
Employees' compensated absences		46,970	43,865
Workers' profit participation fund		-	13,305
Workers' welfare fund		45,374	45,374
Others		90	1,130
		3,262,966	2,275,190
11 SHORT TERM BORROWINGS - secured			
Islamic Bank			
Meezan Bank Limited - Running Musharakah		532,316	822,229
Meezan Bank Limited - Import Istisna	11.1	520,000	366,460
Meezan Bank Limited - Salam	11.2	1,500,000	-
Conventional Banks			
Allied Bank Limited		478,499	507,613
National Bank of Pakistan		996,078	996,078
MCB Bank Limited		496,125	498,671
United Bank Limited		199,898	294,502
JS Bank Ltd		445,825	246,658
Habib Bank Limited		688,784	663,630
Bank Al-Habib Limited		591,815	434,709
		3,897,025	3,641,861
		6,449,341	4,830,550

11.1 During the period, the company has obtained Istisna facilities upto Rs.600 million. These facilities carry profit rate of relevant KIBOR + 0.5% p.a.. These are secured by lien on Company's investment in mutual funds managed by Al-Meezan Investments.

11.2 During the period, the company has obtained salam facility upto Rs.1,500 million. This facility carries profit rate of relevant KIBOR + 0.5% p.a.

12 CONTINGENCIES AND COMMITMENTS

12.1 There has been no significant change in the contingencies as disclosed in the financial statements for the year ended June 30, 2019.

12.2 Commitments in respect of outstanding letters of credit amount to Rs.1,082.37 million (June 30, 2019: Rs.1,863.46 million). It includes letter of credit facilities for the procurement of new cement production plant,WHR and Coal power plant aggregating to USD 10.46 million (June 30, 2019: USD 11.03 million).Commitments in respect of issued letters of guarantees favouring collector of customs, Karachi amount to Rs.17.57 million (June,30,2019: Rs.17.57 million).

12.3 Contracts for capital expenditure amounts to RS.3,097.127 million (June 30, 2019: Rs. 4,057.895 million).

Rupees in thousand	September 30, 2019	September 30, 2018
	Un-audited	
13 COST OF SALES		
Raw material consumed	161,705	131,265
Packing material consumed	204,701	163,079
Fuel and power	1,305,917	1,143,847
Stores and spare parts consumed	38,862	49,557
Salaries, wages and benefits	95,162	133,689
Insurance	2,449	2,165
Repairs and maintenance	12,009	21,175
Depreciation	111,751	100,204
Other manufacturing expenses	19,736	17,784
Total manufacturing cost	1,952,292	1,762,765
Work in process		
Opening balance	201,136	301,897
Closing balance	(337,516)	(321,309)
	(136,380)	(19,412)
Cost of goods manufactured	1,815,912	1,743,353
Finished goods		
Opening balance	65,921	66,862
Closing balance	(44,521)	(102,967)
	21,400	(36,105)
	1,837,312	1,707,248
14 (LOSS)/EARNINGS PER SHARE - basic and diluted		
(Loss)/Profit after taxation (Rupees in '000)	(185,409)	257,969
Weighted average number of ordinary shares in issue ('000')	227,149	227,149
(Loss)/Earnings per share -basic and diluted - (Rs)	(0.82)	1.14

Rupees in thousand	September 30, 2019	2018
	Un-audited	
15 CASH GENERATED FROM OPERATIONS		
Profit before taxation	(157,081)	355,309
Adjustment for non cash and other items:		
Depreciation	135,251	122,465
Amortization of intangibles	-	562
Provision for gratuity and compensated absences	12,425	11,392
Finance cost	92,971	60,965
Workers' profit participation fund	-	19,082
Workers' welfare fund	-	7,251
Gain on redemption on short term investment	-	(3,110)
Unrealized loss on investments	34,879	20,933
	275,527	239,540
Cash flows before working capital changes	118,445	594,849
Movement in working capital:		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(874,261)	(345,205)
Stock in trade	(95,397)	(67,186)
Trade debts	(53,365)	11,127
Loans and advances	(38,983)	(89,616)
Trade Deposits and short term prepayments	(898)	(5,509)
Sales tax receivable	108,161	(277,758)
Other receivables	100	14
	(954,642)	(774,133)
Increase / (decrease) in current liabilities		
Trade and other payables	1,042,133	63,331
Retention money	108,016	333,461
Cash generated from operations	313,951	217,508
16 TRANSACTIONS WITH RELATED PARTIES		
Payments to WPPF	13,305	10,684
Staff retirement contribution plan	4,817	3,541

Rupees in thousand	September 30, 2019	June 30, 2019
	Un-audited	Audited
Balances:		
WPPF payable	-	13,305

17 DATE OF AUTHORIZATION FOR ISSUE

These interim financial statements were authorized for issue on October 28, 2019 by the Board of directors of the Company.

18 GENERAL

The figures of the corresponding period / year have been rearranged wherever necessary. However, there were no material classifications to report.

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

Chief Financial Officer   Chief Executive Officer   Chairman

Notes

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