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Company Information

BOARD OF DIRECTORS

Executive Directors

Dewan Muhammad Yousuf Farooqi
Syed Muhammad Anwar
Mr. Haroon Iqbal

Chairman Board of Directors
Chief Executive Officer

Non-Executive Directors

Mr. Waseem-ul-Haque Ansari
Mr. Ghazanfar Babar Siddiqui
Mr. Ishtiaq Ahmad

Independent Director

Mr. Aziz-ul-Haque

AUDIT COMMITTEE MEMBERS

Mr. Aziz-ul-Haque
Mr. Ishtiaq Ahmad
Mr. Ghazanfar Baber Siddiqi

Chairman
Member
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Aziz-ul-Haque
Syed Muhammad Anwar
Mr. Ishtiaq Ahmad

Chairman
Member
Member

CHIEF FINANCIAL OFFICER

Mr. Imran Ahmed Javed

COMPANY SECRETARY

Mr. Muhammad Hanif German

AUDITORS

Faruq Ali & Co.
Chartered Accountants

LEGAL ADVISOR

Muhammad Azhar Faridi (Advocate)

SHARES REGISTRAR TRANSFER AGENT

BMF Consultants Pakistan (Pvt.) Limited
Anum Estate, Room No. 310 & 311, 3rd Floor,
49, Darul Aman Society, Main Shahrah-e-Faisal,
Adjacent to Baloch Colony Bridge, Karachi, Pakistan.

REGISTERED ADDRESS

Block-A, 7th Floor, Finance & Trade Centre,
Shahrah-e-Faisal, Karachi, Pakistan.

CORPORATE OFFICE

Block-A, 2nd Floor, Finance & Trade Centre,
Shahrah-e-Faisal, Karachi, Pakistan.

FACTORY

1. Deh Dhand, Dhabeji
District, Malir, Karachi.
2. Kamilpur Near Hattar
District, Haripur, Khyber Pakhtoonkhuwa

WEBSITE

www.yousufdewan.com

Directors' Report

IF YE GIVE THANKS, I WILL GIVE YOU MORE (HOLY QURAN)

The Directors are pleased to present un-audited financial results for the half year ended December 31, 2017 duly reviewed by the auditors.

Overview of Cement Industry

The demand of cement is showing an upward trend and sales increased by 12.30%. Local sales increased by 17.41% and the exports decreased by 17.34%. Local sales increased from 16.89 to 19.84 million tons and exports dropped from 2.91 to 2.41 million tons.

Overview of Your Company

Production

	Upto December 2017 (In tons)	Upto December 2016 (In tons)	Variance (% Age)
Clinker	992,007	946,278	4.83
Cement	1,050,866	970,184	8.32

Cement Dispatches

	Upto December 2017 (In tons)	Upto December 2016 (In tons)	Variance (% Age)
Local Sales	1,000,585	854,994	17.03
Export Sales	44,296	115,708	(61.72)
Total	<u>1,044,881</u>	<u>901,383</u>	<u>15.92</u>

Operating Performance

The operating results of the Company for the current half year and that of the corresponding period last year are highlighted below:

	Upto December 2017 (Rs. '000')	Upto December 2016 (Rs. '000')	Variance (% Age)
Net Sales	6,457,726	6,193,742	4.26
Cost of goods sold	(5,288,954)	(5,081,742)	(4.08)
Gross Profit	1,168,772	1,112,000	5.11
Expenses & Taxes	(618,572)	(635,509)	(2.66)
Net Profit	<u>550,200</u>	<u>476,491</u>	<u>15.47</u>

The volume has increased by 15.92% and the Company still has been able to reduce cost by 10.23 % over last year. Thus giving an impact of just 4.08% increase in cost of production. It is mainly due to saving made by operation of Waste Heat Recovery plant, Cement Mill and Coal Mill.

Future Outlook

Stable economic outlook along with better law and order situation is providing conducive environment for growth. Cement demand will remain strong in short and medium term owing to development schemes (PSDP and CPEC), mega housing projects and election year.

Addition of production capacities in next 1 to 3 years may impact the prices. Increase in oil and coal prices and fluctuating Pak rupee may impact profits.

Exports will remain depressed but local dispatches will mitigate the effect.

Observations in the Auditors' Review Report

The auditors have qualified their report on the following basis, which are duly explained.

Advance for Pre-IPO Investment:

The auditors do not concur with the management assertion regarding the classification of advance for Pre-IPO investment amounting to Rs. 3,110 million as long-term liability.

The management is of the view that since IPO was not closed by the arrangers so TFC's could not be issued. We have offered them revised terms of restructuring and are very much hopeful that it will be closed in near future. It is pertinent to mention here that almost 27% of the loan was restructured and timely payment are being made as committed.

Provision for markup:

The Company has not made provision of markup for the period amounting to Rs. 185.970. The management has approached its bankers / financial institutions for restructuring of its long term and short-term obligations. The management is confident that the Company's restructuring proposals will be accepted by the financial institutions / bankers. Therefore, the Company has not made any provision of mark-up.

Going Concern Assumption:

The auditors have added an emphasis of matter paragraph on the company's ability to continue as going concern as more fully explained in note 2 to the condensed interim financial information.

Acknowledgement

The Board of Directors places on record its gratitude to its valued customers, Federal and Provincial Governments, dealers and employees of the Company, for their continued co-operation & support.

In conclusion, we bow, beg and pray to **Almighty Allah, Rahman-ur-Rahim**, in the name of our beloved Prophet Mohammad (peace be upon him), for continued showering of His blessings, guidance, strength, health, and prosperity to us, our Company, Country and Nation and also pray to Almighty Allah to bestow peace, harmony, brotherhood and unity in true Islamic spirit to whole of Muslim Ummah, Ameen, Summa Ameen.

LO-MY LORD IS INDEED HEARER OF PRAYER (AL-QURAN)

For and on behalf of Board of Directors



Dewan Muhammad Yousuf Farooqui
Chairman Board of Directors

Dated: February 23, 2018
Place: Karachi



C-88 Ground Floor, KDA Scheme No.1,
Main Kurva Road Opp. Marble
Museum, Karachi-73260
E-mail: info@fac.com.pk

Telephone : (021 34301966)
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: (021 34301968)
: (021 34301969)
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Independent Auditors' Report To The Members On Review Of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Dewan Cement Limited as at 31 December 2017, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the interim profit and loss account for the quarters ended 31 December 2017 and 31 December 2016 and notes thereto have not been reviewed as we are required to review only the cumulative figures for the half year ended 31 December 2017.

Scope of Review

We conducted our review in accordance with the International 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.

Bases for qualified conclusion

- a) The Company has classified 'advances for investment in term finance certificates' amounting to Rs.3,110 million as long term liability. We do not concur with the management's assertion regarding its classification as long-term liability. In our opinion the entire liability should be classified as current liability as per terms of agreement with the investors.

- b) The Company has not made provision of markup for the period amounting to Rs. 185.970 million (up to 30 June 2017: Rs.4,310.109 million) (refer note 10) keeping in view of the settlement reached with lenders. Had the provision of markup been made in the condensed interim financial information, the profit for the period would have been lower by Rs.185.970 millions and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.4,496,070 million.

Qualified conclusion

Based on our review, except for the matters described in Para (a) and (b) above, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Matter of emphasis

without further qualifying our opinion, we draw attention of the members to note 2 to the condensed interim financial information which indicates that as of 31 December 2017 the Company's current liabilities exceeded its current assets by Rs.2,599,072 million, a consent decree was obtained majority of the lenders on the terms and conditions stipulated in standstill agreement and certain lenders have gone into litigation for recovery of their liabilities through attachment and sale of the Company's hypothecated / mortgaged properties and some of the lenders have also filed winding up petitions. These conditions, along with other matters as set forth in note 2, indicate the existence of material uncertainty which may cast significant doubt about Company's ability to continue as going concern therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The amounts of current liabilities reported in note 2 do not include the effect of matters discussed in para (a) and (b) above. The going concern assumption used in preparation of these financial statements is dependent on settlement of the liabilities as per standstill agreements and pending litigations.

Dated: February 23, 2017
Place: Karachi



CHARTERED ACCOUNTANTS

Engagement partner: Muhammad Faisal Nini

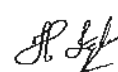
Condensed Interim Balance Sheet
As At December 31, 2017

	(Un-audited) December 31, 2017	(Audited) June 30, 2017
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5 26,758,545	27,017,233
Long term deposits	129,611	109,051
Long term loans	18,778	15,601
	<u>26,906,934</u>	<u>27,141,885</u>
CURRENT ASSETS		
Stores and spare parts	1,413,884	1,221,964
Stock In trade	697,934	697,138
Trade debts - Unsecured	239,922	245,463
Loans and advances - Unsecured	94,067	146,233
Trade deposits and short term payments	40,690	11,677
Other receivables - Considered good	128,002	160,188
Short term investments	29,985	48,234
Taxation - Net	360,545	471,960
Cash and bank balances	159,618	122,722
	<u>3,164,647</u>	<u>3,125,579</u>
	<u>30,071,581</u>	<u>30,267,464</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital		
500,000,000 (30 June 2017: 500,000,000) Ordinary shares of Rs. 10/- each	5,000,000	5,000,000
Issued, subscribed and paid-up share capital	4,841,133	4,841,133
Reserves - Net	5,651,435	4,996,791
	<u>10,492,568</u>	<u>9,837,924</u>
Surplus on revaluation of property, plant and equipment	6 6,505,541	6,539,968
NON-CURRENT LIABILITIES		
Long term financing	300,285	358,974
Advances for investment in term finance certificates	3,110,000	3,110,000
Long term deposits and payables	864,106	2,087,294
Deferred tax liability - Net	7 3,035,362	2,971,017
	<u>7,309,753</u>	<u>8,527,285</u>
CURRENT LIABILITIES		
Trade and other payables	2,215,647	1,727,768
Short term borrowings	579,159	560,875
Mark-up payable	792,661	971,297
Current & overdue portion of non-current liabilities	2,030,270	2,030,270
Sales tax payable	145,982	72,077
	<u>5,763,719</u>	<u>5,362,287</u>
CONTINGENCIES AND COMMITMENTS	8	
	<u>30,071,581</u>	<u>30,267,464</u>

The annexed notes form an integral part of the condensed interim financial information.



Syed Muhammad Anwar
Chief Executive Officer



Haroon Iqbal
Director

**Condensed Interim Profit And Loss Account-(Un-audited)
For The Half Year Ended December 31, 2017**

	Half Year Ended		Quarter Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Note -----Rupees in '000'-----			
Turnover - Net	6,457,726	6,193,742	3,470,940	3,251,262
Cost of sales	(5,288,954)	(5,081,742)	(2,911,457)	(2,702,847)
Gross profit	1,168,772	1,112,000	559,483	548,415
Operating expenses				
Distribution cost	(106,127)	(96,960)	(62,801)	(43,185)
Administrative expenses	(294,363)	(325,136)	(186,969)	(197,178)
Other operating expenses	(99,961)	(50,022)	(53,746)	(23,306)
	(500,451)	(472,118)	(303,516)	(263,669)
Operating profit	668,321	639,882	255,967	284,746
Other income	180,473	101,575	180,283	87,358
Finance cost	10 (29,624)	(7,115)	(21,286)	(1,643)
Profit before taxation	819,170	734,342	414,964	370,461
Taxation - Net	(268,970)	(257,851)	(110,511)	(162,341)
Profit after taxation	550,200	476,491	304,453	208,120
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	148,098	86,973	45,583	40,048
Related deferred tax	(43,654)	(26,556)	(13,077)	(12,821)
	104,444	60,417	32,506	27,227
Total comprehensive income for the period	654,644	536,908	336,959	235,347
Earnings per share - basic and diluted (Rupees)	11 1.14	0.98	0.63	0.43

The annexed notes form an integral part of the condensed interim financial information.


Syed Muhammad Anwar
Chief Executive Officer


Haroon Iqbal
Director

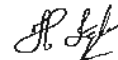
Condensed Interim Cash Flow Statement - (Un-audited)
For The Half Year Ended December 31, 2017

	December 31, December 31, 2017 2016	
	Note ----- Rupees in '000' -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	12 1,571,137	1,723,029
Payment for:		
Income tax paid	(23,193)	(28,800)
Workers profit participation fund	—	(35,059)
Finance cost	(2,428)	(4,377)
Net cash generated from operating activities	<u>1,545,516</u>	<u>1,654,793</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(192,247)	(1,637,322)
Sale proceeds of fixed assets	3,602	11
Net change in long term loans	(3,177)	(5,931)
Dividend received	938	603
Net change in long term deposits	(20,560)	(11,280)
Net cash used in investing activities	<u>(211,444)</u>	<u>(1,653,919)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances for investment in term finance certificates	—	(50,000)
Long term deposits and payables - Net	(1,233,242)	98,725
Repayment of long term loans	(63,934)	(63,934)
Net cash used in financing activities	<u>(1,297,176)</u>	<u>(15,209)</u>
Net (decrease) in cash and cash equivalents	36,896	(14,335)
Cash and cash equivalents at the beginning of the period	122,722	203,001
Cash and cash equivalents at the end of the period	<u>159,618</u>	<u>188,666</u>

The annexed notes form an integral part of the condensed interim financial information.



Syed Muhammad Anwar
Chief Executive Officer



Haroon Iqbal
Director

**Condensed Interim Statement Of Changes In Equity - (Un-audited)
For The Half Year Ended December 31, 2017**

	Issued, subscribed and paid-up share capital	Advance against issue of share capital	Reserves		Total reserve	Total equity
			Capital Merger reserve	Revenue "Unappropriated profit"		
----- Rupees in '000' -----						
Balance as at July 01, 2016	4,841,133	-	629,444	2,949,279	3,578,723	8,419,856
Total comprehensive income for the period						
Profit for the period	-	-	-	476,491	476,491	476,491
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	-	-	-	60,417	60,417	60,417
	-	-	-	536,908	536,908	536,908
Balance as at December 31, 2016	<u>4,841,133</u>	<u>-</u>	<u>629,444</u>	<u>3,486,187</u>	<u>4,115,631</u>	<u>8,956,764</u>
Balance as at July 01, 2017	4,841,133	-	629,444	4,367,347	4,996,791	9,837,924
Total comprehensive income for the period						
Profit for the period	-	-	-	550,200	550,200	550,200
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	-	-	-	104,444	104,444	104,444
	-	-	-	654,644	654,644	654,644
Balance as at December 31, 2017	<u>4,841,133</u>	<u>-</u>	<u>629,444</u>	<u>5,021,991</u>	<u>5,651,435</u>	<u>10,492,568</u>

The annexed notes form an integral part of the condensed interim financial information.



Syed Muhammad Anwar
Chief Executive Officer



Haroon Iqbal
Director

**Notes To The Condensed Interim Financial Information - (Un-audited)
For The Half Year Ended December 31, 2017****1 THE COMPANY AND ITS OPERATIONS**

Dewan Cement Limited ('the Company / DCL') was incorporated in Pakistan as a public limited company in March, 1980. Its shares are quoted in the Pakistan Stock Exchange. The registered office of the Company is situated at 7th Floor, Block A, Finance and Trade Centre, Shahrah-e-Faisal, Karachi.

The principal activity of the Company is manufacturing and selling of cement. The Company has two production facilities at Deh Dhand, Dhabeji Karachi, Sindh and Kamripur Hattar Industrial Estate, district Khyber Pakhtunkhwa.

2 GOING CONCERN ASSUMPTION

The condensed interim financial information for the period ended 31 December 2017 reflect as of that date the Company's current liabilities exceeded its current assets by Rs.2,599.072 million (30 June 2017: Rs.2,236.708 million). The Company's short-term borrowing facilities have expired and not been renewed and the Company has been unable to ensure scheduled payments of long term borrowings due to the liquidity problems. Following course, majority of the lenders had gone into litigation for repayment of liabilities through attachment and sale of Company's hypothecated / mortgaged properties and certain lenders had also filed winding up petitions as more fully explained in the annual financial statements of the Company for the year ended 30 June 2017. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Subsequent to the period ended 31 December 2017, the major shareholders of the Company, are considering the non-binding indicative offer made by Mega Conglomerate (Private) Limited to purchase 87.5% of shareholding in the Company. Intended acquisition would be 75% through agreements and remaining 12.5% through public offerings, subject to obtaining of all regulatory approvals under the applicable laws and regulations. An intimation to this effect was forwarded to Pakistan Stock Exchange and SECP on 2 February 2018 and the due diligence has been initiated subsequent to the period end.

Furthermore, the Company's profit has increased over the years and its cash flows are positive and expected growth in the economy are positively linked to the Company's growth. Accordingly, this condensed interim financial information has been prepared on a going concern basis.

3 BASIS OF PREPARATION

- 3.1** These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated 20 July 2017 and circular No. 23 of 2017 dated 4 October 2017 issued by the Securities & Exchange Commission of Pakistan (SECP), the Company has prepared these financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984 (the Ordinance). Accordingly, approved accounting standards for interim financial reporting comprise of International Accounting Standard 34, 'Interim Financial Reporting' and provisions of and directives issued under the Ordinance. In case requirements differ, the provisions of or directives issued under the Ordinance prevail.
- 3.2** These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2017. The figures included in the condensed interim profit and loss account for the quarters ended 31 December 2017 and 2016 and in the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended 31 December 2017 and 2016.

4 SIGNIFICANT ACCOUNTING POLICIES

- 4.1** The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2017.
- 4.2** The preparation of condensed interim financial information in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and judgment applied by the management in preparation of this condensed interim financial information is same as those applied in preparation of annual financial statements of the company for the year ended 30 June 2017.

DEWAN CEMENT LIMITED

(Un-audited) (Audited)
December 31, June 30,
2017 2017

Note ----- Rupees in '000' -----

5 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - At cost less accumulated depreciation	5.1	25,432,647	25,878,729
Assets subject to finance lease		598	665
Capital work in progress - At cost	5.2	1,325,300	1,137,839
		<u>26,758,545</u>	<u>27,017,233</u>

5.1 Operating fixed assets - At cost less accumulated depreciation

Opening carrying value		25,878,729	21,169,837
Additions during the period / year	5.1.1	4,786	2,778,091
Revaluation during the period / year		--	2,626,751
Disposal during the period / year (book value)		(12,226)	(2,209)
Depreciation charged during the period / year		(438,642)	(693,741)
Closing carrying value		<u>25,432,647</u>	<u>25,878,729</u>

**5.1.1 Additions and disposals during the period
(Operating fixed assets)**

	December 31, 2017	
	Additions Cost	Disposals Cost
	----- Rupees in '000' -----	
Furniture and fixture	2,001	--
Office equipment	935	--
Computers	821	--
Vehicles	1,029	24,360
	<u>4,786</u>	<u>24,360</u>

(Un-audited) (Audited)
December 31, June 30,
2017 2017

----- Rupees in '000' -----

5.2 Capital work-in-progress

Opening balance		1,137,839	950,642
Additions during the period / year		187,461	2,756,547
		1,325,300	3,707,189
Capitalized during the period / year		--	(2,569,350)
		<u>1,325,300</u>	<u>1,137,839</u>

(Un-audited) (Audited)
December 31, June 30,
2017 2017
----- Rupees in '000' -----

6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Gross surplus	8,707,215	8,855,313
Less: Related deferred tax	(2,201,674)	(2,315,345)
	<u>6,505,541</u>	<u>6,539,968</u>

7 DEFERRED TAX LIABILITY - Net

Deferred taxation comprises temporary difference relating to:		
Accelerated tax depreciation	3,545,980	3,460,380
Surplus on revaluation of fixed assets	2,457,774	2,584,808
Provisions and others	(28,403)	(36,597)
	<u>5,975,351</u>	<u>6,008,591</u>

Effect of reduction in effective tax rate on account of transfer of income of the company being assessed under Final Tax Regime	(622,633)	(626,389)
	<u>5,352,718</u>	<u>5,382,202</u>

Accumulated tax losses and available tax credits	(2,317,356)	(2,411,185)
	<u>3,035,362</u>	<u>2,971,017</u>

8 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies and commitments as reported in the annual financial statements for the year ended 30 June 2017.

9 OTHER INCOME

This mainly include liabilities no longer payable written back in respect of markup on Term Finance Certificates.

10 FINANCE COST

Company has not made the provision of mark-up for the period amounting to Rs.185.970 million (Up to 30 June 2017: Rs.4,310,109 million) keeping in view that the admitted liability will be reduced to the principle amounts on account of settlement of liabilities in accordance with the standstill agreements with lenders executed during the year. Had the provision been made the profit for the year would have been lower by Rs.185.970 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.4,496.070 million. The said non-provisioning is a departure from the requirements of IAS-23 'Borrowing Costs'.

11 EARNING PER SHARE - Basic and diluted

	Half Year Ended		Quarter Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	-----Rupees in '000'-----			
Profit after taxation	550,200	476,491	304,453	208,120
	----- No. of Shares '000' -----			
Weighted average number of outstanding shares	484,113	484,113	484,113	484,113
Weighted average number of outstanding shares including dilutive effect	484,113	484,113	484,113	484,113
Earnings per share - basic and diluted	1.14	0.98	0.63	0.43

12 CASH GENERATED FROM OPERATIONS

CASH FLOWS FROM OPERATING ACTIVITIES	(Un-audited) December 31, 2017	(Un-audited) December 31, 2016
	----- Rupees in '000' -----	
Profit before taxation	819,170	734,342
Adjustments for non-cash charges and other items:		
Depreciation		
Gain on disposal of operating fixed assets	438,707	278,838
Workers' profit participation fund	8,624	(8)
Liabilities no longer payable written back	44,065	39,438
Unwinding of discount	(178,635)	(81,772)
Dividend income	5,242	—
Workers' welfare fund	(938)	(603)
Gain on remeasurement of short term investments	18,069	14,987
Finance cost	18,249	(14,657)
Exchange loss	24,382	7,115
	10,054	(5,303)
Cash inflows before working capital changes	1,206,989	972,377

(Un-audited) (Un-audited)
December 31, December 31,
2017 2016
----- Rupees in '000' -----

Movement in working capital

(increase) / decrease in current assets

Stores and spare parts	(191,920)	(87,937)
Stock in trade	(796)	(112,463)
Trade debts - Unsecured	5,541	183,638
Loans and advances - Unsecured	52,166	14,327
Trade deposits & short term prepayments	(29,013)	(38,727)
Other receivables - Considered good	32,186	2,829
	(131,836)	(38,333)

Increase / (decrease) in current liabilities

Trade and other payables	422,079	789,486
Sales tax payable	73,905	(501)
	495,984	788,985

Cash generated from operations

1,571,137 1,723,029

13 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise group companies, associate, directors and executives. The Company in the normal course of business carries out transactions with various related parties. Material transactions and balances with related parties are given below:

(Un-audited) (Un-audited)
December 31, December 31,
2017 2016
----- Rupees in '000' -----

Employee benefit fund

Company's and employees contributions
during the period

28,371 24,446

14 CAPACITY - CLINKER (Tons)

	Half Year Ended		Quarter Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	----- Metric Tones -----			
Installed capacity for the period	1,470,000	1,470,000	735,000	735,000
Actual production for the period	992,007	946,278	467,764	472,127

The under utilization of capacity was due to maintenance of the plant and downfall in demand of cement.

15 CORRESPONDING FIGURES

- 15.1** In order to comply with the requirements of International Accounting Standard 34 'Interim Financial Reporting', balance sheet has been compared with the balances of annual financial statements, whereas profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.
- 15.2** For better presentation certain prior period's figures have been reclassified consequent to certain changes in the current period's presentation, the impact of which is not considered material.

16 DATE OF AUTHORIZATION FOR ISSUE

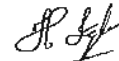
The condensed interim financial information was authorized for issue on **February 23, 2018** in accordance with the resolution of the Board of Directors of the Company.

17 GENERAL

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



Syed Muhammad Anwar
Chief Executive Officer



Haroon Iqbal
Director

ڈائریکٹرز رپورٹ

ڈائریکٹرز 31 دسمبر 2017ء کو ختم ہونے والی ششماہی کیلئے غیر آڈٹ شدہ مالیاتی نتائج پیش کر رہے ہیں۔

چائزہ:

سینٹ کی طلب اضافہ دیکھنے میں آیا اور فروخت میں اضافہ کا تناسب 12.30% رہا۔ مقامی فروخت میں اضافہ کا تناسب 17.41% رہا اور برآمدات میں کمی کا تناسب 17.34% رہا۔ مقامی فروخت میں 16.89 سے 19.84 ملین ٹن کا اضافہ ہوا اور برآمدات میں 2.91 سے 2.41 ملین ٹن کمی آئی۔

پیداوار:

دسمبر 2017ء تک (ٹن میں)	دسمبر 2016ء تک (ٹن میں)	تغیر (فیصد)
992,007	946,278	4.83
1,050,866	970,184	8.32

سینٹ کی ترسیلات:

دسمبر 2017ء تک (ٹن میں)	دسمبر 2016ء تک (ٹن میں)	تغیر (فیصد)
1,000,585	854,994	17.03
44,296	115,708	(61.72)
1,044,881	901,383	15.92

عملی کارکردگی:

موجودہ ششماہی کیلئے کہتی کے عملی نتائج اور گزشتہ سال اسی مدت کی تفصیلات درج ذیل ہیں:

دسمبر 2017ء تک (روپے '000')	دسمبر 2016ء تک (روپے '000')	تغیر (فیصد)
6,457,726	6,193,742	4.26
(5,288,954)	(5,081,742)	(4.08)
1,168,772	1,112,000	5.11
(618,572)	(635,509)	(2.66)
550,200	476,491	15.47

اس مدت کے دوران کمپنی کے مجموعی حجم میں 15.92% کا اضافہ ہوا ہے اور اب کمپنی پیداواری قیمت گزشتہ سال کے مقابلے میں 10.23% کم کرنے کے قابل ہوئی ہے۔ جس کی وجہ سے پیداواری لاگت میں صرف 4.08% کا اضافہ ہوا ہے۔ یہ بنیادی طور پر ڈسٹ ہیٹ ریکوری پلانٹ، سینٹ مل اور کول مل کے آپریشن سے کی گئی بچت کی وجہ سے ہوا ہے۔

مستقبل کا نظریہ:

مستحکم اقتصادی نقطہ نظر بشمول بہتر امن و امان کی صورتحال ترقی کیلئے سازگار ماحول فراہم کر رہا ہے۔ ترقیاتی منصوبوں (PSDP اور CPEC)، بڑے رہائشی منصوبے اور انتخابات کے سال کی وجہ سے سینٹ کی طلب مختصر اور درمیانی مدت میں مضبوط رہے گی۔

اگلے ایک سے تین سالوں میں پیداواری صلاحیتوں کے علاوہ قیمتوں پر اثر پڑ سکتا ہے۔ تیل اور کولے کی قیمتوں میں اضافہ اور پاکستانی روپے میں اتار چڑھاؤ منافع پر اثر انداز ہو سکتا ہے۔

ذیلی برآمدات کی وجہ سے مقامی فروخت متاثر ہوگی۔

آڈیٹرز رپورٹ کا جائزہ:

آڈیٹرز نے درج ذیل بنیاد پر اپنی رپورٹ مکمل کی ہے جس کی وضاحت کر دی گئی ہے۔

پری آئی پی او انویسٹمنٹ کے لئے ایڈوائس:

آڈیٹرز انتظامیہ کے ساتھ پری آئی پی او انویسٹمنٹ کیلئے ایڈوائس کی درجہ بندی مبلغ 3,110 ملین روپے بطور طویل مدتی قرضہ جات پر متفق نہیں ہیں۔

انتظامیہ کی رائے کے مطابق آئی پی او کو تنظیمین نے بند نہیں کیا تھا لہذا ایف سی جاری نہیں کی جا سکی۔ ہم نے انہیں دوبارہ ترمیم کیلئے نظر ثانی کی پیشکش کی تھی اور پوری امید ہے کہ یہ مستقبل قریب میں حل ہو جائے گا۔ یہاں یہ بھی تحریر کرنا ضروری ہے کہ تقریباً 27% قرضہ جات پر نظر ثانی کی جا چکی ہے۔

مارک اپ کیلئے قواعد:

کمپنی نے مارک اپ مبلغ 185.970 ملین روپے کا حساب درج نہیں کیا جو اس کے سودی قرضہ جات پر لگنا ضروری تھا۔ انتظامیہ نے طویل مدتی قرضہ جات کے سلسلے میں اپنے ٹیکرز/مالیاتی اداروں سے رابطہ قائم کیا ہے اور انتظامیہ کو یقین ہے کہ کمپنی کی یہ تجاویز جو کہ انتظامیہ نے دی ہے اسے مالیاتی ادارے/ٹیکرز منظور کر لیں گے۔ لہذا کمپنی نے مارک اپ درج نہیں کیا ہے کیونکہ مارک اپ کی ادائیگی نہیں کی جائے گی۔

مفروضہ سے حقائق امور:

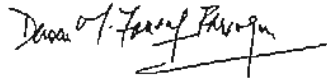
آڈیٹرز نے کئی کاروباری صلاحیت کے حقائق توثیق پر پھر اگر ان کا اضافہ کیا ہے۔ انتظامیہ کی رائے کے مطابق کئی تبادیل کو مالیاتی ادارے اینڈ کنٹرول کر لینگے اور اس کی بنیاد پر مالیاتی حسابات تیار کئے گئے ہیں۔

اعمالیہ:

بورڈ آف ڈائریکٹرز اپنے محترم صارفین، وفاقی اور صوبائی حکومت میں کام کرنے والوں، ڈیلرز اور کئی کے ملازمین کا ان کی جانب سے مستقل تعاون اور سپورٹ پر شکریہ ادا کرنا چاہتے ہیں۔

ہم آخر میں اللہ تعالیٰ رحمن و رحیم سے دعا کرتے ہیں اور حضرت محمد ﷺ سے فضل و کرم کی دعا مانگتے ہیں کہ ہماری کئی، ہمارے ملک کو ترقی و طاقت عطا کرے، ہم اللہ تعالیٰ سے یہ بھی دعا کرتے ہیں کہ وہ تمام مسلم ائمہ کے مابین صحیح اسلامی جذبہ، اخوت اور بھائی چارگی پیدا کرے۔ آمین۔
عمر آمین۔

میرا پروردگار یقیناً ہماری دعاؤں کو سنتا ہے۔ (قرآن کریم)
بورڈ آف ڈائریکٹرز کی جانب سے



کراچی:

مورخہ: 23 فروری 2018

دewan محمد یوسف فاروقی

چئیرمین بورڈ آف ڈائریکٹرز