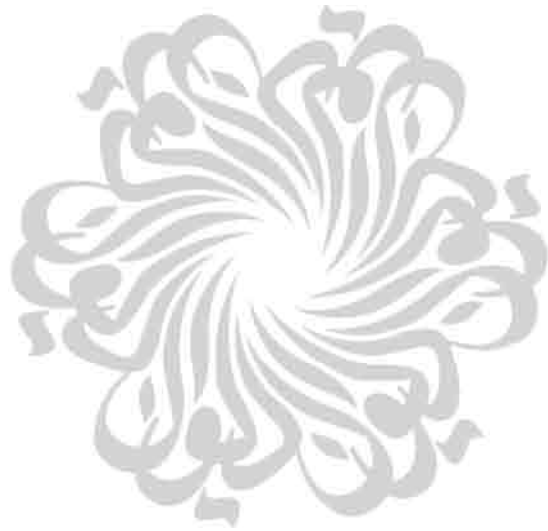


Contents

Company Information.....	3
Directors' Report	4
Balance Sheet	6
Profit and Loss Account.....	7
Cash Flow Statement	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10



Company Information

BOARD OF DIRECTORS

Executive Directors

Dewan Muhammad Yousuf Farooqui
Syed Muhammad Anwar
Mr. Haroon Iqbal

Chairman Board of Director
Chief Executive Officer

Non-Executive Directors

Dewan Abdul Baqi Farooqui
Dewan Abdul Rehman Farooqui
Mr. Ghazanfar Baber Siddiqui

Independent Director

Mr. Aziz-ul-Haque

AUDIT COMMITTEE MEMBERS

Mr. Aziz-ul-Haque
Dewan Abdul Rehman Farooqui
Mr. Haroon Iqbal

Chairman
Member
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Dewan Muhammad Yousuf Farooqui
Mr. Haroon Iqbal
Mr. Aziz-ul-Haque

Chairman
Member
Member

CHIEF FINANCIAL OFFICER

Mr. Imran Ahmed Javed

COMPANY SECRETARY

Mr. Muhammad Hanif German

AUDITORS

Faruq Ali & Co.
Chartered Accountants

COST AUDITORS

Rafaqat Mansha Mohsin Dossani Masoom & 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 third quarter ended March 31, 2016.

Overview of Cement Industry

The cement industry of Pakistan concluded the nine months of financial year ending March 31, 2016 with a growth of 9.94% with overall volume of 28.35 million tons as compared to 25.78 million tons achieved during the same period last year. The overall sales volume increased by 2.57 million tons.

The local Sales were 23.94 million tons as compared to 20.34 million tons marking a growth of 17.69%.

The export Sales volume of the industry decreased by 19.02% with a volume drop of 1.03 million tons during the same period last Year.

Overview of Your Company

Production

	Upto March 2016 (In tons)	Upto March 2015 (In tons)	Variance (% Age)
Clinker	1,329,712	1,214,184	9.51
Cement	1,423,566	1,280,212	11.20

Cement Dispatches

	Upto March 2016 (In tons)	Upto March 2015 (In tons)	Variance (% Age)
Local Sales	1,280,237	1,066,118	20.08
Export Sales	148,366	207,419	(28.47)
Total	1,428,603	1,273,537	12.18

Operating Performance

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

DEWAN CEMENT LIMITED

	Upto March 2016 (Rs. '000')	Upto March 2015 (Rs. '000')	Variance (% Age)
Net Sales	9,269,394	8,344,523	11.08
Cost of goods sold	(8,018,862)	(7,086,005)	13.16
Gross Profit	1,251,045	1,258,518	(0.59)
Expenses & Taxes	(864,843)	(934,675)	(7.47)
Net Profit	<u>386,202</u>	<u>323,843</u>	<u>19.26</u>

Future Outlook

The economy of Pakistan is improving on constructive macroeconomic indicators. Improved law and order situation, lower inflation and interest rates will increase the local demand of cement. Domestic sales will continue to increase due to public and private sector projects as well as the mega project China-Pakistan Economic Corridor (CPEC) thus increasing the GDP by 2% (estimated).

Lower commodity prices and instability in the financial markets of the world can make exports challenging. The local sales will offset this decline thus marginalizing the effect.

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: April 25, 2016
Place: Karachi

Condensed Interim Balance Sheet
As At March 31, 2016

	(Un-audited) March 31, 2016	(Audited) June 30, 2015
ASSETS	Note	
----- Rupees in '000' -----		
NON-CURRENT ASSETS		
Property, plant and equipment	6	21,347,462
Long-term deposits		109,293
Long-term loans		9,219
		<u>21,465,974</u>
CURRENT ASSETS		
Stores and spare parts		1,068,450
Stock in trade		745,042
Trade debts - Unsecured		848,711
Loans and advances - Unsecured		388,173
Trade deposits and short term payments		121,693
Other receivables - Considered good		102,009
Short term investments		29,230
Taxation - Net		255,655
Cash and bank balances		320,547
		<u>3,879,510</u>
		<u>25,345,484</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital		
500,000,000 (June 30, 2015: 500,000,000)		
Ordinary shares of Rs. 10/- each		5,000,000
		<u>5,000,000</u>
Issued, subscribed and paid-up-capital		4,841,133
Advance against issue of shares capital		-
Reserves - Net		2,441,541
		<u>7,282,674</u>
SURPLUS ON REVALUATION OF FIXED ASSETS - Net of Tax	7	4,748,284
		4,836,301
NON-CURRENT LIABILITIES		
Long-term financing	8	870,650
Advances for investment in term finance certificates	9	3,460,000
Long-term deposits and payables		1,085,830
Deferred taxation		1,724,297
		<u>7,140,777</u>
		1,162,892
		3,460,000
		1,328,544
		1,701,998
CURRENT LIABILITIES		
Trade and other payables		2,186,921
Short-term borrowings		560,876
Mark-up payable	12	1,037,299
Current and overdue portion of long term borrowings	10	2,271,384
Sales tax payable		117,269
		<u>6,173,749</u>
		1,522,683
		560,875
		1,037,300
		2,120,083
		99,482
		5,340,423
CONTINGENCIES AND COMMITMENTS		
	11	-
		-
TOTAL EQUITY AND LIABILITIES		<u>25,345,484</u>
		<u>24,638,612</u>

The annexed notes from 1 to 17 form an Integral part of these condensed interim financial information.



Syed Muhammad Anwar
Chief Executive Officer



Haroon Iqbal
Director

DEWAN CEMENT LIMITED

Condensed Interim Profit And Loss Account - (Un-audited)
For The Period Ended March 31, 2016

	Nine Months Ended		Quarter Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	-----Rupees in '000'-----			
Turnover - Net	9,269,394	8,344,523	3,369,825	2,922,617
Cost of sales	(8,018,349)	(7,086,005)	(2,903,529)	(2,447,829)
Gross profit	1,251,045	1,258,518	466,296	474,788
Distribution cost	(201,419)	(240,104)	(53,126)	(42,350)
Administrative expenses	(494,166)	(444,507)	(199,352)	(204,149)
Other operating expenses	(53,182)	(55,420)	(14,305)	(22,832)
Other operating income	15,214	5,697	5,961	1,351
Operating profit	517,492	524,184	205,474	206,808
Finance cost	12 (16,297)	(21,218)	(4,895)	(5,760)
Profit before taxation	501,195	502,966	200,579	201,048
Taxation - Net	(114,993)	(179,123)	(64,355)	(79,281)
Profit after taxation	386,202	323,843	136,224	121,767
Other comprehensive income for the period:				
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	128,505	120,420	45,928	46,753
Related deferred tax	(40,487)	(40,261)	(14,486)	(15,214)
	88,018	80,159	31,442	31,539
Total comprehensive income for the period	474,220	404,002	167,666	153,306
Earnings per share - Basic and diluted (Rupees)	13 0.80	0.83	0.28	0.31

The annexed notes from 1 to 17 form an integral part of these condensed interim financial information.



Syed Muhammad Anwar
Chief Executive Officer



Haroon Iqbal
Director

**Condensed Interim Cash Flow Statement - (Un-audited)
For The Period Ended March 31, 2016**

	March 31, 2016	March 31, 2015
	----- Rupees in '000' -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	1,073,321	623,336
Income tax paid	(131,968)	(121,225)
Long-term loans - net	(7,719)	(2,867)
Long-term deposits - net	(495)	(74,573)
Workers profit participation fund	(46,863)	(61,744)
Long-term deposits and payables - net	(248,294)	(455)
Net cash generated from operating activities	637,982	362,472
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(485,550)	(199,150)
Proceeds from sale of property, plant and equipment	847	937
Short Term Investment	(5,610)	-
Net cash used in investing activities	(490,313)	(198,213)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing - net	(150,671)	(89,285)
Finance cost paid	(5,331)	(5,582)
Net cash used in financing activities	(156,002)	(94,867)
Net Increase in cash and cash equivalents	(8,333)	69,392
Cash and cash equivalents at the beginning of the period	328,880	64,067
Cash and cash equivalents at the end of the period	<u>320,547</u>	<u>133,459</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial information.



Syed Muhammad Anwar
Chief Executive Officer



Haroon Iqbal
Director

**Condensed Interim Statement Of Changes In Equity - (Un-audited)
For The Period Ended March 31, 2016**

	Issued, subscribed and paid-up capital	Advance against issue of share capital	Reserves			Total equity
			Capital	Revenue		
			Merger reserve	"Unappropriated profit"	Total reserve	
----- Rupees in '000' -----						
Balance as at July 01, 2014	3,891,133	-	629,444	520,883	1,150,327	5,041,460
Total comprehensive income for the period						
Profit for the period	-	-	-	323,843	323,843	323,843
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	-	-	-	80,159	80,159	80,159
	-	-	-	404,002	404,002	404,002
Balance as at March 31, 2015	<u>3,891,133</u>	<u>-</u>	<u>629,444</u>	<u>924,885</u>	<u>1,554,329</u>	<u>5,445,462</u>
Balance as at July 01, 2015	4,341,133	500,000	629,444	1,337,877	1,967,321	6,808,454
Total comprehensive income for the period						
Profit for the period	-	-	-	386,202	386,202	386,202
Shares issued during the period	500,000	(500,000)	-	-	-	-
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	-	-	-	88,018	88,018	88,018
	500,000	(500,000)	-	474,220	474,220	474,220
Balance as at March 31, 2016	<u>4,841,133</u>	<u>-</u>	<u>629,444</u>	<u>1,812,097</u>	<u>2,441,541</u>	<u>7,282,674</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial information.



Syed Muhammad Anwar
Chief Executive Officer



Haroon Iqbal
Director

Notes To The Condensed Interim Financial Statements - (Un-audited) For The Period Ended March 31, 2016

1 THE COMPANY AND ITS OPERATIONS

Dewan Cement Limited (the Company) was incorporated in Pakistan as a public limited company in March, 1980. Its shares are quoted on the Karachi and Lahore Stock Exchanges since June, 1989. 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 to manufacture and sale of cement. The Company has two production facilities at Deh Dhando, Dhabeji, Karachi, Sindh and Kamilpur, Hattar Industrial Estate, District Haripur, Khyber Pakhtoonkhwa.

2 BASIS OF PREPARATION

These interim condensed financial statements have been prepared under the historical cost convention except that certain fixed assets and certain investments have been included at fair values in accordance with the relevant International Financial Reporting Standards (IFRSs).

3 GOING CONCERN ASSUMPTION

The interim condensed financial statements for the period ended March 31, 2016 reflect Profit after taxation of Rs. 386.202 million (June 2015: 709.668 million) and as of that date its current liabilities exceeded its current assets by Rs.2,294.239 million (June 2015: Rs.2,103.630 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 have gone into litigation for repayment of liabilities through attachment and sale of company's hypothecated / mortgaged properties and certain lenders have also filed winding up petitions. 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. The liquidity crunch presently faced by the company is due to the fact that the banks / financial institutions did not give due committed support to the company for completion of its line II project in south.

However, the management is of the view that operating cash flows of the company are and will remain positive on account of expected increase in demand of cement and positive margins on account of increasing trend in cement prices, the company as a going concern would be a viable unit. The company was able to reach at settlement with certain lenders and the restructuring of remaining debt of the Company is in advanced stage as the term sheet for restructuring has been finalized and circulated by the coordinating bank to all the lenders for their internal approvals.

The terms and conditions of restructuring will be disclosed upon finalization of restructuring, thereafter the court cases will be withdrawn by lenders.

Accordingly, these interim condensed financial statements have been prepared on a going concern basis.

4 BASIS OF PREPARATION

These interim condensed financial statements are un-audited. These are required to be presented to the shareholders under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting". The Interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2015.

5 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

5.1 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 June 30, 2015.

5.2 Significant accounting estimates and judgments are the same as those applied in preparation of annual financial statements for the year ended June 30, 2015.

6 PROPERTY, PLANT AND EQUIPMENT

	(Un-audited) March 31, 2016	(Audited) June 30, 2015
	----- Rupees in '000' -----	
Operating assets - Owned	6.1 18,258,210	18,668,622
Assets subject to finance lease	882	1,039
Capital work-in-progress	6.2 3,088,370	2,621,860
	<u>21,347,462</u>	<u>21,291,521</u>

	(Un-audited) March 31, 2016	(Audited) June 30, 2015
	----- Rupees in '000' -----	

6.1 Operating fixed assets

Opening book value	6.1.1 18,668,622	18,969,408
Additions / Revaluation during period/year	19,040	231,032
Disposal during the period / year	(778)	(1,659)
Depreciation charged during the period / year	(428,674)	(530,159)
	<u>18,258,210</u>	<u>18,668,622</u>

6.1.1 Addition during the period amounting of Rs.19.049 million (June 2015 : Rs.231.032 million).

	(Un-audited) March 31, 2016	(Audited) June 30, 2015
----- Rupees in '000' -----		
6.2 Capital work in progress		
Opening balance	2,621,860	1,682,949
Additions during the period / year	466,510	1,135,147
	<u>3,088,370</u>	<u>2,818,096</u>
Less: capitalized during the period / year	-	196,236
	<u>3,088,370</u>	<u>2,621,860</u>

7 SURPLUS ON REVALUATION OF FIXED ASSETS - Net of tax

Gross surplus	6,421,952	6,550,456
Less: Related deferred tax	1,673,668	1,714,155
	<u>4,748,284</u>	<u>4,836,301</u>

8 LONG TERM FINANCING

Principal terms and conditions of outstanding loans have remained the same as disclosed in the financial statements of the Company for the year ended June 30, 2015.

9 ADVANCES FOR INVESTMENT IN TERM FINANCE CERTIFICATES

It represents private placement (Pre-IPO) investment of Rs. 3,460 million received as advanced against issue of rated, listed and secured term finance certificates out of total issue of Rs. 5,000 million for a tenure of six years. The company was required to complete the public offering on or before 270 days of signing of the respective agreements. i.e. October 05, 2008. The company was unable to complete the requisite formalities of public offering due to the factors beyond its control (Force Majure) i.e. global recession and unforeseen shut down of stock exchanges.

Following course, certain investors have filed suits and winding up petitions in Hon'able High Court of Sindh as more fully explained in annual financial statements for the year ended June 30, 2014. Till the matter is resolved suitably with investors, management has decided to classify the same as long term liability which is a departure with the requirements of IAS-1 "presentation of financial statements". The principal terms and conditions for the proposed issue of rated, listed and secured Term Finance Certificates(TFCs) are same as disclosed in financial statements of the Company for the year ended June 30, 2015.

10 CURRENT PORTION OF LONG TERM BORROWINGS

It includes over due portion amounting to Rs.1975.840 million (up to June 30, 2015: Rs. 2,120.083 million).

11 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 June 30, 2015.

12 FINANCE COST

Company has not made the provision of markup for the period amounting to Rs. 408.434 million (Upto June 30, 2015: Rs.6,252.940 million) keeping in view of the financial restructuring proposed to the lenders as disclosed in note 3. Management is hopeful that the restructuring proposal will be accepted by the lenders. Had the provision been made the profit for the year would have been lower by Rs.408.434 millions and accrued markup would have been higher and shareholders' equity would have been lower by Rs.6,842.038 million. The said non provisioning is a departure from the requirements of IAS-23 'Borrowing Costs'.

13 EARNINGS PER SHARE - BASIC AND DILUTED

	Nine Months Ended		Quarter Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	-----Rupees in '000'-----			
Profit for the period after taxation	386,202	323,843	136,224	121,767
	----- No. of Shares '000' -----			
Weighted average number of shares in issue	484,113	389,113	484,113	389,113
	----- Rupee -----			
Earnings per share - Basic and diluted	0.80	0.83	0.28	0.31

14 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise related 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:

	March 31, 2016	March 31, 2015
	----- Rupees '000'-----	
Employee benefit fund	29,328	24,224
Purchase of Vehicles	-	18,000

15 CAPACITY - CLINKER (Tons)

	Nine Months Ended		Quarter Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Installed capacity for the period	2,205,000	2,205,000	735,000	735,000
Actual production for the period	1,329,712	1,214,184	481,771	465,500

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

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

16 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 25th April, 2016 by 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