

**HALF
YEARLY
REPORT**
December 31,
2016



Dandot Cement Company Limited

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COMPANY INFORMATION

Board of Directors

Mr. Muhammad Azhar Sher	Chief Executive
Mr. Muhammad Sabir Sheikh	
Mr. Imran Bashir	
Mr. Muhammad Imran Iqbal	Chairman
Mr. Muhammad Amjad Aziz	
Syed Ansar Raza Shah	
Mr. Gul Hussain	

Audit Committee

Mr. Muhammad Sabir Sheikh	Member
Syed Ansar Raza Shah	Member / Chairman
Mr. Gul Hussain	Member

Human Resources & Remuneration Committee

Mr. Muhammad Azhar Sher	Member
Syed Ansar Raza Shah	Member
Mr. Gul Hussain	Member / Chairman

Chief Financial Officer

Mr. Muhammad Kamran

Company Secretary

Mr. Muhammad Kamran

Statutory Auditors

Amin, Mudassar & Co.
Chartered Accountants, Lahore.

Internal Auditors

Parker Randall - A.J.S.
Chartered Accountants, Faisalabad.

Legal Advisor

International Legal Services

Bankers

The Bank of Punjab
United Bank Limited
National Bank of Pakistan
Habib Bank Limited
Bank Alfalah Limited
Bank Islami Limited (Formerly KASB Bank Limited)
Bank Al-Habib Limited
Askari Bank Limited

Registered Office

30-Sher Shah Block, New Garden Town, Lahore
Telephone: +92-42-35911485, Fax: +92-42-35831846

Factory

Dandot R.S., Distt. Jhelum.
Telephone: +92-544-211371, Fax: +92-544-211490

Share Registrar

Corplink (Pvt.) Limited.
Wings Arcade 1-K-Commercial, Model Town, Lahore.
Telephone: +92-42-35839182, Fax: +92-42-35869037

Website

www.dandotcement.com



DIRECTOR'S REPORT TO THE SHAREHOLDERS

The board of director presents the reviewed condensed interim financial statements for the half year ended December 31, 2016.

Operational Performance

The comparative operational performance of the company for the period under review is as follow:

		Second Quarter ended		Half Year ended	
		Dec. 2016	Dec. 2015	Dec. 2016	Dec. 2015
Clinker production	M. Ton	79,080	82,986	164,263	158,378
Cement production	M. Ton	79,787	82,852	156,269	161,828
Sales	M. Ton	82,937	82,511	156,967	162,200

Operating Result

The comparative financial results of the company are summarized as below:

		Second Quarter ended		Half Year ended	
		Dec. 2016	Dec. 2015	Dec. 2016	Dec. 2015
		(Rupees in thousand)			
Gross sales		772,035	740,676	1,477,063	1,457,877
Net sales		561,798	584,513	1,073,852	1,151,642
Gross profit / (loss)		40,025	(30,110)	30,178	(39,479)
Net loss		45,667	96,016	110,136	157,746
Loss per share		0.48	1.01	1.16	1.66

Future Prospects

Industry

Demand of cement in local market has been improving year by year and it is expected that this trend will continue in the current financial year by considering the fact that substantial budget is allocated for public sector development project by Government, improved law and order situation, controlled inflation and low interest rates, stable economic outlook and reduced coal price will benefit the industry. The Government, however, has to overcome energy crises, hampering overall industrial growth. Proper and efficient utilization of allocated development budget and initiation of projects under Pak China Economic Corridor would help cement sector to grow.

Company

Energy Efficiency, Labour efficiency & productivity and right financial modeling and smooth plant operations are key factors to success of any cement plant. The management is committed for a balanced delivery of long term values to all stakeholders including financiers, creditors, employees and shareholders.

Company's Plans

Sponsors of the company are also considering various option to arrange / inject further funds to make the machinery efficient especially by replacement of old electric installation / equipment to reduce the power and fuel cost which is major cause of loss sustaining by the company in past years.

Auditor's observations

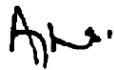
On the basic of fact mentioned in note 1.2 of these condensed financial statements, the management of the company is fully confident that the company will continue its operations as going concern. Balances which are not directly confirmed have been confirmed by external Auditor's through alternative procedures. Company is making almost timely payments of old & current dues of provident fund, mark up on all dues of interest bearing liabilities has been accounted for in the books of accounts except of Bank Islamic Limited (formerly KASB Bank Ltd), due to litigation mentioned in note 7.1

Compliance with Code of Corporate Governance

During the period under review, five of the company's directors successfully got certification under mandatory Director's Training Programme (DTP) arranged by Institute of Chartered Accountants of Pakistan.

Acknowledgement

The board of directors is thankful to all stakeholders including but not limited to bankers, employees, suppliers, distributors as well as regulators and shareholders for their continued support, cooperation and trust especially in crises tenure faced by the company in the recent years.



MUHAMMAD AZHAR SHER

Chief Executive

Lahore: March 15, 2017.



AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Dandot Cement Company Limited** as at December 31, 2016 and 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 "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 this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2015 and December 31, 2016 have not been reviewed and we do not express conclusion on them as we are required to review only the cumulative figures for the half year ended December 31, 2016.

Scope of Review

We conducted our review in accordance with 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.

Basis for Qualified Conclusion

- (i) These condensed interim financial information have been prepared on going concern basis despite the fact that the company has accumulated losses of Rs. 4,542.973 million, while its current liabilities exceed the current assets by Rs. 3,413.366 million and non-payment of some overdue contractual obligations. Due to these factors and equivocal disclosure in note 1.2 of these financial statements, a material uncertainty arises that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.
- (ii) Loans from Bank Islami Limited (Formerly : KASB Bank Limited), Economic Affairs Division (EAD), ex-sponsors, amount receivable from ex-associates, and accrued interest from ex-associate remained unconfirmed independently as referred to note nos. 7.1, 5, 7.2, 11 and 12 to the condensed interim financial information respectively.
- (iii) The company did not pay current dues of provident fund in full within stipulated time period resulting in non-compliance of section 227 of the Companies Ordinance, 1984.
- (iv) The company has not provided markup in the condensed interim financial information on loan obtained from Bank Islami Limited (Formerly: KASB Bank Limited) as referred to note no. 7.1 aggregate amount Rs. 74.716 million including Rs. 13.311 million for the period. Had there been provision made for markup in the condensed interim financial information the accumulated loss and loss for the half year would have been higher by Rs. 74.716 million and Rs. 13.311 million respectively.

Qualified Conclusion

Based on our review, with the exception of the matters described in preceding paragraphs, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

CHARTERED ACCOUNTANTS
Engagement Partner: MUHAMMAD AMIN
Lahore: March 15, 2017.

Condensed Interim Balance Sheet

		(Un-Audited) Dec 31, 2016	(Audited) June 30, 2016
	Note	(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 100,000,000 (June 2016:100,000,000) ordinary shares of Rs.10 each		1,000,000	1,000,000
Issued, subscribed and paid up share capital		948,400	948,400
Share premium reserve		31,801	31,801
Accumulated loss		(4,542,973)	(4,471,759)
		<u>(3,562,772)</u>	<u>(3,491,558)</u>
SURPLUS ON REVALUATION OF FIXED ASSETS			
		2,076,835	2,115,757
		<u>(1,485,937)</u>	<u>(1,375,801)</u>
NON CURRENT LIABILITIES			
Loan from banking companies	4	1,063,962	1,027,297
Other loans and liabilities	5	10,751	13,751
Deferred liabilities	6	513,084	513,084
Long term advances and deposits		1,882	1,882
		<u>1,589,679</u>	<u>1,556,014</u>
CURRENT LIABILITIES			
Trade and other payables		2,429,576	2,237,880
Mark up accrued		560,627	554,742
Short term borrowings	7	1,427,909	1,427,909
Current portion of long term loans and liabilities		99,083	89,429
		<u>4,517,195</u>	<u>4,309,960</u>
CONTINGENCIES AND COMMITMENTS			
	8	-	-
		<u>4,620,937</u>	<u>4,490,173</u>

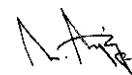

MUHAMMAD AZHAR SHER
 Chief Executive



As at December 31, 2016

	Note	(Un-Audited) Dec 31, 2016 (Rupees in thousand)	(Audited) June 30, 2016
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	9	3,506,441	3,568,929
Long term security deposits		10,667	10,667
		3,517,108	3,579,596
CURRENT ASSETS			
Stores, spares and loose tools		264,842	210,808
Stock in trade	10	99,940	27,216
Trade debts		221,468	166,041
Loans and advances	11	340,381	315,106
Balances with statutory authorities		148,799	136,114
Interest accrued	12	9,389	9,389
Other receivables		360	360
Cash and bank balances		18,650	45,543
		1,103,829	910,577
		4,620,937	4,490,173

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.



MUHAMMAD AMJAD AZIZ
Director

Condensed Interim Profit And Loss Account (Un-Audited)

For the Half Year ended December 31, 2016

	Note	Half Year ended		Second Quarter ended	
		December 2016 (Rupees in thousand)	December 2015	December 2016 (Rupees in thousand)	December 2015
Sales (Net)		1,073,852	1,151,642	561,798	584,513
Cost of sales	13	1,043,674	1,191,121	521,773	614,623
Gross profit / (loss)		30,178	(39,479)	40,025	(30,110)
Operating expenses					
Distribution costs		13,504	11,088	12,606	10,182
Administrative expenses		26,493	22,915	22,468	14,184
Other operating expenses		243	-	243	-
		40,240	34,003	35,317	24,366
Operating (loss) / profit		(10,062)	(73,482)	4,708	(54,476)
Other operating income		90	770	23	676
		(9,972)	(72,712)	4,731	(53,800)
Finance costs	14	(89,425)	(85,034)	(44,780)	(42,216)
Loss before taxation		(99,397)	(157,746)	(40,049)	(96,016)
Taxation:					
Current		10,739	-	5,618	-
Deferred		-	-	-	-
		10,739	-	5,618	-
Net loss after taxation		(110,136)	(157,746)	(45,667)	(96,016)
Earning Per Share- Basic and Diluted		(1.16)	(1.66)	(0.48)	(1.01)

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.


MUHAMMAD AZHAR SHER
 Chief Executive


MUHAMMAD AMJAD AZIZ
 Director



Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Half Year ended December 31, 2016

	Half Year ended		Second Quarter ended	
	December 2016	December 2015	December 2016	December 2015
Loss for the period	(110,136)	(157,746)	(45,667)	(96,016)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(110,136)</u>	<u>(157,746)</u>	<u>(45,667)</u>	<u>(96,016)</u>

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.


MUHAMMAD AZHAR SHER
Chief Executive


MUHAMMAD AMJAD AZIZ
Director

Condensed Interim Cash Flow Statement (Un-Audited)

For the Half Year ended December 31, 2016

	Dec 31, 2016	Dec. 31, 2015
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(99,397)	(157,746)
Adjustments of items not involving movement of cash:		
Depreciation	62,672	31,352
Gain on disposal of fixed assets	-	(645)
Provision for gratuity	10,966	11,495
Profit on deposit and PLS accounts	(90)	(126)
Balances written off	243	-
Finance cost	89,425	85,034
	<u>163,216</u>	<u>127,110</u>
Operating cash inflows / (used) before working capital changes	63,819	(30,636)
(Increase) / Decrease in operating assets:		
Stores, spares and loose tools	(54,035)	(17,245)
Stock in trade	(72,723)	(14,729)
Trade debts	(55,427)	32,459
Loans and advances	(25,518)	(9,291)
Increase / (Decrease) in trade and other payables	180,565	125,930
	<u>(27,138)</u>	<u>117,124</u>
	36,681	86,488
Long term security deposits	-	8
Gratuity paid	-	(6,930)
Finance cost paid	(26,897)	(27,592)
Interest received	90	126
Income tax paid	(23,423)	(26,014)
Net cash (used in) / inflows from operating activities	(13,549)	26,086
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(184)	(4,966)
Sale proceed of fixed assets	-	1,200
Net cash used in investing activities	(184)	(3,766)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans	(13,160)	(12,525)
Net cash used in financing activities	(13,160)	(12,525)
Net (decrease) / increase in cash and cash equivalents	(26,893)	9,795
Cash and cash equivalents at beginning of the period	45,543	21,102
Cash and cash equivalents at end of the period	18,650	30,897

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.


MUHAMMAD AZHAR SHER
 Chief Executive


MUHAMMAD AMJAD AZIZ
 Director

Condensed Interim Statement of Changes in Equity (Un-Audited)

For the Half Year ended December 31, 2016

	SHARE CAPITAL	SHARE PREMIUM RESERVE	ACCUMULATED LOSS	TOTAL SHARE CAPITAL AND RESERVES	SURPLUS ON REVALUATION OF FIXED ASSETS	TOTAL
(Rupees in thousand)						
Balance as at June 30, 2015-Audited	948,400	31,801	(4,237,940)	(3,257,739)	995,952	(2,261,787)
Loss for the six months ended December 31, 2015	-	-	(157,746)	(157,746)	-	(157,746)
Other comprehensive income for the period-net of deferred tax	-	-	-	-	-	-
Total comprehensive income	-	-	(157,746)	(157,746)	-	(157,746)
Incremental depreciation transferred from surplus on revaluation of fixed assets -Net of deferred tax	-	-	16,657	16,657	(16,657)	-
Balance as at December 31, 2015-Unaudited	948,400	31,801	(4,379,029)	(3,398,828)	979,295	(2,419,533)
Balance as at June 30, 2016-Audited	948,400	31,801	(4,471,759)	(3,491,558)	2,115,757	(1,375,801)
Loss for the six months ended December 31, 2016	-	-	(110,136)	(110,136)	-	(110,136)
Other comprehensive income for the period-net of deferred tax	-	-	-	-	-	-
Total comprehensive income	-	-	(110,136)	(110,136)	-	(110,136)
Incremental depreciation transferred from surplus on revaluation of fixed assets -Net of deferred tax	-	-	38,922	38,922	(38,922)	-
Balance as at December 31, 2016-Unaudited	948,400	31,801	(4,542,973)	(3,562,772)	2,076,835	(1,485,937)

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.


MUHAMMAD AZHAR SHER
 Chief Executive


MUHAMMAD AMJAD AZIZ
 Director

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

For the Half Year ended December 31, 2016

1 THE COMPANY AND ITS OPERATIONS

- 1.1 The Company is a public limited Company incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited. The Company started its production on March 01, 1983 and has been engaged in production and marketing of cement. The company is a subsidiary of Three Stars Cement (Pvt) Ltd. The registered office of the company is situated at 30-Sher Shah Block, New Garden Town, Lahore.
- 1.2 The company had managed to reschedule the liability of The Bank of Punjab (BOP) amounting Rs. 1,857 million, dues of Large Taxpayer Units (LTU) amounting Rs. 460 million and Islamabad Electric Supply Company (IESCO) amounting Rs. 167 million. Upto the signing of these condensed financial statements of the company has not defaulted even in a single installment of these dues and paid upto December 31, 2016 a sum of Rs. 778.777 million in aggregate against the said rescheduled liabilities. Further, after resumption of operations in 2013-14, the company is also complying the order passed in 2009 by Securities and Exchange Commission of Pakistan (SECP) related to old dues of provident fund.

Furthermore, sponsors of the company are also considering various options to arrange/inject further funds to make the machinery efficient especially by replacement of old electric installations/ equipments to reduce the power and fuel cost which is the major cause of loss sustained by the company in past years. On the basis of these facts the management of the company is fully confident that the company will continue its operations as a going concern, inspite of the fact of accumulated loss of Rs.4,542.973 million and current liabilities exceed its current assets by Rs.3,413.366 million as at December 31, 2016.

Accordingly, these condensed interim financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary if the company not be able to continue as a going concern.

2 BASIS OF PREPARATION

2.1 Statement Of Compliance

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the half year ended 31 December 2016 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail. This condensed interim financial information should be read in conjunction with the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.

2.2 Critical Accounting Estimates And Judgments

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the 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.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial information are consistent with those applied in the preparation of the financial statements for the year ended June 30, 2016.

- 3.1 There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

In addition to the above, following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after January 01, 2016 :

Standard or Interpretation	Effective date (Accounting periods beginning on or after)
- IAS 12 - Income taxes	01 January 2017
- IAS 7 - Statement of cash flows	01 January 2017

3.2 Taxation

Current

Current taxation other than export is based on taxable income at the current rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws. Company's export sales, if any, fall under presumptive tax regime under Section 154 of the Income Tax Ordinance, 2001.

Deferred

The Company accounts for deferred taxation using the liability method on all temporary differences between the amounts for financial reporting purpose and the amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future profits will be available against which these can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

	Note	December 31, 2016	June 30, 2016
		(Un-audited)	(Audited)
4 LOAN FROM BANKING COMPANIES			
The Bank of Punjab Limited			
- Demand finance facility - 1	4.1	824,310	797,799
- Demand finance facility - 2	4.2	273,855	254,031
		1,098,165	1,051,830
Less: Current Portion			
- Payable within next 12 months		(34,203)	(23,027)
- Overdue		-	(1,506)
		(34,203)	(24,533)
		1,063,962	1,027,297

- 4.1 This represents restructured / rescheduled of entire outstanding principal amount of demand finance, bridge finance, forced demand finance and paid against documents (PAD's) amounting Rs. 750.292 million, Rs. 270 million, Rs. 83.626 million and Rs. 57.256 million respectively. It is secured against ranking of Rs. 1,443.75 million on fixed assets, joint pari passu charge of Rs. 268 million on current assets, debt subordination agreement of directors, corporate guarantee of Three Star Hosiery Mills (Pvt) Limited and personal guarantee of the Ex-sponsoring directors.

Repayments of restructured loan shall be made in 62 step-up monthly / quarterly installments started from March 31, 2014 in a period of 9.25 years. Mark-up is payable @ 4% per annum. The finance has been presented at amortized cost by using effective rate of markup.

- 4.2 This represents amortization cost of DF - 2 against payable amount Rs. 695.883 million calculated upto March 31, 2014 at cost of funds in respect of demand finance, bridge finance, forced demand finance, paid against documents (PADs) and finance against imported merchandise (FIM) facilities. The finance has been presented at amortized cost by using effective rate of markup. It does not carry markup. Repayments of this facility shall be made in 4 quarterly installments, starting from September, 2022.

		December 31, 2016 (Rupees in thousand) (Un-audited)	June 30, 2016 (Audited)
5 OTHER LOANS AND LIABILITIES - Unsecured	Note		
Economic Affairs Division, Government of Pakistan (EAD)		35,232	35,232
Provident Fund Trust	5.1	40,030	43,030
Peace agreement arrears		369	385
		75,631	78,647
Less: Current maturity		64,880	64,896
		10,751	13,751

5.1 The Securities & Exchange Commission of Pakistan (SECP) had passed an order in 2009 that the company should provide mark-up on all outstanding principal amount to that date and will pay an installment of Rs. 0.5 million per month to clear these dues from October, 2009. Since that order, company is providing markup in the books of accounts without any default. As mentioned in the note 1.2 of these condensed interim financial information, the company has made payments in compliance of SECP order.

		December 31, 2016 (Rupees in thousand) (Un-audited)	June 30, 2016 (Audited)
6 DEFERRED LIABILITIES			
This is composed of the following:			
Deferred tax liability on taxable temporary differences arising in respect of:			
Accelerated tax depreciation		522,449	544,489
Surplus on revaluation of assets		486,819	513,084
		1,009,268	1,057,573
Deferred tax asset on deductible temporary differences arising in respect of:			
Unused tax losses carried forward		(461,638)	(520,671)
Provision for doubtful balances		(328)	(339)
Minimum tax recoverable against normal tax charges in future years		(34,218)	(23,478)
		(496,184)	(544,488)
Deferred tax liability as at Dec. 31, / June 30,		513,084	513,084

Deferred tax asset amounting to Rs.487.472 million (2016: Rs.589.549 million) on unused tax losses, has not been recognized in these condensed interim financial information being prudent. Management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2017.

		December 31, 2016 (Rupees in thousand) (Un-audited)	June 30, 2016 (Audited)
7 SHORT TERM BORROWINGS	Note		
Running finances - secured			
Bank Islami Limited (Formerly : KASB Bank Limited)	7.1	290,000	290,000
Ex-Sponsors' Loan	7.2	250,000	250,000
Others - Unsecured	7.3	787,523	787,523
Loan from Related Parties - unsecured			
Holding Company		37,804	37,804
Director		37,065	37,065
Others		25,516	25,516
		100,386	100,386
		1,427,909	1,427,909

7.1 This represents finance facility against the limit of Rs. 290 million (2016: Rs. 290 million). It carries mark up @ six months KIBOR plus 3% per annum (2016: 6 months KIBOR + 3% per annum) payable on quarterly basis with no floor and cap. The facility was to be repaid in bullet repayment on September 30, 2007. The facility is secured by 1st pari passu charge on plant and machinery of the company amounting Rs. 400 million and lien over deposit of Rs. 176.5 million in saving account of Mr. Tausif Peracha and Mr. A. Rafique Khan (Ex-Management).

Bank Islami Limited (Formerly : KASB Bank Limited) has instituted a suit against the company for recovery of Rs. 351,732,336 along with markup / cost of funds in the Honourable Lahore High Court, Lahore. PLA on behalf of the company has been filed against the same and the matter is pending adjudication.

7.2 This represents loan received from Ex-management Mr. A. Rafique Khan and Mr. Tausif Peracha. Terms and conditions related to the loan have not been reduced in writing.

7.3 This represent amounts arranged by the management from time to time to meet the working capital requirements of the company and necessary maintenance of the plant and machinery. The terms and conditions of these loans have not yet been finalized and not reduced in writing.

8 CONTINGENCIES AND COMMITMENTS

- The company has not accounted for Rs. 395.026 million (2016:Rs.367.476 million) additional profit / liquidated damages on the loan payable to Bank Islami Limited (Formerly : KASB Bank Limited) as the matter is subjudice with the honorable Lahore High Court as referred to note no. 7.1 in the condensed interim financial information.
- Except the above there has been no significant change in contingencies and commitments since the date of preceding published annual financial statements.

	December 31, 2016 (Rupees in thousand) (Un-audited)	June 30, 2016 (Audited)
9 OPERATING FIXED ASSETS		
Opening fixed assets at WDV	3,568,929	1,958,250
Additions	184	7,855
Surplus on revaluation of fixed assets	-	1,666,204
(Deletions)	-	(1,374)
	3,569,113	3,630,935
Less: depreciation:		
For the period / year	62,672	62,823
On disposal	-	(817)
	3,506,441	3,568,929
10 STOCK IN TRADE		
Raw material	6,192	1,489
Work in process	87,095	13,948
Finished goods	6,653	11,779
	99,940	27,216
11 LOAN AND ADVANCES		
These include amount Rs. 250 million (June 30, 2016: Rs. 250 million) receivable from Gharibwal Cement Limited (GCL), the past associated company.		
12 INTEREST ACCRUED		
This represents the interest accrued on loan to Gharibwal Cement Limited		

13 COST OF SALES

	Half Year ended		Second Quarter ended	
	Dec. 2016	Dec. 2015	Dec. 2016	Dec. 2015
	(Rupees in thousand)		(Rupees in thousand)	
Raw materials consumed	74,565	72,084	19,757	31,187
Salaries, wages and benefits	126,074	115,042	65,929	57,334
Fuel, gas and electricity	731,569	869,585	313,859	466,894
Stores and spares	22,412	29,026	9,992	9,802
Rent, rates and taxes	125	142	101	126
Vehicle running and maintenance	4,740	5,889	148	4,711
Packing material	63,264	70,543	25,926	35,653
Depreciation	59,310	30,109	29,697	14,602
Others	29,635	13,363	23,784	9,770
	1,111,694	1,205,783	489,193	630,079
Adjustment of work in process	(73,146)	(19,024)	1,783	(14,575)
Cost of goods manufactured	1,038,548	1,186,759	490,976	615,504
Adjustment of finished goods	5,126	4,363	30,797	(881)
	1,043,674	1,191,121	521,773	614,623

14 FINANCE COST

The company has not accounted for markup aggregating Rs. 13.311 million on long term loan as referred in note no. 7.1 to the condensed interim financial information.

15 TRANSACTIONS WITH RELATED PARTIES

There is no significant transaction with related parties during the period.

16 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.

17 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the unconsolidated condensed interim balance sheet and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. However, no significant rearrangements or reclassifications have been made in this condensed interim financial information.

18 DATE OF AUTHORISATION

These condensed interim financial information were authorised for issue on March 15, 2017 by the Board of Directors of the company.

19 FIGURES

Figures in this condensed interim financial information have been rounded off to the nearest Rupee.


MUHAMMAD AZHAR SHER
 Chief Executive


MUHAMMAD AMJAD AZIZ
 Director

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جانب سے بھرپور اعتماد کیا گیا ہے کہ کمپنی اپنے امور کو پوری تندرہی کے ساتھ جاری رکھے گی۔ بقیہ جات جن کی براہ راست تصدیق نہ ہو سکے لحاظہ ان کی تصدیق بیرونی آڈیٹر بذریعہ متبادل طریقہ ہائے تصدیق کی گئی ہے۔ کمپنی کی جانب سے بروقت پرانے اور موجودہ کفایت شعاری فنڈ واجبات بروقت ادائیگی کی جارہی ہے۔ سود کی رقم کے واجبات پر مارک اپ (بڑھائی گئی قیمت) ان کا اندراج متعلقہ کھاتہ جات میں کر لیا گیا ہے ماسوائے اسلامک بینک لمیٹڈ (گذشتہ کسب بینک لمیٹڈ) بوجہ مقدمہ بازی جس کا ڈکریٹ 7.1 میں کیا گیا ہے۔

تکمیل نسبت مجموعہ کمپنی کی اچھی کارکردگی

عرصہ نظر ثانی کے دوران کمپنی کے پانچ ڈائریکٹران نے بذریعہ لازمی ڈائریکٹر پروگرام کے تحت کامیابی سے بٹوفکیٹ حاصل کیے جس کا بندوبست ادارہ چارٹرڈ اکاؤنٹنٹس آف پاکستان نے کیا۔

اظہار تشکر

بورڈ آف ڈائریکٹرز اپنے تمام متعلقین بشمول جو محض بینکرز / ملازمین، سپلائی کنندگان، تقسیم کاران اور کمپنی کے امور کو چلانے والے حضرات / حصص داران انکی جانب سے مسلسل رہنمائی، اعتماد معاونت اور بھروسہ کرنے کے سلسلے میں بحد شکر گزار ہیں کہ یہ تمام حضرات آنے والے سالوں میں بھی اپنی مخلصانہ کاوشوں کمپنی کے بہترین مفاد میں جاری وساری رکھے گے۔

محمد

محمد اظہر شیر
چیف ایگزیکٹو

لاہور: 15 مارچ 2017

مستقبل کی توقعات

صنعت و حرفت

مقامی مارکیٹ میں سیمنٹ کی ڈیمانڈ کے متعلق سال بہ سال ہونے والی بہتری کے پیش نظر اس بات کی توقع کی جاتی ہے کہ اس رجحان کو موجودہ مالی سال میں جاری رکھا جائیگا اور ان حالات کے پیش نظر حکومت کی جانب سے عوامی مفاد کی ترقی کے پروجیکٹ کی بابت خاصی رقم کے بجٹ کو تقسیم کیا گیا ہے تاکہ امن و امان کی صورت حال پر قابو پانے، بڑھتی ہوئی قیمتوں اور سود کی رقم کو کم کرنے، اقتصادی صورت حال پر قابو پانے اور کونکے کی قیمتوں کو کم کرنا جو کہ یقینی طور پر صنعت کے منافع بخش ثابت ہوگا۔ تاہم حکومت کی جانب سے بجلی کے بحران پر قابو، صنعتی پیداوار میں رخنہ ڈالنے والے عمل کو دور کیا گیا ہے۔ ترقیاتی کاموں کے متعلق مختص کیے گئے بجٹ کی رقم کی مناسب تقسیم اور استعمال کی بدولت اور پاک چائنہ اقتصادی راہداری جیسے منصوبے سیمنٹ کی پیداوار میں یقینی طور پر معاون گرا ثابت ہونگے۔

کمپنی

توانائی کی مستعدی، مزدوری کی مستعدی اور پیداواری صلاحیت اور درست مالی حالت اور پلانٹ کے کام کرنے کی بہترین صلاحیت جو کہ کسی بھی سیمنٹ پلانٹ کے کامیاب طریقہ پر چلنے کی کنجی ہے۔ انتظامیہ نے تمام حصہ دارن بشمول رقم لگانے والے، ادھار لینے والے ملازمین اور حصص داران کو لمبے عرصے کی متوازن ترسیل کے اقدار کا تہیہ کر رکھا ہے۔

کمپنی کے منصوبے

کمپنی کے امور کو چلانے والے مختلف پہلوؤں کے متعلق سوچ رہے ہیں کہ وہ فنڈز کا کس طرح بندوبست ہو کہ جس سے کمپنی کی مشینری مستعدی کے ساتھ چلتی رہے بالخصوص پرانی بجلی کی تنصیبات / آلات کو کیسے بدلا اور کم کیا جائے تاکہ اس سے ایندھن کے اوپر آنے والے اخراجات کو کم کیا جاسکے جس سے کمپنی ماضی کے سالوں سے نقصان میں جا رہی ہے۔

چھان بین کرنے والے حضرات کے مشاہدات

نوٹ نمبر 1.2 میں ذکر کیے گئے عناصر کی بنیاد کی روشنی میں ٹھوس نظر ثانی شدہ عارضی مالی گوشواہ، کمپنی امور کو چلانے والے منتظمین کی

شراکت داران کی بابت ڈائریکٹر حضرات کی رپورٹ

کمپنی کے بورڈ آف ڈائریکٹر کی جانب سے ششماہی عرصہ 31 دسمبر 2016 پر ٹھوس نظر ثانی شدہ عارضی مالی گوشواہ کی تفصیل کو پیش کیا گیا ہے۔

کمپنی کے چالو شدہ کاروبار کی کارکردگی

عرصہ زیر تجویز نظر ثانی شدہ بابت کمپنی کے چالو شدہ کاروبار کی کارکردگی کا تقابلی جائزہ کی تفصیل کو ذیل میں پیش کیا جاتا ہے:-

ششماہی ختم عرصہ میعاد		دوسرا چوتھائی ختم عرصہ میعاد			
دسمبر 2015	دسمبر 2016	دسمبر 2015	دسمبر 2016		
158,378	164,263	82,986	79,080	دھاتی پیداوار (کلنکر) میٹرک ٹن	
161,828	156,269	82,852	79,787	سیمنٹ پیداوار میٹرک ٹن	
162,200	156,967	82,511	82,937	آمدن میٹرک ٹن	

چلتے ہوئے کاروبار کے متعلق نتائج

کمپنی کے چالو شدہ کاروبار کی مالی نتائج کی تفصیل کو ذیل میں بیان کیا جاتا ہے:-

ششماہی ختم عرصہ میعاد		دوسرا چوتھائی ختم عرصہ میعاد			
دسمبر 2015	دسمبر 2016	دسمبر 2015	دسمبر 2016		
(رقم کی تفصیل ہزاروں کی صورت میں)					
1,457,877	1,477,063	740,676	772,035	کل آمدنی	
1,151,642	1,073,852	584,513	561,798	خالص آمدنی	
(39,479)	30,178	(30,110)	40,025	کل منافع / (نقصان)	
157,746	110,136	96,016	45,667	خالص نقصان	
1.66	1.16	1.01	0.48	فی حصص نقصان	