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CORPORATE INFORMATION

Board of Directors

Mr. Shafiuddin Ghani Khan (Chairman)
Syed Mazher Iqbal (CEO / MD)
Mr. Aly Khan
Mr. Jamal Nasim
Mr. Mohammad Aftab Alam
Mr. Rafique Dawood
Mirza Ali Hassan Askari
Shaikh Javed Elahi

Audit Committee

Mr. Rafique Dawood (Chairman)
Mr. Shafiuddin Ghani Khan
Mr. Aly Khan
Mr. Jamal Nasim
Mr. Mohammad Aftab Alam

HR & Remuneration Committee

Mr. Shafiuddin Ghani Khan (Chairman)
Syed Mazher Iqbal (CEO / MD)
Mr. Aly Khan
Mr. Mohammad Aftab Alam

Company Secretary

Mr. Waqar Naeem

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
The Bank of Punjab
United Bank Limited

Statutory Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Cost Auditors

Ale Imran & Co
Chartered Accountants

Legal Advisor

Hassan & Hassan

Registered Office

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

Factory

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

Regional Offices

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

Multan Office
10-Officers Colony, Bosan Road,
Opp. Jinnah High School, 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

Sargodha Office
Office No. 6, 2nd Floor,
Rehman Trade Centre,
University Road, Sargodha
Telephone: +92 (483) 725050
Fax: +92 (483) 722331

Share Registrar

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



DIRECTORS' REPORT

The directors of your Company are pleased to present the financial information for the nine months period ended March 31, 2017.

The Industry Overview

The cement sector has continued its growth trajectory during the nine months period under review, where total dispatches surpassed 30.30 million tons. This translates into a growth of 6.90%. Domestic market absorbed 26.55 million tons compared to 23.94 million tons sold in the corresponding period whereas exports squeezed to 3.75 million tons, a drop of 14.83%.

The Business Overview

Operational Highlights

Your Company achieved capacity utilization of 81.57% during the first nine months of the financial year by producing 1,220,512 tons of clinker compared to 883,934 tons produced in same period last year (SPLY). Production of clinker increased to match the growing local demand of cement and clinker.

Total dispatches (cement and clinker) aggregated to 1,281,995 tons, an increase of 293,258 tons over 988,737 tons sold in SPLY. A total of 1,268,917 tons were dispatched in domestic markets, including 267,860 tons of clinker. Exports dropped to 13,078 tons including a small quantity of clinker dispatched to India.

Financial Highlights

A summary of financial results is as under:

Particulars	Period ended March 31,		Variance	
	2017	2016		
	----- Rs. in millions -----		----- % -----	
Net sales	8,088.76	6,832.33	1,256.43	18.39
Gross profit	3,324.74	2,787.07	537.67	19.29
Operating profit	3,169.43	2,673.57	495.86	18.55
Profit before tax	3,163.64	2,657.67	505.97	19.04
Profit after tax	2,399.38	1,744.61	654.77	37.53
EPS (Rs.)	10.56	7.68	2.88	37.53

Net sales revenue for the period under review of Rs 8,088.76 million is an increase of 18.39% over Rs. 6,832.33 million achieved in SPLY.

The gross profit rate of 41.10% is a slight improvement over 40.79% achieved in the corresponding period last year, despite notable increase in coal prices in international market. Waste Heat Recovery (WHR) Plant was successfully started in the month of December 2016, generating electricity, translating in monetary savings.

The operating profit of Rs. 3,169.43 million is an increase of 18.55% (Rs. 495.86 million) over the profit earned in corresponding period.

Profit after tax amounting Rs. 2,399.38 million is an increase of Rs. 654.77 million over Rs 1,744.61 million achieved during SPLY.

During the period under review, your Company has executed contracts with Sinoma-Chengdu Design & Research Institute of Building Materials Industry Co., Ltd China for the supply of machinery, equipment and technical services of a brown field new cement plant having production capacity of around 8,000 tons clinker per day along with a 12 MW Waste Heat Recovery Power Plant and a 24 MW Coal Fired Power Plant (Captive). Letter of credit for cement plant has been established and financial close of the syndicate facilities is in process.

Acknowledgment

On behalf of the Board, I appreciate the efforts made by all the employees to achieve these remarkable results. The board also expresses its gratitude to all the stakeholder including but not limited to shareholders, customers, suppliers, bankers and regulators for their continuous support and trust.

For and on behalf of the Board



Syed Mazher Iqbal
Chief Executive Officer

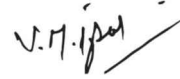
April 26, 2017
Lahore

زیر تذکرہ عرصہ کے دوران آپ کی کمپنی نے Sinoma-Chengdu Design & Research Institute of Building Materials Industry Co., Ltd., China سے مشینری آلات اور تکنیکی خدمات کی فراہمی کے معاہدے کیے جن کے تحت مذکورہ کمپنی کم و بیش 8,000 ٹن کلنکر پیداواری صلاحیت کا پلانٹ فراہم کرے گی۔ مزید برآں 12 میگا واٹ کا ایک ویسٹ ہیٹ ریگوری پاور پلانٹ اور 24 میگا واٹ کی پیداواری صلاحیت کا حامل کولنہ سے چلنے والا بجلی گھر بھی ان معاہدوں کا حصہ ہے۔ سیمنٹ پلانٹ کیلئے Letter of Credit کھول دیا گیا ہے جبکہ دیگر مالیاتی انتظامات مختلف مالیاتی اداروں کے ساتھ تکمیل کے مراحل میں ہیں۔

اظہار تشکر

بورڈ آف ڈائریکٹرز کی طرف سے میں ان شاندار نتائج کو حاصل کرنے کیلئے کی گئیں تمام ملازمین کی خدمات کا تہہ دل سے معترف ہوں۔ بورڈ آف ڈائریکٹرز بھی تمام شراکت داران حصص داران صارفین مالیاتی اداروں اور نگران اداروں کے اعتماد اور تعاون کا تہہ دل سے مشکور ہے۔

منجانب بورڈ



سید مظہر اقبال

چیف ایگزیکٹو آفیسر

26 اپریل 2017

لاہور

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹران 31 مارچ، 2017 کو ختم ہونے والے نو ماہ کے حسابات کا جائزہ پیش کرنے پر مسرت محسوس کرتے ہیں۔

صنعتی جائزہ

زیر غور عرصہ میں سیمنٹ کی صنعت نے ترقی کی رفتار کو برقرار رکھتے ہوئے 6.90% کی شرح نمو سے 30.30 ملین ٹن ترسیلات کییں۔ مقامی منڈی میں پچھلے سال کے اسی عرصے کے دوران بیچے گئے 23.94 ملین ٹن کے مقابلے میں 26.55 ملین ٹن سیمنٹ کی کھپت رہی جبکہ برآمدات 14.83% کی کمی سے 3.75 ملین ٹن رہیں۔

مجموعی کاروباری جائزہ

کاروباری کارکردگی

آپ کی کمپنی نے رواں مالی سال 2016-17 کے پہلے نو ماہ کے دوران 1,220,512 ٹن کلنکر پیدا کر کے اپنی پیداواری صلاحیت کا 81.57% حدف حاصل کیا جبکہ گزشتہ سال اسی عرصہ کے دوران 883,934 ٹن کلنکر پیدا کیا گیا تھا۔ مقامی سطح پر سیمنٹ اور کلنکر کی بڑھتی ہوئی طلب کے پیش نظر پیداوار میں اضافہ کیا گیا ہے۔

سیمنٹ اور کلنکر کی ترسیل کا مجموعی حجم 1,281,995 ٹن رہا جو کہ پچھلے سال کے 988,737 کے مقابلے میں 293,258 ٹن زیادہ ہے۔ کل 1,268,917 ٹن مقامی منڈی میں ترسیل ہوا جس میں 267,860 ٹن کلنکر شامل ہے۔ جبکہ برآمدات کم ہو کر 13,078 ٹن رہیں جس میں قلیل مقدار کلنکر کی بھی شامل ہے جو انڈیا کو برآمد کیا گیا۔

مالیاتی کارکردگی

زیر غور عرصہ میں آپ کی کمپنی نے خالص آمدنی 8,088.76 ملین روپے حاصل کی جو کہ پچھلے سال کے تقابلی عرصہ کے 6,832.33 ملین روپے سے 18.39% زیادہ ہے۔

بین الاقوامی منڈی میں کونکر کی قیمتوں میں قابل ذکر اضافہ کے باوجود مجموعی منافع 41.10% رہا جو کہ پچھلے سال کے تقابلی عرصہ کے 40.79% کے مقابلے میں معمولی اضافہ ہے۔ دسمبر 2016 میں ویسٹ ہیٹ ریکوری پاور پلانٹ نے باقاعدگی سے بجلی بنانے کا کام شروع کیا جس سے توانائی کی مد میں بچت ہوئی۔ 3,169.43 ملین روپے کا پیداواری منافع گزشتہ سال کے تقابلی عرصہ کے 2,673.57 ملین روپے کے مقابلے میں 18.55% زیادہ ہے۔ بعد از ٹیکس مجموعی منافع 2,399.38 ملین روپے رہا جو کہ پچھلے سال کے تقابلی عرصہ کے 1,744.61 ملین روپے سے 654.77 ملین روپے زیادہ ہے۔

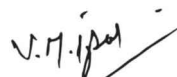
CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2017

Rupees in thousand	Note	March 31, 2017 Un-audited	June 30, 2016 Audited
ASSETS			
Non-current			
Fixed Assets			
Property, plant and equipment	4	11,166,944	10,384,030
Investment property		68,910	68,910
Intangible assets		5,310	7,799
		11,241,164	10,460,739
Long term deposits		39,527	39,449
		11,280,691	10,500,188
Current			
Stores, spare parts and loose tools	5	798,794	922,941
Stock in trade	6	318,671	181,319
Trade debts - unsecured		243,821	108,481
Loans and advances		106,894	35,254
Trade deposits and short term prepayments		5,934	1,991
Other receivables		-	549
Sales tax receivable		30,023	-
Short term investments	7	3,985,408	2,356,497
Cash and bank balances	8	433,829	660,479
		5,923,374	4,267,511
TOTAL ASSETS		17,204,065	14,767,699
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital		3,500,000	3,500,000
Issued, subscribed and paid-up capital		2,271,489	2,271,489
Reserves		6,702,216	5,549,208
		8,973,705	7,820,697
Surplus on revaluation of fixed assets - net of tax		2,755,662	2,849,469
Liabilities			
Non-current			
Long term financing - secured	9	900,000	-
Deferred liabilities	10	2,333,026	2,341,138
Long term deposits		4,197	4,177
		3,237,223	2,345,315
Current			
Trade and other payables	11	1,743,530	939,277
Accrued interest / markup	12	25,007	442
Short term borrowings - secured	13	369,107	644,597
Provision for taxation - net		99,831	71,316
Sales tax payable		-	96,586
		2,237,475	1,752,218
Total liabilities		5,474,698	4,097,533
TOTAL EQUITY AND LIABILITIES		17,204,065	14,767,699

CONTINGENCIES AND COMMITMENTS 14

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.


Syed Mazher Iqbal
Chief Executive Officer



Aly Khan
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE NINE MONTHS ENDED MARCH 31, 2017 (UN-AUDITED)

Rupees in thousand	Note	Nine months ended March 31,		Quarter ended March 31,	
		2017	2016	2017	2016
Sales - Gross					
Cement		9,582,783	8,686,193	3,612,316	3,114,077
Clinker		1,585,069	-	378,741	-
		11,167,852	8,686,193	3,991,057	3,114,077
Sales tax		1,759,287	1,369,841	630,698	495,387
Federal excise duty		1,268,917	426,446	442,837	145,950
Commission		29,448	39,169	10,920	12,957
Discount and rebate		21,443	18,404	9,611	5,723
		3,079,095	1,853,860	1,094,066	660,017
Sales - Net		8,088,757	6,832,333	2,896,991	2,454,060
Cost of sales	15	4,764,014	4,045,260	1,686,130	1,401,592
Gross profit		3,324,743	2,787,073	1,210,861	1,052,468
Distribution cost		46,123	41,498	17,025	13,346
Administrative expenses		58,436	58,135	21,258	21,932
Other income	16	(184,084)	(183,531)	(78,526)	(65,286)
Other expenses		234,840	197,403	92,124	74,769
		155,315	113,505	51,881	44,761
Operating profit		3,169,428	2,673,568	1,158,980	1,007,707
Finance cost		5,792	15,899	3,193	3,152
Profit before taxation		3,163,636	2,657,669	1,155,787	1,004,555
Taxation		764,256	913,057	257,946	248,026
Profit after taxation		2,399,380	1,744,612	897,841	756,529
Rupees					
Earnings per share - basic & diluted		10.56	7.68	3.95	3.33

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.


 Syed Mazher Iqbal
 Chief Executive Officer


 Aly Khan
 Director


CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED MARCH 31, 2017 (UN-AUDITED)

Rupees in thousand	Nine months ended March 31,		Quarter ended March 31,	
	2017	2016	2017	2016
Profit after taxation	2,399,380	1,744,612	897,841	756,529
Other comprehensive income:				
Items that may be reclassified to profit and loss account	-	-	-	-
Items that will not be reclassified to profit and loss account subsequently	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	2,399,380	1,744,612	897,841	756,529

The surplus arising on revaluation of fixed assets is presented under a separate head below equity in accordance with the requirements of Companies Ordinance, 1984.

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.


Syed Mazher Iqbal
Chief Executive Officer

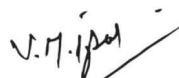

Aly Khan
Director

CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE NINE MONTHS ENDED MARCH 31, 2017 (UN-AUDITED)

Rupees in thousand		For the nine months ended March 31,	
	Note	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	18	3,419,638	3,811,049
Income tax paid		(754,077)	(676,243)
Workers' Profit Participation Fund paid		(25,585)	(38,048)
Workers' Welfare Fund paid		(75,635)	(56,293)
Gratuity and compensated absences paid		(6,800)	(6,051)
(Increase)/decrease in long term deposits - net		(58)	216
Net cash from operating activities		2,557,483	3,034,630
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures incurred		(1,106,803)	(582,809)
Proceeds from disposal of fixed assets		580	4,805
Increase in short term investments		(1,463,464)	(1,328,363)
Net cash used in investing activities		(2,569,687)	(1,906,367)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from / (repayment of) long term financing		900,000	(374,587)
Decrease in short term borrowings - net		(275,490)	(621,174)
Dividend paid		(834,811)	(912,385)
Finance cost paid		(4,145)	(22,060)
Net cash used in financing activities		(214,446)	(1,930,206)
Net decrease in cash and cash equivalents		(226,650)	(801,943)
Cash and cash equivalents at the beginning of the period		660,479	2,091,913
Cash and cash equivalents at the end of the period		433,829	1,289,970

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.


Syed Mazher Iqbal
Chief Executive Officer



Aly Khan
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED MARCH 31, 2017 (UN-AUDITED)

Rupees in thousand	Issued, subscribed and paid-up capital	Reserves			Total equity
		Capital	Revenue	Sub total	
		Share premium	Accumulated profit		
Balance as at July 01, 2015 (audited)	2,271,489	197,517	4,251,311	4,448,828	6,720,317
Final dividend for the year ended June 30, 2015	-	-	(908,595)	(908,595)	(908,595)
Interim dividend for the year ended June 30, 2016	-	-	(567,872)	(567,872)	(567,872)
Transactions with owners	-	-	(1,476,467)	(1,476,467)	(1,476,467)
Profit after tax for the period	-	-	1,744,612	1,744,612	1,744,612
Other Comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	268,145	268,145	268,145
Surplus on revaluation of fixed assets realized - net of tax	-	-	44,763	44,763	44,763
Balance as at March 31, 2016 (un-audited)	2,271,489	197,517	4,564,219	4,761,736	7,033,225
Balance as at July 01, 2016 (audited)	2,271,489	197,517	5,351,691	5,549,208	7,820,697
Final dividend for the year ended June 30, 2016	-	-	(851,809)	(851,809)	(851,809)
Interim dividend for the year ending June 30, 2017	-	-	(488,370)	(488,370)	(488,370)
Transaction with owners	-	-	(1,340,179)	(1,340,179)	(1,340,179)
Profit after tax for the period	-	-	2,399,380	2,399,380	2,399,380
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,059,201	1,059,201	1,059,201
Surplus on revaluation of fixed assets realized - net of tax	-	-	93,807	93,807	93,807
Balance as at March 31, 2017 (un-audited)	2,271,489	197,517	6,504,699	6,702,216	8,973,705

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.


Syed Mazher Iqbal
Chief Executive Officer


Aly Khan
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED MARCH 31, 2017 (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.

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 clinker capacity was completed which started commercial operations from April 2006.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the 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 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements for the year ended June 30, 2016.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2016.

The new standards, amendments to the approved accounting standards and interpretations that are mandatory for accounting period beginning on or after July 1, 2016, were either considered not to be relevant to the Company's operations or did not have significant effect on the accounting policies of the Company.

Rupees in thousand		March 31, 2017	June 30, 2016
	Note	Un-audited	Audited
4 PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	4.1	10,071,337	8,852,173
Capital work-in-progress	4.2	1,095,607	1,531,857
		11,166,944	10,384,030

Rupees in thousand		March 31, 2017	June 30, 2016
	Note	Un-audited	Audited
4.1 Operating property, plant and equipment			
Opening written down value		8,852,173	7,269,621
Additions/transfers for the period/year-net	4.1.1	1,565,979	86,509
Revaluation surplus for the period/year-net		-	1,876,489
		10,418,152	9,232,619
Disposals during the period/year		-	(418)
Depreciation for the period/year		(346,815)	(380,028)
Closing written down value		10,071,337	8,852,173
4.1.1 Additions / transfer during the period / year - net			
Factory buildings on free hold land		269,574	48,834
Plant and machinery:			
Waste heat recovery power plant		1,195,939	-
Other plant and machinery		65,667	25,548
Furniture, fixture and equipment		4,908	2,673
Computers and accessories		798	2,313
Vehicles		29,093	7,141
		1,565,979	86,509
4.2 Capital work in progress			
Opening balance		1,531,857	61,052
Additions during the period / year:			
Waste heat recovery power plant & coal fired boiler		482,634	1,307,518
Other plant and machinery items		501,046	514
Factory buildings under construction		19,612	84,975
Office premises under construction		25,970	126,632
		1,029,262	1,519,639
Transferred to operating assets	4.2.1	(1,465,512)	(48,834)
		1,095,607	1,531,857
4.2.1 Transferred to operating fixed assets			
Factory buildings on freehold land		269,573	48,834
Waste heat recovery power plant		1,195,939	-
		1,465,512	48,834
5 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		234,028	292,523
Spare parts		464,453	431,961
Loose tools		9,361	6,737
		707,842	731,221
Spare parts in transit		134,885	235,653
Provision for slow moving stores and spare parts		(43,933)	(43,933)
		798,794	922,941

Rupees in thousand	March 31, 2017 Un-audited	June 30, 2016 Audited
6 STOCK IN TRADE		
Raw material	35,274	24,200
Packing material	43,709	45,945
Work in process	201,192	92,788
Finished goods	38,496	18,386
	318,671	181,319

7 SHORT TERM INVESTMENTS - Held for Trading

ABL Government Securities Fund - Units 51,174,534 (June 2016: 116,216,941)	540,408	1,167,097
UBL Government Securities Fund - Units 829,120 (June 2016: 8,329,120)	90,461	878,557
Meezan Islamic Income Fund - Units 8,274,008 (June 2016: 4,437,445)	441,666	227,552
Meezan Sovereign Fund - Units 6,460,259 (June 2016: 1,639,588)	344,849	83,291
NAFA Money Market Fund Units 37,247,043 (June 2016: Nil)	384,159	-
NAFA Government Securities Liquid Fund Units 129,172,445 (June 2016: Nil)	1,393,616	-
NAFA Assets Allocation Fund Units 16,323,625 (June 2016: Nil)	312,331	-
NAFA Islamic Energy Fund Units 11,340,526 (June 2016: Nil)	163,582	-
NAFA Islamic Stock Fund Units 20,148,957 (June 2016: Nil)	314,336	-
	3,985,408	2,356,497

8 CASH AND BANK BALANCES

These include sales collection in process (cheques in hand) amounting to Rs. 278.791 million (June 30, 2016: Rs. 278.286 million).

Rupees in thousand	March 31, 2017 Un-audited	June 30, 2016 Audited
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9 LONG TERM FINANCING - Secured

Diminishing Musharaka	900,000	-
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During the period, the Company has obtained Diminishing Musharaka / Ijarah facility from Meezan Bank Limited to finance the installation of Waste Heat Recovery Power Plant at a pricing of 3 months Kibor plus 1.1% per annum for a tenure of 5 years including grace period of one year. The facility is secured by creation of charge exclusively over Waste Heat Recovery Power Plant amounting to Rs. 1,000 million.

Rupees in thousand	Note	March 31, 2017 Un-audited	June 30, 2016 Audited
10 DEFERRED LIABILITIES			
Deferred tax liability		2,230,545	2,248,880
Gratuity- vested contractual employees		102,481	92,258
		2,333,026	2,341,138
11 TRADE AND OTHER PAYABLES			
Creditors		147,182	140,477
Accrued expenses		610,278	445,705
Advances from customers		67,011	88,769
Deposits		16,568	17,159
Retention money		26,266	10,131
Excise duty on cement		49,002	61,707
Royalty and excise duty		11,093	7,562
Withholding tax		13,144	5,731
Employees' compensated absences		18,475	17,817
Workers' Profit Participation Fund		169,904	25,583
Workers' Welfare Fund		67,385	78,502
Unclaimed dividend		545,387	40,019
Others		1,835	115
		1,743,530	939,277
12 ACCRUED INTEREST / MARKUP			
Long term financing		22,927	-
Short term borrowings		2,080	442
		25,007	442
13 SHORT TERM BORROWINGS - secured			
Allied Bank Limited	13.1	25,223	-
Meezan Bank Limited	13.2	343,884	644,597
		369,107	644,597

13.1 The Company has obtained a short term cash finance and money market loan facility from Allied Bank Limited amounting to Rs. 1,000 million (June 2016: Rs. 1,000 million). Cash finance facility carries markup at the rate of 3 months Kibor+0.20% (June 30, 2016: Kibor+0.25%) per annum which shall be payable to the bank on quarterly basis. Markup in respect of money market loan would be advisable at the time of transactions. The facility is secured by lien on Company's investment in Government Securities Fund of ABL Assets Management Company with 5% margin.

13.2 Running Musharaka/Murabaha/LC sight facility and other sub limits upto Rs. 550 million in aggregate (June 30, 2016: Rs. 550 million) has been obtained from Meezan Bank Limited. The facility carries profit rate of 0.25% plus 3 months KIBOR on the basis of Meezan Bank's average Musharaka investment determined at the time of disbursement and is payable on quarterly basis. The facility is secured against first charge over current assets of the Company with margin of 15 percent. This renewable facility will expire on December 31, 2017.

13.3 The Company has obtained letter of credit sight facility/finance against imported merchandise (FIM) and other sub limits from JS Bank Limited upto Rs. 700 million (June 2016: Rs. 500 million) in aggregate. The facility is secured against 5% cash margin and import documents consigned to the order of JS Bank except FIM which is secured against pledge of coal with 5% margin. The applicable mark up rate on FIM is 3 months Kibor plus 0.5% per annum. In addition to these facilities the Company has also obtained letter of guarantee (LG) facility amounting to Rs. 50 million which is secured against 100% margin. This renewable facility will expire on January 31, 2018.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There has been no significant change in the contingencies as disclosed in the annual financial statements for the year ended June 30, 2016, except for the following:

14.1.1 During the current period, Additional Commissioner Inland Revenue (Adl.CIR) finalized proceedings u/s 122(9) of Income Tax Ordinance, 2001 (the Ordinance) for the Tax Year 2015 and has created a demand of Rs. 514.445 million. The CIR Appeal has deleted some additions made by the Adl.CIR and the tax demand was reduced to Rs. 313.813 million. The Company has filed an appeal to CIR(A) and has also contested at the Appellate Tribunal Inland Revenue ("ATIR") which is pending adjudication. Management expects favorable outcome of hearing and accordingly, no provision has been made in the condensed interim financial information.

14.1.2 The Company was selected for Tax Audit u/s 177 and 214C of the Ordinance by Federal Board of Revenue (FBR) for audit of the Income Tax affairs for the Tax Year 2014. The said selection has been challenged by the Company in Honorable Lahore High Court. Earlier, the Honorable Lahore High Court (LHC) issued directions to the department to continue audit proceedings without issuing notices u/s 122(9) of the Ordinance. Later on the Honourable Lahore High Court announced its judgment on January 09, 2017 wherein certain directions have been made to FBR like Separation of Audit and Prosecution Authorities, Timeframe for completion of Audit, enactment of Rules for Conduct of Audit and Procedure for Representation before FBR in respect of audit grievance etc. The Company has filed Intra Court Appeal (ICA) against the decision of Lahore High Court.

14.1.3 Proceedings u/s 122(5A) of the Ordinance were initiated by the Adl.CIR wherein certain additions of Rs. 285.497 million alongwith a tax demand of Rs. 12.797 million was raised against the Company for Tax Year 2010. The Company filed an appeal before CIR-A Lahore who deleted additions of Rs. 285.497 million and accordingly, total impugned demand was cancelled. The Company, however, preferred to file a second appeal before the Learned Appellate Tribunal Inland Revenue (ATIR), Lahore on the legal issue that for the charge of Minimum Tax u/s 113, exclusion was made as to the FTR receipts rather than taxes particularly for this Tax Year 2010. At the same time, the Commissioner Inland Revenue (CIR) also filed an appeal before Honorable ATIR. Case is still pending for adjudication till date. Management expects favorable outcome and accordingly, no provision has been made in the condensed interim financial information.

14.1.4 During the period, the Supreme Court through its order dated November 10, 2016 has struck down amendments regarding Workers Welfare Fund Ordinance, 1971 through Finance Act 2006 and 2008 as being unconstitutional. The Company had not maintained any provision as was required by those amendments and accordingly, no adjustment has been made in this condensed interim financial information.

14.2 Commitments

14.2.1 Commitments in respect of outstanding letters of credit as at balance sheet date amounts to Rs. 8,099.153 million (June 30, 2016: Rs. 79.074 million).

14.2.2 Cheque amounting to Rs. 113.724 million has been issued to Commissioner Inland Revenue against Company's petition pertaining chargeability of Alternative Corporate Tax for tax year 2014.

14.2.3 Contracts for capital expenditure as at balance sheet date amounts to Rs. 503.404 million (June 30, 2016: Rs. 315.138 million).

Rupees in thousand	Nine months ended March 31,		Quarter ended March 31,	
	2017	2016	2017	2016
		----- Unaudited -----		
15 COST OF SALES				
Raw materials consumed	438,030	303,769	155,144	107,607
Packing material consumed	392,194	425,757	145,651	152,905
Fuel and power	3,169,804	2,532,612	1,084,966	838,911
Stores and spares consumed	164,290	130,151	52,153	51,187
Salaries, wages and benefits	296,483	244,972	100,556	80,796
Travelling and conveyance	16,016	15,382	5,750	8,064
Insurance	5,956	5,614	2,006	1,855
Repairs and maintenance	39,092	42,841	17,341	15,579
Depreciation	341,197	271,556	125,104	93,417
Other manufacturing expenses	29,466	16,020	9,766	2,556
Total manufacturing cost	4,892,528	3,988,674	1,698,437	1,352,877
Work in process				
Opening balance	92,788	202,999	169,987	188,871
Closing balance	(201,192)	(157,312)	(201,192)	(157,312)
	(108,404)	45,687	(31,205)	31,559
Cost of goods manufactured	4,784,124	4,034,361	1,667,232	1,384,436
Finished goods				
Opening balance	18,386	63,766	57,394	70,023
Closing balance	(38,496)	(52,867)	(38,496)	(52,867)
	(20,110)	10,899	18,898	17,156
	4,764,014	4,045,260	1,686,130	1,401,592

16 OTHER INCOME

Income from financial assets				
Profit on bank deposits	14,112	31,888	1,420	13,900
Gain on investments held for trading	165,447	139,973	75,757	46,827
	179,559	171,861	77,177	60,727
Income from non financial assets				
Scrap sales	143	1,227	4	356
Gain on disposal of fixed assets	580	4,805	580	2,425
Rental income	3,802	4,967	765	1,449
Others	-	671	-	329
	4,525	11,670	1,349	4,559
	184,084	183,531	78,526	65,286

17 FAIR VALUE OF FINANCIAL INSTRUMENTS

17.1 Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

17.2 The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Rupees in thousand	Carrying amount					Fair Value			
	Cash and cash equivalents	Loans and receivables	Available for sale instruments	Fair value through profit or loss	Total	Level 1	Level 2	Level 3	Total
March 31, 2017 (Un-audited)									
Financial assets measured at fair value									
Short term investments	-	-	-	3,985,408	3,985,408	-	3,985,408	-	3,985,408
Financial assets not measured at fair value									
Non-current assets									
Long term deposits	-	39,527	-	-	39,527	-	-	-	-
Current assets									
Trade debts - unsecured	-	243,821	-	-	243,821	-	-	-	-
Loans and advances	-	2,500	-	-	2,500	-	-	-	-
Trade deposits	-	9	-	-	9	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Cash and bank balances	433,829	-	-	-	433,829	-	-	-	-
	433,829	285,857	-	-	719,686	-	-	-	-
June 30, 2016 (audited)									
Financial assets measured at fair value									
Short term investments	-	-	-	2,356,497	2,356,497	-	2,356,497	-	2,356,497
Financial assets not measured at fair value									
Non-current assets									
Long term deposits	-	39,449	-	-	39,449	-	-	-	-
Current assets									
Trade debts - unsecured	-	108,481	-	-	108,481	-	-	-	-
Loans and advances	-	2,330	-	-	2,330	-	-	-	-
Trade deposits	-	9	-	-	9	-	-	-	-
Other receivables	-	549	-	-	549	-	-	-	-
Cash and bank balances	660,479	-	-	-	660,479	-	-	-	-
	660,479	150,818	-	-	811,297	-	-	-	-

17.3 As at March 31, 2017 and June 30, 2016 the Company does not held liabilities that are measured at fair value or when value changes from carrying value as a resulting remeasurement. The following table shows the carrying amount of financial liabilities. It does not include fair value information for financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Rupees in thousand	March 31, 2017 Un-audited	June 30, 2016 Audited
Financial liabilities at amortized cost		
Long term financing - secured	900,000	-
Trade and other payables	1,743,530	939,277
Accrued interest / markup	25,007	442
Short term borrowings - secured	369,107	644,597
	3,037,644	1,584,316

Rupees in thousand	Nine months ended March 31, 2017 Un-audited	2016
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18 CASH GENERATED FROM OPERATIONS

Profit before taxation	3,163,636	2,657,669
Adjustment for:		
Depreciation	346,815	276,541
Amortization of intangibles	2,489	1,133
Provision for compensated absences and gratuity	17,631	15,902
Finance cost	5,792	15,899
Gain on disposal of property, plant and equipment	(580)	(4,805)
Workers Profit Participation Fund	169,905	142,732
Workers Welfare Fund	64,564	54,238
Unrealized gain on investment	(165,447)	(139,973)
Cash flow before working capital changes	3,604,805	3,019,336
Movement in working capital		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	124,147	493,948
Stock-in-trade	(137,352)	43,234
Trade debts	(135,340)	(23,777)
Loans, advances, deposits and short term prepayments	(75,583)	(42,821)
Other receivables	549	70,011
Sales tax receivable	(30,023)	-
Increase / (decrease) in current liabilities:		
Trade and other payables	165,021	227,871
Sales tax payable	(96,586)	23,247
Cash generated from operations	3,419,638	3,811,049

19 TRANSACTIONS WITH RELATED PARTIES

19.1 Related parties include major shareholders of the Company, entities having directors in common with the Company, associated companies, staff retirement funds, Workers Profit Participation Fund (WPPF), directors and key management personnel. Significant transactions along with their balances are as under:

Rupees in thousand		Nine months ended March, 31 2017 Un-audited	
Relationship with the company	Nature of transaction		2016
Staff retirement contribution plan	Contribution to staff provident fund	7,626	6,193
Key management personnel	Remuneration	116,922	88,506
WPPF	Payment to WPPF	25,585	38,048

Rupees in thousand		March 31, 2017 Un-audited	June 30, 2016 Audited
Balances			
WPPF payable		169,904	25,583

20 DATE OF AUTHORIZATION

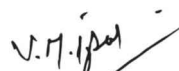
This condensed interim financial information was authorized for issue by the Board of Directors of the Company on April 26, 2017.

21 GENERAL

21.1 Corresponding figures have been rearranged wherever necessary, for the purpose of comparison. However, there were no material reclassification or rearrangement to report.

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

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


Syed Mazher Iqbal
Chief Executive Officer


Aly Khan
Director