

BOOK POST



QUARTERLY REPORT

SEPTEMBER 30, 2018

Descon Oxychem Limited

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Descon Oxychem Limited

BREATHING LIFE INTO CHEMISTRY



Vision

Our vision is to be the leading Pakistan supplier of oxidative solutions based on hydrogen peroxide, complemented by related technologies to the textile, food safety, environmental and other industrial markets. At Descon Oxychem, we are committed to conducting our business honestly and ethically, complying with all applicable laws – this is our commitment to integrity. Our values exemplify our dedication to high standards of corporate responsibility towards all our stakeholders.

Mission

The mission is underpinned by four principles including safety, innovation, sustainability and customer focus. Our world class safety record is a deep part of our company's heritage, and an incident-free workplace is our first priority and foremost goal. We pride ourselves on quality products and innovative applications that are developed as a result of ingenuity and technical expertise. Industry demands constantly evolve, and we keep pace with this evolution. As an industry leader with an international footprint, we know that progress happens with hard work, a commitment to success and most of all, sustainable practices. The strength and value of our business lies in our people and their commitment to working with customers to provide solutions, technology expertise and unwavering commitment towards all customers' needs.

Our Values

- Continuous Improvement
- Leadership
- Accountability & Ownership
- Teamwork
- Open Communication
- Safety

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Company Information

Board of Directors

Taimur Dawood	Chairman
Asif Qadir	Independent Director
Farooq Nazir	
Mehreen Dawood	
Faisal Dawood	
Ali Asrar Hossain Aga	Independent Director
Imran Qureshi	Chief Executive Officer

Muhammad Saqib Abbas

Chief Financial Officer

Abdul Sohail

Company Secretary

Auditors

M/s A.F. Ferguson & Co.
Chartered Accountants

Internal Auditors

M/s KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisors

M/s Hassan & Hassan Advocates

Bankers

Allied Bank Limited
Bank Al Habib Limited
Habib Metropolitan Bank Limited
Soneri Bank Limited
Askari Bank Limited

Share Registrar

M/s Corplink (Pvt.) Limited
Wings Arcade, 1-K Commercial Area,
Model Town, Lahore - 53000
Tel: +92 42 35887262, 35839182
Fax: +92 42 35869037

Registered Office

Descon Headquarters
18-KM Ferozpur Road
Lahore - 53000 Pakistan.
Tel: +92 42 35923721-9

Plant Site

18-KM Lahore - Sheikhpura Road,
Lahore, Pakistan.
Tel: +92 42 3797 1821-24
Fax: +92 42 3797 1831

Web Presence

Updated Company's Information
together with the latest Annual Report
can be accessed at Descon's website,
www.desconoxychem.com

Directors' Report to the Shareholders

The Board of Directors are pleased to present the financial statements of the Company for the quarter ended September 30, 2018. The financial highlights for the Sep 18 quarter are;

	Quarter ended	
	September 30, 2018	September 30, 2017
	----- Rupees '000' -----	
Sales value	732,175	448,557
Gross profit	336,507	119,049
Profit from operations	277,236	78,764
Profit after tax	231,127	48,013
Earnings per share – Basic – Rupees	2.27	0.47

Sales value of the Company has moved up from PKR 448 million to PKR 732 million, an increase of 63%. Gross profit of the company increased from PKR 119 million to PKR 336 million and Gross profit percentage has increased from 26% to 46%. This increase is primarily driven by the increase in price driven by pricing initiatives, Pak Rupee depreciation and increase in raw material prices. Manufacturing cost has increased from same period last year mainly due to gas mix / price, increase in international prices of raw materials and crude oil price as compared with same period last year. Your Company continues to work over various capital restructuring options to drive the maximum value for the business and shareholders.

Future Outlook

The challenge ahead for Your Company is to maintain its financial performance along with consistently working on strategies to ensure upcoming challenges are met effectively. Our continuous efforts to penetrate the food, beverages and livestock markets is part of this strategy which will drive future growth alongside organic growth in Textile and Mining sectors. As your Company has announced to enhance its production capacity by 25%, the project is work in progress and is being monitored rigorously so to complete it as per planned timelines. The business continues to invest in those areas which reinforce its advantaged positions in safety, manufacturing efficiency and building market leadership positions in key geographies.

We thank all stakeholders for their unfailing and steadfast support.

For and on behalf of the Board

Imran Qureshi

Imran Qureshi Chief Executive Officer

Lahore
October 23, 2018

ڈائریکٹرز رپورٹ برائے شیئرز ہولڈرز

30 ستمبر 2018ء کو اختتام پذیر شدہ ماہی کے لئے بورڈ آف ڈائریکٹرز کمپنی کے مالیاتی گوشوارے پیش کرنے میں فخر محسوس کرتے ہیں۔

30 ستمبر 2018ء تک کی سرمایہ کاری کا مالیاتی خلاصہ حسب ذیل ہے:

	2017 (Rs. "000")	2018 (Rs. "000")	
فروخت	448,557	732,175	
مجموعی نفع	119,049	336,507	
(کمپنی) آپریشن سے حاصل منافع	78,764	277,236	
ٹیکس کٹوتی کے بعد منافع	48,013	231,127	
کمائی فی شیئر - بنیادی (روپے)	0.47	2.27	

کمپنی کی فروخت 63 فی صد اضافہ کے ساتھ 448 ملین روپے سے بڑھ کر 732 ملین روپے ہوئی ہے۔ کمپنی کا مجموعی منافع 119 ملین روپے سے بڑھ کر 336 ملین روپے ہوا ہے۔ جو کہ شرح میں 26 فی صد سے بڑھ کر 46 فی صد ہوا ہے۔ یہ اضافہ پرائسنگ اقدامات، آپریشنل کارکردگی اور مستحکم منتقل لاگت کے انتظام کی وجہ سے ممکن ہوا۔ پیداواری لاگت میں اضافہ گیس کس / قیمت، عالمی منڈیوں میں خام مال اور کروڈ آئل کی قیمت میں اضافہ کی وجہ سے ہوا ہے۔ آپ کی کمپنی سرمایہ کاری کی سٹرکچرنگ کے مختلف طریقوں پر کام کر رہی ہے تاکہ کاروبار اور شیئرز ہولڈرز کے لیے کثیر آمدنی حاصل کی جاسکے۔

مستقبل کا نقطہ نظر

آپ کی کمپنی کو اپنی مالیاتی کارکردگی کو برقرار رکھنے اور حکمت عملی بنانے پر مسلسل عمل درآمد کرنے کا بڑا چیلنج درپیش ہوگا۔ بیوریج اور خوراک کی منڈیوں تک رسائی، ٹیکسٹائل اور مینٹک شعبوں میں آرکیٹیکٹ نموکے ساتھ مستقبل کی نمو میں اضافہ کرے گی۔ کمپنی نے اپنی پیداواری صلاحیت میں 25 فی صد اضافہ کا فیصلہ کیا ہے اور اس پر انجینئرنگ پر تیزی سے کام جاری ہے۔ پراجیکٹ کی مؤثر نگرانی کی جارہی ہے تاکہ اس کو مطلوبہ وقت میں مکمل کیا جائے۔ کمپنی ان شعبوں میں سرمایہ داری جاری رکھے ہوئے ہے جو تحفظ، پیداواری کارکردگی اور مارکیٹ میں اعلیٰ پوزیشن بنانے میں اہم کردار ادا کریں گے۔

ہم اپنے تمام اسٹیک ہولڈرز کی گراں قدر حمایت کے شکر گزار ہیں۔

برائے اور منجانب بورڈ آف ڈائریکٹرز

Imran Qureshi

عمران قریشی چیف ایگزیکٹو آفیسر

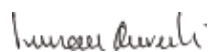
23 اکتوبر 2018ء، لاہور

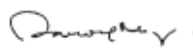
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at September 30, 2018

Note	September 30, 2018 Unaudited	June 30, 2018 Audited
	----- Rupees '000' -----	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
	110,000,000 (June 2018: 110,000,000) ordinary shares of Rs 10 each	1,100,000
	110,000,000 (June 2018 : 110,000,000) preference shares of Rs 10 each	1,100,000
Issued, subscribed and paid up capital		
	102,000,000 (June 2018: 102,000,000) ordinary shares of Rs 10 each	1,020,000
5	110,000,000 (June 2018: 110,000,000) preference shares of Rs 10 each	1,100,000
	Accumulated loss	(113,145)
		(344,272)
		2,006,855
		1,775,728
CURRENT LIABILITIES		
	Trade and other payables	221,641
	Accrued finance cost	302
	Dividend payable	7
	Income tax payable	77,926
		299,876
		211,561
		378
		10
		51,715
		263,664
6		
		2,306,731
		2,039,392
ASSETS		
NON-CURRENT ASSETS		
7	Property, plant and equipment	1,363,817
	Intangible assets	668
	Long term deposits	17,654
	Deferred taxation	47,848
		1,429,987
		1,392,836
		733
		17,654
		43,519
		1,454,742
CURRENT ASSETS		
8	Stores and spares	238,039
	Stock-in-trade	81,447
	Trade debts - unsecured	58,897
9	Advances, deposits, prepayments and other receivables	228,289
	Cash and bank balances	270,072
		876,744
		211,484
		26,317
		39,439
		194,325
		113,085
		584,650
		2,306,731
		2,039,392

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

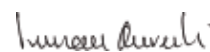

CHIEF EXECUTIVE

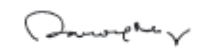
CHIEF FINANCIAL OFFICER

DIRECTOR
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT

for the Quarter Ended September 30, 2018 (Unaudited)

Note	Quarter ended	
	September 30, 2018	September 30, 2017
----- Rupees '000' -----		
	Sales	732,175
10		448,557
	Cost of sales	(395,668)
11		(329,508)
	Gross profit	336,507
	Administrative expenses	(24,293)
	Distribution and selling cost	(16,553)
	Other operating income	1,982
	Other expenses	(20,407)
	Profit from operations	277,236
	Finance cost	(744)
	Profit before taxation	276,492
	Taxation	(45,365)
	Profit for the period	231,127
	Other comprehensive income	-
	Total comprehensive income for the period	231,127
	Earnings per share	
	- Basic - Rupees	2.27
12.1		0.47
	- Diluted - Rupees	1.09
12.2		0.23

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


CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the Quarter Ended September 30, 2018 (Unaudited)

	Share Capital		Fair Value Reserve '000'	Accumulated loss	Total
	Ordinary Share capital	Preference Share capital			
Balance as on July 1, 2017	1,020,000	1,100,000	-	(402,551)	1,717,449
Profit for the period	-	-	-	48,013	48,013
Other comprehensive income for the period:	-	-	-	-	-
Total comprehensive income for the period	-	-	-	48,013	48,013
Balance as on September 30, 2017	1,020,000	1,100,000	-	(354,538)	1,765,462
Balance as on July 1, 2018	1,020,000	1,100,000	-	(344,272)	1,775,728
Total contributions by and distributions to owners of the Company recognised directly in equity	-	-	-	231,127	231,127
Profit for the period	-	-	-	-	-
Other comprehensive income for the period:	-	-	-	-	-
Total comprehensive income for the period	-	-	-	231,127	231,127
Balance as on September 30, 2018	1,020,000	1,100,000	-	(113,145)	2,006,855

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


CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

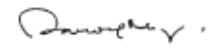
DIRECTOR
CONDENSED INTERIM STATEMENT OF CASH FLOWS

for the Quarter Ended September 30, 2018 (Unaudited)

	Note	Quarter ended	
		September 30, 2018	September 30, 2017
Rupees '000'			
Cash flows from operating activities			
Cash generated from operations	14	192,559	7,417
Finance cost paid		(820)	(717)
Profit on deposits received		1,970	146
Income tax paid		(23,479)	(3,340)
Net cash generated from operating activities		170,230	3,506
Cash flows from investing activities			
Fixed capital expenditure		(13,243)	(7,092)
Net cash used in financing activities		(13,243)	(7,092)
Net increase/(decrease) in cash and cash equivalents		156,987	(3,586)
Cash and cash equivalents at beginning of the period		113,085	(20,471)
Cash and cash equivalents at the end of the period		270,072	(24,057)

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


CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the Quarter Ended September 30, 2018 (Unaudited)

1. Legal status and nature of business

The Company was incorporated in Pakistan as a private limited Company on November 12, 2004 under The Companies Ordinance, 1984 and was converted into a public limited Company with effect from February 28, 2008 as approved by the Securities and Exchange Commission of Pakistan (SECP) vide letter no. ARL 16222 dated March 14, 2008. Subsequently, on September 15, 2008, it was listed on Pakistan Stock Exchange. The registered office of the Company is situated at 18-KM Ferozepur Road, Lahore and the company's business unit and factory is situated at 18-KM Lahore-Sheikhupura Road, Lahore. The Company is principally engaged in manufacture, procurement and sale of hydrogen peroxide and allied products. The Company commenced its trial production on December 1, 2008 and commercial production on March 1, 2009.

2. Basis of preparation

This condensed interim financial information is un-audited and is being submitted to the members in accordance with Companies Act, 2017. 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 Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 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, 2018.

3. Significant accounting policies

3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2018.

3.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

3.2.1 Standards, amendments and interpretations to approved accounting standards that are effective in current year

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 01, 2018 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements, except for the following:

- International Accounting Standard ('IAS') 7, 'Cash flow statements: Disclosure initiative' (effective for periods beginning on or after January 1, 2017). This amendment requires disclosure to explain changes in liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows. The amendment only covers statement of financial position items for which cash flows are classified as financing activities. In case other items are included within the reconciliation, the changes in liabilities arising from financing activities will be identified separately. A reconciliation of the opening to closing balance is not specifically required but instead the information can be provided in other ways. In the first year of adoption, comparative information need not be provided. The Company's current accounting treatment is already in line with the requirements of this standard.

- IAS 12 'Income taxes' (Amendment), on recognition of deferred tax assets for unrealised losses. These amendments on the recognition of deferred tax assets for unrealised losses clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments clarify the existing guidance under IAS 12. They do not change the underlying principles for the recognition of deferred tax assets. Further, there are no debt instruments measured at fair value. The Company's current accounting treatment is already in line with the requirements of this standard.

The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of financial statements of the company. These changes also include change in nomenclature of primary statements, etc.

Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the:

- Elimination of duplicative disclosures with the IFRS disclosure requirements; and
- Incorporation of significant additional disclosures.

Keeping in view of the above, the presentation of these financial statements has been realigned with the provisions contained in the Act. The application of the Act, however, does not have any impact in the recognition and measurement of the amounts included in these financial statements of the Company.

3.2.2 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2018 are considered not to be relevant for Company's financial statements and hence have not been detailed here.

3.2.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

Standards or Interpretations	Effective date (accounting periods beginning on or after)
IFRS 16, 'Leases'	January 1, 2019
IAS 19 (Amendments), 'Employee Benefits'	January 1, 2019
IFRIC 23, 'Uncertainty over income tax treatments'	January 1, 2019

4. Taxation

The provision for taxation for the quarter ended September 30, 2018 has been made using the tax rate that would be applicable to expected total annual earnings.

5. Preference shares

5.1 Key Terms of the preference shares

Preference shares are non-voting, cumulative, convertible, redeemable preference shares with no specified maturity date. The key terms of the preference shares are as follows:

- The preference shares shall be cumulative, and shall carry entitlement of a fixed annual cumulative dividend of 12% to be paid out of the normal profits of the Company in each financial year. Any dividend not paid in a financial year shall cumulate towards entitlement of dividend in future years.

- The preference shares shall not carry any entitlement of ordinary dividend, right shares or bonus shares, or have any right to participate in the profits of the Company.

- The preference shares shall be redeemable at par value solely at the option of the Company, only through a sinking fund created out of the profits of the Company.

- The preference shares shall be convertible into ordinary shares at the ratio of one preference share to one ordinary share at the option of either of the Company or the preference share holder, any time and from time to time after expiry of five years from the date of allotment of the relevant preference shares. The outstanding dividend on the preference shares will not be converted into ordinary shares.

5.2 Under the International Financial Reporting Standards (IFRS), the preference shares represent a compound financial instrument with a liability component representing the contractual stream of preference dividend required to be paid by the Company. However, in these financial statements, the preference shares have been treated as part of equity on the following basis:

- The preference shares were issued under the provisions of section 86 of the Companies Ordinance, 1984 (the Ordinance) (now section 83 of Companies Act, 2017) read with section 90 of the Ordinance (now section 58 of Companies Act, 2017) and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000;

- The issue of the shares was duly approved by the members of the Company at the Annual General Meeting held on October 30, 2014; and

- The requirements of the Ordinance/Companies Act, 2017 takes precedence over the requirements of International Financial Reporting Standards.

6. Contingencies and commitments

6.1 Contingencies

Guarantee issued to Sui Northern Gas Pipeline Limited against the performance of a contract amounting to Rs. 48.64 million (June 2018: Rs. 48.64 million).

Guarantee issued to Pakistan State Oil against the performance of a contract amount to Rs. 3.50 million (2018: 3.50 million).

Other shipping guarantees amount to Rs. Nil (2018: 7.89 million).

6.2 Commitments

The company has the following commitments in respect of:

- i) Letters of credit other than capital expenditure amounting to Rs 68.15 million (2018: Rs 69.26 million)
- ii) Cumulative dividend on preference shares of Rs. 165 million (2018: Rs 132 million).

		September 30, 2018 Unaudited	June 30, 2018 Audited
Note	----- Rupees '000' -----		
7. Property, plant and equipment			
Operating assets	7.1	1,267,685	1,304,289
Capital work-in-progress		1,800	2,338
Major spare parts, catalysts and standby equipment		<u>94,332</u>	<u>86,209</u>
		<u>1,363,817</u>	<u>1,392,836</u>

		September 30, 2018 Unaudited	June 30, 2018 Audited
Note	----- Rupees '000' -----		
7.1 Operating assets - at net book value			
Opening book value		1,304,289	1,452,260
Add: Additions during the period	7.1.1	<u>5,658</u>	<u>31,551</u>
		1,309,947	1,483,811
Less: Disposals during the period (at book value)	7.1.2	-	7,414
Less: Depreciation charged during the period		<u>42,262</u>	<u>172,108</u>
Closing book value		<u>1,267,685</u>	<u>1,304,289</u>
7.1.1 Additions during the period			
Buildings on freehold land		1,625	2,266
Plant, machinery and equipment		3,325	24,991
Laboratory equipment		-	600
Tools and equipment		180	1,179
Computer equipment		-	1,323
Office equipment		92	857
Furniture and fixture		120	335
IT Equipment		208	-
Material Handling		<u>108</u>	<u>-</u>
		<u>5,658</u>	<u>31,551</u>
7.1.2 Disposals during the period			
Plant, machinery and equipment		-	7,399
Plant, machinery and equipment - catalyst		<u>-</u>	<u>15</u>
		<u>-</u>	<u>7,414</u>
8. Stock in trade			
Raw material including in transit of Rs 32.824 million (June 2018: Rs 1.276 million)	8.1	45,138	17,738
Work-in-process	8.2	5,505	5,285
Finished goods		<u>30,804</u>	<u>3,294</u>
		<u>81,447</u>	<u>26,317</u>
8.1 Raw materials include Rs 0.079 million (2018: Rs. 0.079 million) being carried at net realizable value.			
8.2 Work-in-process include unused packing material of Rs. 5.505 million (June 2018: Rs 5.285 million).			
9. These include sales tax receivable of Rs 200.649 million (June 2018: Rs 178.287 million).			

	Quarter ended	
	September 30, 2018	September 30, 2017
----- Rupees '000' -----		
10. Sales		
Gross sales:		
- Local	768,610	475,259
- Export	1,509	2,458
	<u>770,119</u>	<u>477,717</u>
Less: Commission and discount on sales	(17,151)	(10,230)
Less: Sales Tax	(20,793)	(18,930)
Net Sales	<u>732,175</u>	<u>448,557</u>
	13,304	

11. Cost of goods sold

Raw material consumed	176,248	136,636
Salaries, wages and other benefits	24,462	21,541
Repair and maintenance	18,359	8,548
Fuel and power	76,348	62,727
Services through contractors	10,268	11,357
Rent & rates	4,875	4,930
Depreciation on property, plant and equipment	41,908	43,532
Insurance	2,684	2,090
Miscellaneous	1,384	1,012
	<u>356,536</u>	<u>292,373</u>
Add: Opening work in process	5,285	305
Less: Closing work in process	(5,505)	(1,552)
	<u>(220)</u>	<u>(1,247)</u>
Cost of goods produced	356,316	291,126
Add: Opening finished goods	3,294	31,474
Less: Closing finished goods	(27,399)	(29,032)
	<u>(24,105)</u>	<u>2,442</u>
Cost of goods sold - own manufactured	332,211	293,568
Cost of goods sold - purchase for resale	63,457	35,940
Cost of goods sold	<u>395,668</u>	<u>329,508</u>

12. Earnings per share**12.1 Basic earnings per share**

	Rupees in thousand	September 30, 2018	September 30, 2017
Profit for the period		231,127	48,013
Weighted average number of ordinary shares	Number in thousand	102,000	102,000
Earnings per share	Rupees	2.27	0.47

12.2 Diluted earnings per share

	Rupees in thousand	September 30, 2018	September 30, 2017
Profit for the period		231,127	48,013
Weighted average number of ordinary shares	Number in thousand	102,000	102,000
Add: Weighted average number of preference shares	Number in thousand	110,000	110,000
Weighted average number of outstanding shares	Number in thousand	212,000	212,000
Diluted earning per share	Rupees	1.09	0.23

13. Transactions with related parties

Relationship with the company	Nature of transaction	Quarter ended	
		September 30, 2018	September 30, 2017
----- Rupees '000' -----			
i. Associated undertakings	Purchase of goods and services	4,152	2,612
	Sale of goods	-	-
	Share of common expenses charged from associated companies	9,049	11,230
	Share of common expenses charged to associated companies	326	297
ii. Post employment benefit plans	Expense charged in respect of retirement benefit plans	702	566
iii. Key management personnel	Salaries and other employee benefits	8,817	13,538
		September 30, 2018	June 30, 2018
		Unaudited	Audited
----- Rupees '000' -----			
Period-end balances			
Associated undertakings	Payable to related parties	1,583	1,903
	Advances to related parties	2,314	1,162

	Quarter ended	
	September 30, 2018	September 30, 2017
	----- Rupees '000' -----	
14. Cash generated from operations		
Profit before taxation	276,492	77,181
Adjustments for:		
- Depreciation on property, plant and equipment	42,327	43,786
- Finance cost	744	1,583
- Interest on bank deposits	(1,970)	(146)
- Provision for stock and receivables	-	1,500
- Exchange Loss	(7)	172
Profit before working capital changes	317,586	124,076
Effect on cash flow due to working capital changes		
- (Increase)/decrease in stores and spares	(26,555)	(10,991)
- (Increase)/decrease in stock-in-trade	(55,130)	(15,132)
- Decrease/(increase) in trade debts	(19,458)	9,155
- Increase in advances, deposits, prepayments and other receivables	(33,964)	(14,219)
- (Decrease)/increase in trade and other payables	10,080	(85,472)
Cash generated from operations	192,559	(116,659) 7,417

15. Date of authorization for issue

This condensed interim financial information was authorized for issue on October 23, 2018 by the Board of Directors of the Company.

16. Corresponding figures

The fourth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. The preparation and presentation of these condensed interim financial statements for the period ended September 30, 2018 is in accordance with the requirements in Companies Act, 2017.

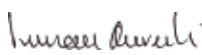
The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017. Such rearrangements and reclassifications made during the year are not significant. However, following major classification was made for the purpose of comparison and better presentation as per reporting framework:

Reclassification from component		Reclassification to component		Unaudited September 30, 2017 (Rupees in thousand)
Description	Note	Description	Note	
Cost of sales - Raw material consumed	11	Cost of sales - Services through contractors	11	4,869

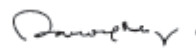
In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss 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.

17. Subsequent Events

The Board of Directors of the company had proposed a final dividend pertaining to preference shareholders for the year ended June 30, 2018 of Rs1.2 per share amounting to Rs 132 million at their meeting held on Aug 15, 2018 and approved by members at an Annual General Meeting held on Oct 23, 2018. These financial statements do not reflect this dividend payable.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR