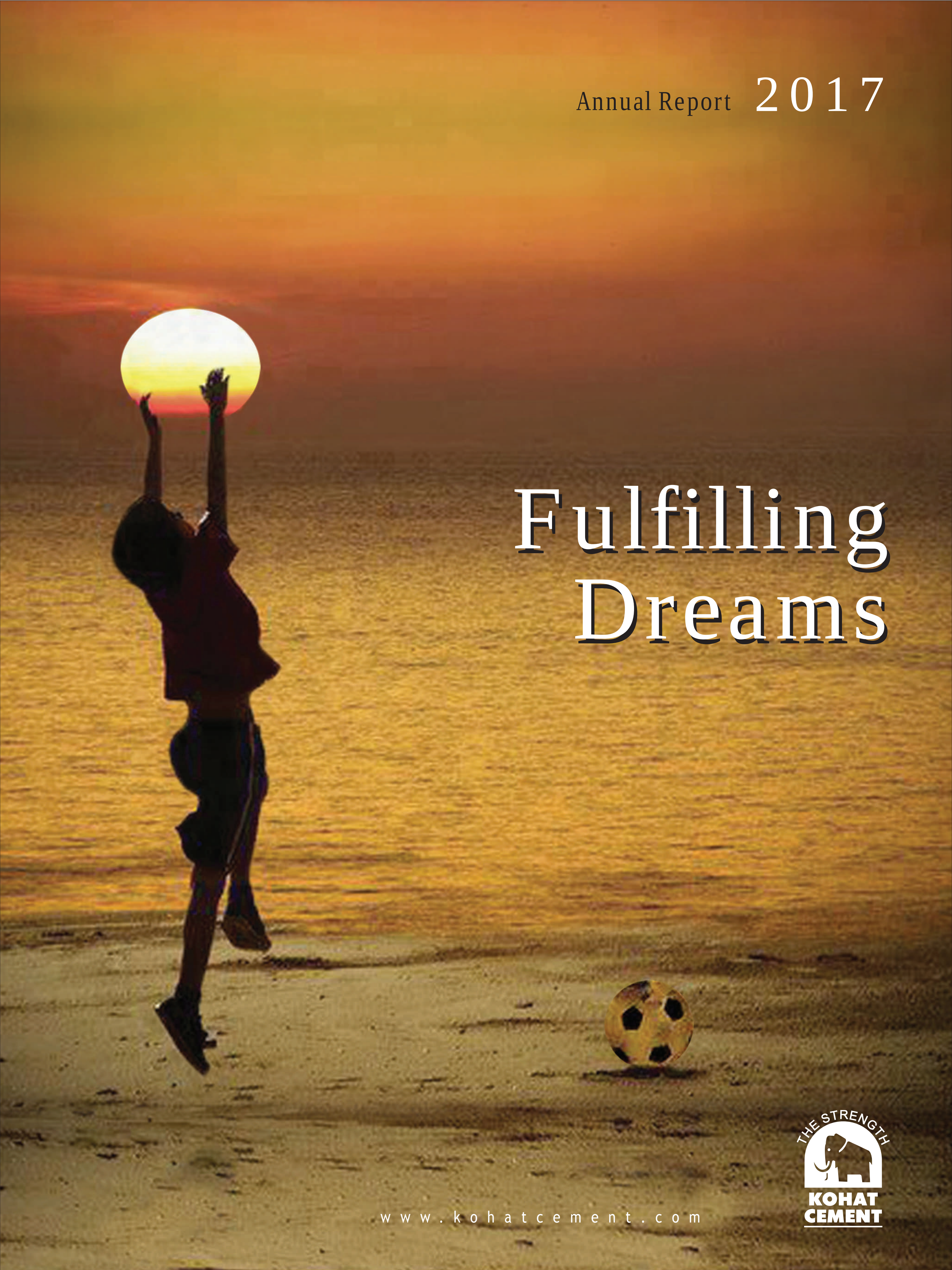
Annual Report 2017

Fulfilling Dreams



www.kohatcement.com

THE STRENGTH
KOHAT CEMENT

Financial Highlights

2017
15,306
2016 13,770
Rs. in Million

Shareholders Equity

2017
13,540
2016 14,019
Rs. in Million

Sales Revenue

2017
23.16
2016 32.01
Percentage

Return on Equity

2017
3.21
2016 2.83
Ratio

Current Ratio

2017
22.94
2016 28.53
Rupees

Earnings Per Share

2017
44.44
2016 47.73
Percentage

EBITDA to Margin

2017
9.99
2016 9.18
Ratio

Price Earning Ratio

2017
64.97
2016 80.04
Ratio

Interest Cover Ratio

Contents

Management Information

Financial Statements

Vision, Mission and Corporate Strategy

Vision

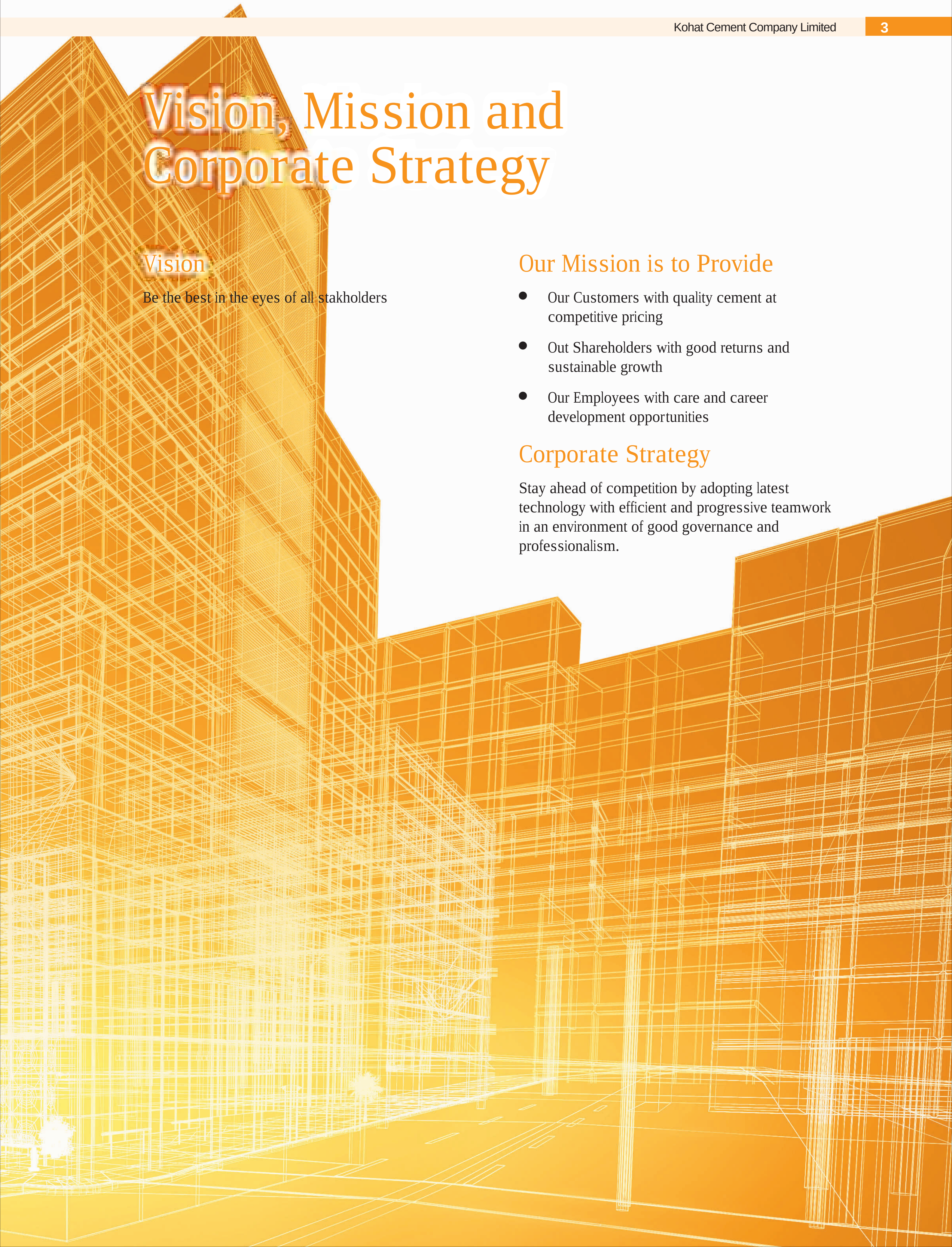
Be the best in the eyes of all stakholders

Our Mission is to Provide

- Our Customers with quality cement at competitive pricing
- Out Shareholders with good returns and sustainable growth
- Our Employees with care and career development opportunities

Corporate Strategy

Stay ahead of competition by adopting latest technology with efficient and progressive teamwork in an environment of good governance and professionalism.



About The Company

COMPANY INFORMATION

Kohat Cement Company Limited was incorporated in 1980 and is one of the leading cement manufacturing companies of Pakistan. It is an ISO 9001-2008 certified company, with an annual capacity of 2.8 Million tons of Grey Cement and 150 thousand tons of White cement. The Registered office and the Factory are located at Kohat, whereas the Head Office is located in Lahore.

OUR CULTURE

- Open communication, transparency and good ethical behavior form the basis of our corporate values.
- Our executive management has a very 'hands on' approach and thus is involved in the day-to-day activity of the company.
- No person in the management hierarchy is unapproachable; our carefully designed communication procedures ensure that any complaint or feedback is brought to the notice of the management.
- Our employees experience a healthy work life balance and a constant growth in both their professional and personal life.
- To help achieve our employee's full potential and foster their learning, we frequently nominate our employees for trainings, workshops and seminars.

Corporate Information

Board of Directors

Mr. Aizaz Mansoor Sheikh	Chief Executive
Mr. Nadeem Atta Sheikh	Executive Director
Mr. M. Atta Tanseer Sheikh	Independent Director
Mrs. Hafsa Nadeem	Non-Executive Director
Ms. Aminah Aizaz Sheikh	Non-Executive Director
Mr. Muhammad Rehman Sheikh	Non-Executive Director
Mr. Hasan Tariq Atta	Non-Executive Director

Audit Committee

Mr. M. Atta Tanseer Sheikh	Chairman
Ms. Aminah Aizaz Sheikh	
Mr. Muhammad Rehman Sheikh	

HR&R Committee

Mr. Muhammad Rehman Sheikh	Chairman
Mr. Aizaz Mansoor Sheikh	
Mr. M. Atta Tanseer Sheikh	

Company Secretary

Mr. Khurram Shahzad, FCA

Legal Advisor

Imtiaz Siddiqui & Associates

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Share Registrar

Hameed Majeed Associates (Pvt) Limited
H.M. House,
7-Bank Square, Lahore.
Tel: 042 - 37235081 - 82
Fax: 042 - 37358817

Registered Office and Works

Kohat Cement Company Limited
Rawalpindi Road, Kohat.
Tel: 0922 - 560990 Fax: 0922 - 560405
Email: finance@kohatcement.com

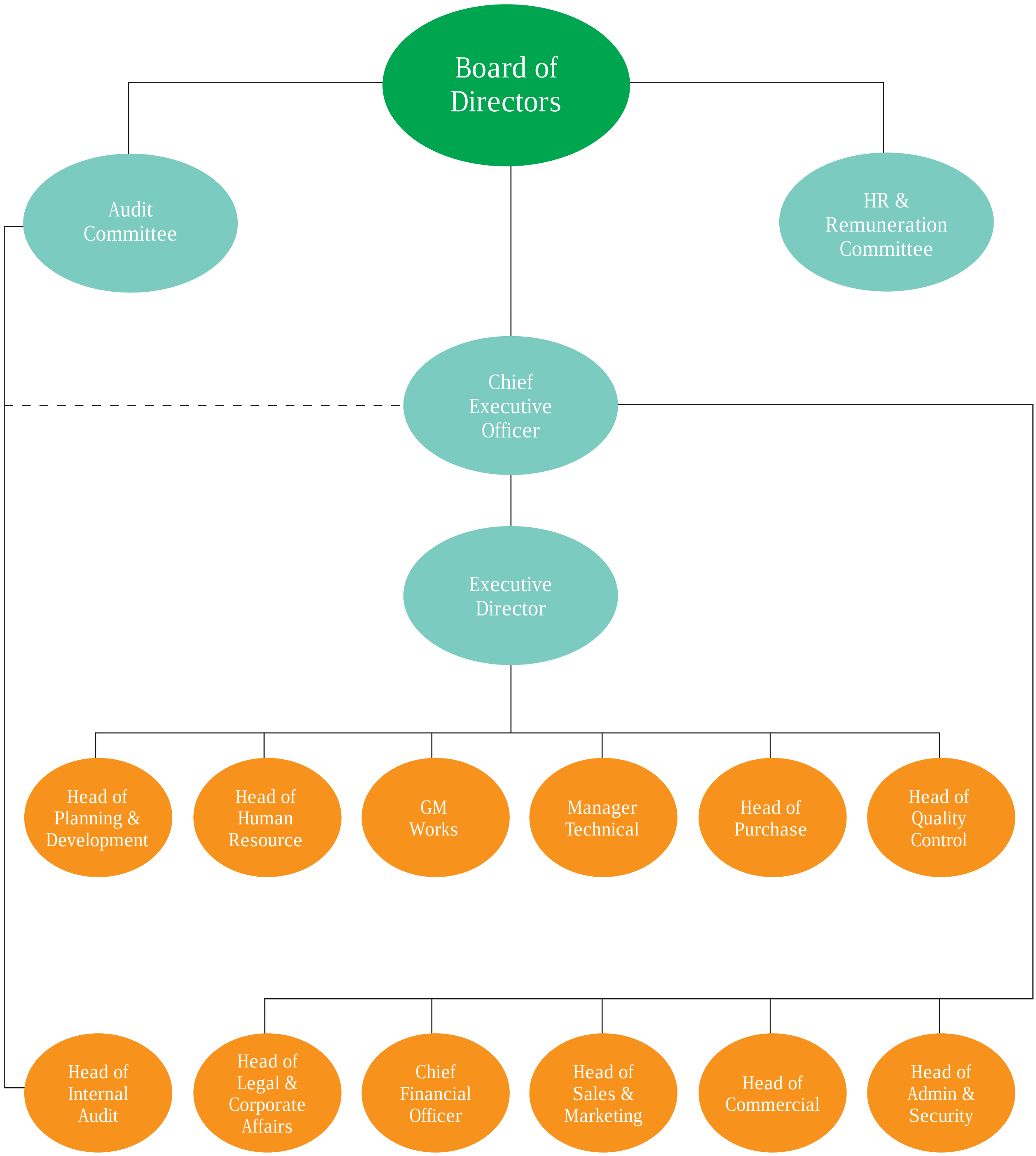
Head Office

37-P, Gulberg-II, Lahore.
Tel: 042 -11 - 111 - 5225
Fax: 042 - 35754990
Email: mis@kohatcement.com

Bankers of the Company

Standard Chartered Bank (Pak) Ltd
Askari Bank Limited
The Bank of Punjab
The Bank of Khyber
Soneri Bank Limited
Allied Bank Limited
United Bank Limited
MCB Bank Limited
National Bank of Pakistan
Habib Bank Limited
Bank Alfalah Limited

Organogram



Board of Directors
Audit Committee
HR & Remuneration Committee
Chief Executive Officer
Executive Director
Head of Planning & Development
Head of Human Resource
GM Works
Manager Technical
Head of Purchase
Head of Quality Control
Head of Internal Audit
Head of Legal & Corporate Affairs
Chief Financial Officer
Head of Sales & Marketing
Head of Commercial
Head of Admin & Security

Notice of Annual General Meeting

NOTICE is hereby given that 38th Annual General Meeting of the shareholders of Kohat Cement Company Limited ("the Company") will be held on Monday, October 23, 2017 at 10:00 A.M., at its registered office, Kohat Cement Factory, Rawalpindi Road, Kohat, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2017 together with Auditors' and Directors' Reports and Chairman's Review.
2. To consider and approve, as recommended by the Board of Directors, the payment of cash dividend for the year ended June 30, 2017 @ 20% i.e. Rs.2/- per ordinary share. This shall be in addition to the 40% 1st Interim Cash Dividend (Rs. 4 per share) and 80% 2nd Interim Cash Dividend (Rs. 8 per share) already declared and paid during the year.
3. To appoint Auditors and to fix their remuneration.

   The present Auditors M/s. KPMG Taseer Hadi &Co. Chartered Accountants, retire and being eligible, offer themselves for reappointment. The Audit Committee and the Board of Directors have recommended their reappointment.

Special Business

4. To ratify and approve transactions carried out with Related Parties during the financial year ended June 30, 2017.
5. To authorize the Chief Executive of the Company to approve transactions with Related Parties to be carried during the financial year ended June 30, 2018.
6. To consider and approve the appointments of related parties to their respective offices of profit in the Company.
7. To alter the Articles of Association of the Company in order to empower the members of the Company to appoint either a member or a non-member as Proxy for the purposes of e-voting

By Order of the Board:

Khurram Shahzad
Company Secretary

Lahore: October 2, 2017

Statement under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning special business to be transacted at the Annual General Meeting of the Company to be held on October 23, 2017.

1) Ratification / approval of Related Party Transactions

   Since, the majority of the Company Directors were interested in the related party transactions carried out during the financial year ended June 30, 2017 with the following related parties due to their common directorship and shareholding in these associated undertakings, therefore, these transactions have been placed before the members of the Company for their approval in the General Meeting. The transactions with all related parties are entered into on arms' length basis.

   The following resolution is proposed to be passed as Special Resolution with or without any modification:

   "Resolved that following transactions carried out in the ordinary course of business with the Related Parties during the financial year ended June 30, 2017 be and hereby ratified, approved and confirmed.

Name of Related Party	Nature of Transaction	Rupees
Ultra Pack (Pvt.) Ltd.	Sale of cement	3,302,348
	Purchases of packing material	255,458,000
Palace Enterprises (Pvt) Ltd.	Hospitality services received	392,788
Kohat Cement Education Trust	Donations	640,400

   The Directors interested in this business to the extent of their directorships and /or shareholdings / trusteeships.

2) Authorization to CEO for approving Related Party Transactions

   The Company shall continue to carry out transactions with the related parties in its ordinary course of business during the year ending June 30, 2018. The majority of the Directors are interested in these transactions due to their common directorships and / or shareholdings / trusteeship in the related parties. Therefore these transactions with related parties have to be approved by the shareholders.

   In order to ensure smooth business operations, the shareholders may authorize the Chief Executive to approve transactions with related parties during the financial year ending June 30, 2018. However, these transactions shall be placed before the shareholders in the next AGM for their approval/ratification.

   The following resolution is proposed to be passed as Special Resolution with or without modification:

   "Resolved that the Chief Executive of the Company be and is hereby authorized to approve transactions to be conducted with the Related Parties in the normal course of business during the year ending June 30, 2018.

   Resolved further that these transactions shall be placed before the shareholders in the next annual general meeting for their ratification/approval."

   The Directors are interested in this business to the extent of their common directorships and/or shareholdings/ trusteeship.

3) Appointment to the Offices of profit

   Section 208 (1) (f) of the Companies Act, 2017 provides that appointment of any related party to an office of profit in the Company must be approved by the Board of Directors as per its policy and if the majority of directors are interested, the matter shall be placed for approval of the shareholders through special resolution. The related parties namely, Mr. Omar Aizaz Sheikh, Mr. Faisal Atta Sheikh and Mr. Ibrahim Tanseer Sheikh are holding their respective offices of profit under the Company as executives under their respective contracts of service and applicable service rules of the Company.

Subject to approval of their appointment, they will be holding their respective offices of profit under the Company as detailed above. Accordingly, the following resolution is proposed to be passed by the Shareholders as a special resolution for appointment of the above named individuals on the terms outlined above.

"Resolved that pursuant to the requirements of Section 208 read with other applicable provisions of the Companies Act, 2017, the contracts for the appointment of related parties namely, Mr. Omar Aizaz Sheikh, Mr. Faisal Atta Sheikh and Mr. Ibrahim Tanseer Sheikh to their respective offices of profits as executives under their respective contracts of services and applicable service rules of the Company be and are hereby approved, and that they be paid by way of remuneration and benefits their entitlement as may be determined from time to time by the Directors of the Company".

Some of the directors of the Company are interested in the appointment of the above named related parties to the offices of profit and the remuneration and benefits to be drawn by them from the Company.

Copies of the contracts of services of the related parties have been placed at the registered office of the company which can be inspected during business hours (from 10:00 am to 1:00 pm) till the date of annual general meeting.

4) Amendment in Articles of Association

Securities and Exchange Commission of Pakistan (Commission) through SRO 43(I)/2016 dated January 22, 2016 has issued the Companies (E-Voting) Regulations, 2016 for voting through electronic means. These Regulations are applicable to general meetings of all listed companies for providing voting right to members through electronic means managed by authorized intermediaries. Electronic voting (e-voting) is a term which is used for both electronic means of casting a vote and electronic means of counting votes.

The above Regulations require the Company to make necessary changes in the Articles of the Association of the Company in order to allow the members to appoint both the members and non-members as proxy in case of e-voting. In view of these requirements substitution of Article 74(ii) of the Articles of Association of the Company is placed before the members of the Company for their approval.

The following resolution is proposed to be passed as Special Resolution with or without modification:

"Resolved that Article 74 (ii) of the Articles of Association of the Company be and is hereby substituted to read as under.

'A proxy shall be a member of the Company who is qualified to vote. However, in case of e-voting both members and non-members can be appointed as proxy.'

Resolved Further that Chief Executive Officer or Company Secretary of the Company be and is hereby singly authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to implement to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purposes of implementing this resolution."

A copy of the amended Articles of Association of the Company has been kept at the registered office of the Company which can be inspected during usual business hour till the date of the meeting.

The directors are not interested, directly or indirectly, in this business except to the extent of their investment as has been detailed in the pattern of shareholding annexed the Directors' Report.

Notes:

1. The register of members and the share transfer books of the Company will be closed from Monday, October 16, 2017 to Monday, October 23, 2017 (both days inclusive). Physical transfers / CDS transactions IDs received in order at the Company's Independent Share Registrar Office, M/s Hameed Majeed Associates (Pvt.) Limited, HM House, 7-Bank Square, Lahore, upto the close of business on Friday, October 13, 2017 will be treated in time for the purpose of entitlement of dividend and to attend the meeting.
2. A member is entitled to appoint proxy in his/her place to attend and vote instead of him/her. The instrument appointing a proxy, duly stamped and signed, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power of attorney or authority must be deposited at the Head Office of the Company, 37-P, Gulberg-II, Lahore not later than 48 hours (working days only) before the time of the meeting. A proxy must be a member of the Company. Form of proxy is enclosed herewith.
3. The Company shall facilitate its members to attend the annual general meeting through video-link by providing video-conference facility, if available, in the city where 10% or more shareholders of the Company reside, provided the Company receives their demand to participate in the annual general meeting through video-link at least 7 days prior to the date of meeting.
4. The members are requested to notify the change of their registered addresses, Zakat Declaration, and tax exemption status, if any, duly accompanied with its valid certificates, immediately to Company's Independent Share Registrar.
5. The provisions of Section 242 of the Companies Act, 2017 (the Act) provides that any cash dividend declared by a listed company must be paid through electronic mode directly into the bank account designated by the entitled shareholder. Therefore, the shareholders of the Company are requested to provide the following information on the form available on the Company's website (www.kohatcement.com) to their respective CDS participants (in case of book-entry securities in CDS) and to the Company's Independent Share Registrar (in case of physical securities) enabling the Company to credit their future cash dividends directly to their designated bank accounts.
   a) International Bank Account Number (IBAN)
   b) Name of Bank
   c) Branch name and address
6. According to SECP directives, dividend warrant(s) must bear the CNIC number of the registered shareholder. Therefore, the members who have not yet submitted photocopy of their valid computerized national identity cards to the Company are requested to send the same at the office of Independent Share Registrar of the Company failing which the dividend can be withheld which will be released on submission of valid copy of CNIC.
7. The financial statements of the Company for the year ended 30 June 2017 along with Auditors and Directors Report thereon and the Chairman Review have been placed on the company's website: www.kohatcement.com.

8. A corporation or company being a member of the Company may appoint any of its officials or any other person through a resolution of its board of directors to attend and vote at the meeting.

9. The members should quote their folio number/ CDS IDs in all correspondence with the Company and should bring original document at the time of attending the Annual General Meeting.

10. CDC account holders will further have to follow the following guidelines as laid down in Circular No. 1 dated 26th January 2000 issued by the Securities & Exchange Commission of Pakistan.

    For attending the meeting

    i) In case of individuals, the account holder or sub account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/ her original computerized national identity card (CNIC) or original passport at the time of attending the meeting.

    ii) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the nominee alongwith his original CNIC or original passport shall be produced (unless it has been provided earlier) at the time of the meeting.

    For appointing proxies

    i) In case of individuals, the account holder or sub account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the requirements stated above.

    ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.

    iii) The proxy shall produce his/ her original CNIC or original passport at the time of the meeting.

    iv) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature along with his original CNIC or original passport shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

11. The current withholding tax rates on dividend payments as prescribed by the Income Tax Ordinance, 2001 (the Ordinance) are 15% for Filers and 20% for Non-Filers. To enable the Company to make tax deduction on the amount of Cash Dividend @ 15% instead of 20%, all the shareholders whose names are not entered into the Active Tax-payers List (ATL) available on the website of the Federal Board of Revenue, are advised to make sure that their names are entered into ATL before the date of issuance of Dividend Warrants, otherwise they shall be treated as Non-Filers (despite the fact that they are filers of income tax return) and tax on their Cash Dividend will be deducted @ 20%.

12. The Corporate Shareholders having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Company or Company's Independent Share Registrar.

13. As per FBR's clarification, the valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in above Clause must provide valid Tax Exemption Certificate to our Company's Independent Shares Registrar; otherwise tax will be deducted on dividend amount as per prescribed rates.

14. The FBR has clarified that shareholders' accounts jointly held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the AGM date.

Folio / CDC Account No.	Name of Shareholders	CNIC	Shareholding	Total Share	Principal/ Joint Shareholder

15. Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of the company in 37th AGM of the Company held on 31st October 2016 had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intends to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: www.kohatcement.com.

16. Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or pending shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

Chairperson's Review Report

This report on the Board's overall performance is being presented in terms of Section 192(4) of the Companies Act, 2017.

The present Board of Directors (the Board) of the Company comprises seven directors with two executive and five non-executive directors including one independent director. The Board was elected by the shareholders of the Company in their EOGM held 27 June 2016 for a term of three years commencing June 29, 2016.

The Board met seven times during the financial year ended June 30, 2017 and apart from dealing with the routine businesses, the Board reviewed and approved expansion plan for setting up an additional grey cement production line of 7,800 tons per day. Further the Board was fully involved in the strategic planning process and took timely decisions to achieve the objectives of the Company.

The Board has adopted a mechanism for annual evaluation of its performance with a view to improving performance and effectiveness of the Board. Board evaluation is carried out annually by circulating a questionnaire among the directors to evaluate the board practices including engagement of Board in formulation and implementation of strategy and policies, broad composition to have required competencies and skill set on the Board, risk management, oversight of Company's business activities, and process of the board conduct. The responses of individual directors to the questionnaire are analyzed on a rating scale and findings resulting from the analysis are reported to the Board.

In accordance with this mechanism, the Board has completed its performance evaluation for the year ended June 30, 2017 and found the Board's performance as Satisfactory. However, the Board has highlighted certain areas of improvements and has accordingly developed action plans to achieve the desire improvements. The Board shall periodically review the progress of implementation of these action plans.

In the end I wish to acknowledge the contribution of all our employees in the success of the Company and to thank our shareholders, customers, suppliers, bankers and other business partners for their confidence and continuous support.

Hafsa

Hafsa Nadeem
Chairperson

Lahore: September 18, 2017

چیئرپرسن کی جائزہ رپورٹ

یہ رپورٹ کمپنیز ایکٹ 2017 کی شق نمبر (4)192 کی شرائط کوملحوظِ خاطر رکھتے ہوئے تیار کی گئی ہے جس میں بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی کا جائزہ لیا گیا ہے۔

کمپنی کا موجودہ بورڈ آف ڈائریکٹرز (بورڈ) سات ڈائریکٹرز پر مشتمل ہے، جن میں دو ایگزیکٹو، پانچ نان ایگزیکٹو بشمول ایک انڈیپنڈنٹ ڈائیریکٹر ہیں۔ اس بورڈ کا انتخاب کمپنی کے حصص داران نے 27 جون، 2016 کو منعقد ہونے والے غیر معمولی اجلاس میں تین سالہ مدت کے لئے کیا ہے، آغازِ مدت 29 جون، 2016 ہے۔

30 جون، 2017 کو مکمل ہونے والے مالی سال کے دوران بورڈ کے سات اجلاس ہوئے جن میں عام کاروباری معاملات پر بحث کے علاوہ 7800 ٹن یومیہ پیداواری صلاحیت کی حامل گرے سیمنٹ (Grey cement) لائن کی تنصیب کے منصوبے کا جائزہ لینے کے بعد اس کی منظوری دی گئی۔ بورڈ کاروباری حکمت عملی کی منصوبہ بندی میں بھرپور طریقے سے متحرک رہا اور کمپنی کے مقاصد کے حصول کے لئے بروقت فیصلے کئے۔

بورڈ نے اپنی سالانہ کارکردگی کو جانچنے کا طریقہ کار وضع کیا ہے جس کا مقصد بورڈ کی کارکردگی میں بہتری اور افادیت میں اضافہ کرنا ہے۔ سالانہ بنیادوں پر بورڈ کی کارکردگی کی جانچ کی جاتی ہے کہ جس میں تمام ڈائریکٹرز بورڈ کی کارکردگی کا جائزہ کچھ سوالناموں کا جواب دے کر لیتے ہیں، ان سوالات وجوابات کا مقصد بورڈ کی کاروباری حکمتِ عملی اور پالیسیوں کی تشکیل اوران کے نفاذ میں اس کا عمل دخل، بورڈ کی تشکیل کیلئے بورڈ کے ممبران میں درکار قابلیتوں اور صلاحیتوں کی جانچ، کمپنی کی کاروباری سرگرمیوں کا جائزہ، رسک مینجمنٹ اور بورڈ کے کام کے طریقہ کار کا جائزہ لینا ہے۔ ڈائریکٹرز کے انفرادی جوابات کی بنیاد پر ایک تجزیاتی رپورٹ بورڈ کو پیش کی جاتی ہے۔

مذکورہ بالا طریقہ کار کے مطابق بورڈ کی 30 جون، 2017 کو مکمل ہونے والے مالی سال کی کارکردگی تسلی بخش ہے۔ تاہم بورڈ نے بہتری کی گنجائش والے کچھ معاملات کی نشاندہی کی ہے، نتیجتاً اس بہتری کے حصول کے لئے منصوبہ بندی کی گئی ہے۔ بورڈ اس منصوبہ بندی پر عمل درآمد کا مرحلہ وار جائزہ لے گا۔

سب سے آخر میں کمپنی کو ترقی کی راہ پر گامزن کرنے پر تمام ملازمین کی کاوشوں کو سراہتی ہوں، اور اپنے تمام حصص داران، صارفین، سپلائرز، بینکرز اور دیگر کاروباری شراکت داروں کی جانب سے مسلسل اعتماد اور حمایت کے لئے شکر گزار ہوں۔

Hafsa

حفصہ ندیم
چیئرپرسن

لاہور: 18 ستمبر، 2017

Directors' Report to the Shareholders

The Directors of Kohat Cement Company Limited (the Company) are pleased to present the Annual Report together with audited financial statements and Auditors' report thereon for the year ended June 30, 2017.

Business Review

The cement sector of Pakistan witnessed an overall growth of 3.71% (2016: 9.82%) in terms of sales volumes during financial year ended 30th June 2017. Domestic consumption increased by 8.03% to 35.65 million metric tons (2016: 33 million MT) while exports after a decline of 20.59% closed at 4.7 million metric tons. (2016: 5.9 million MT).

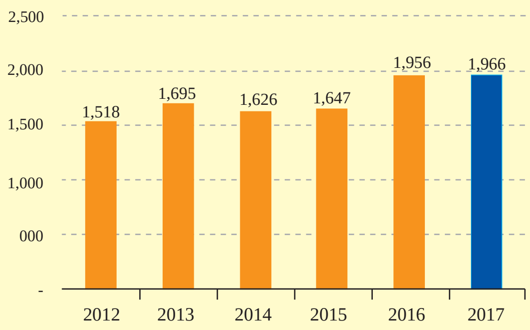
The company dispatched 2.08 million metric tons (2016: 2.09 million MT) of cement during the year including exports of 0.119 million metric tons (2016: 0.203 MT). Grey cement lines operated at 76.25% (2016: 75.58%) capacity utilization during the year under review. Below is the summary of production and sales of the company during the year.

	FY 2017	FY 2016
	Metric Tons	
Clinker Production	1,966,031	1,956,506
Cement Production	2,087,734	2,098,052
Local Dispatches	1,956,555	1,883,361
Export Dispatches	118,822	203,221
Total Dispatches	2,075,377	2,086,582

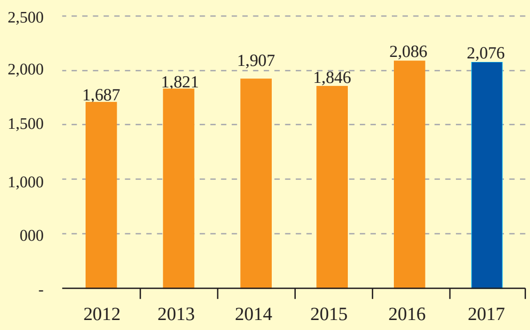
The exports to Afghanistan have reduced substantially during the year due to sluggish Afghan market and closure of Pak-Afghan border for a substantial period of time during the year.

Going forward, the cement sector is closely monitoring the development in China Pak Economic Corridor (CPEC) and expects a huge positive impact on demand of Construction Materials.

Clinker Production ('000 tons)



Cement Dispatches ('000 tons)



Financial Performance

Operating Results of your Comapny are sumarized hereunder:

	FY 2017	FY 2016
	(Rupees in Million)	
Net sales	13,540	14,020
Cost of sales	7,713	7,523
Gross profit	5,827	6,497
Selling, distribution & admin expenses	292	288
Other expenses	408	436
Other income	393	479
Finance cost	85	78
Profit before taxation	5,435	6,174
Taxation	1,890	1,766
Profit after taxation	3,545	4,408
Earnings per share (Rs./ share)	22.94	28.53

Decrease in profits during the year is mainly due to reduction in cement prices particulars in 4th quarter and increased coal prices.

The Company is current on all its debt obligations.

On Going Projects

The work on the New Gery Cement (7,800 TPD) Production Line at the existing site is in initial stages and the company is trying to get all regulatory approvals. Further, Cement Mill of 105 tph is under erection and commercial production is expected soon.

Appropriations

The Board of Directors of your company is pleased to propose a 20% final cash dividend of Rs. 2/- per ordinary share for Financial Year ended June 30, 2017 which is in addition to 40% First Interim and 80% Second Interim cash dividends already paid by the Company during the year.

Appropriations approved by directors are as under:

	Rs. In ('000')
Profit after taxation	3,544,815
Un-appropriated profits from prior years	12,104,437
Available for appropriation	15,649,252
Final cash dividend paid at Re. 1 per share for the year ended June 30, 2016	(154,509)
First Interim cash dividend paid at Rs. 4 per share for the year ended June 30, 2017	(618,035)
Second Interim cash dividend paid at Rs. 8 per share for the year ended June 30, 2017	(1,236,069)
	(2,008,613)
Un-appropriated profit carried forward	13,640,639

Risk Management

The Company's Board of Directors (the Board) has overall responsibility for establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies. The risk management policies are established to identify and analyze the risk faced by the Company, to set up appropriate risk limit and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Key Business Risks Identified by your Company

Securing primary raw material - Limestone is the primary raw material required for production of cement. Its continuous and long term availability is critical, particularly under the dynamic regulatory environment. The limestone reserves available with the Company are sufficient to meet its current as well as future demand.

Demand - Supply Gap - Presently the cement industry is operating at 87% capacity utilization; and it is estimated that the incremental demand in the coming years shall exceed the current as well incremental future new capacities of the industry. The Government's plans on infrastructure projects especially under CPEC and PSDP and housing sector demand will help in increasing cement consumption and reduce the demand-supply gap.

Fuel costs - The cement manufacturing process is extremely energy intensive. Fuel prices have been rising continuously during the year driven by the global demand supply scenario. Your Company continues exploring alternative sources.

Regulatory and Compliance - With the ever evolving regulatory framework in the country the risk of non-compliance looms large and carry reputational risks. Your Company has taken steps to automate the compliance procedures and has deployed adequate measures for periodic review mechanisms of the regulatory framework to ensure complete compliance with all statutes.

Competition Risks - With every new capacity expansion in the cement industry, the risks on sales volume, market share and profitability stands enhanced. Your Company continues to enhance brand equity through enhanced marketing activities and customer centricity. Continuous efforts are also deployed in enhancing the product portfolio and value adding services.

Financial risks - Your Company's exposure to credit risk, liquidity risk and market risk (interest rate risk, foreign exchange risk and price risk) is subject to market dynamics. Please refer note 36 of the audited financial statements highlighting Company's exposure to these risks and the controls and procedures to mitigate them.

Compliance with Code of Corporate Governance

The Company believes in creating and sustaining relationship of trust, integrity, accountability and transparency with all its stakeholders. The Company is committed to good Corporate Governance practices and all the Directors and employees are bound by the Codes of Conduct setting out the fundamental standards to be followed in all actions carried out on behalf of the Company. The Company is in compliance with the Code of Corporate Governance (the Code) as contained in the Rule Book of Pakistan Stock Exchange.

The various statements, as required by the Code, are given below:

- The financial statements prepared by the management present fairly the Company's state of affairs, the results of its operations, cash flows and changes in equity.
- The Company has maintained proper books of account.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements to ensure the true and fair view of the Company's financial position.
- The system of internal control is sound in design and has been effectively implemented and is being monitored continuously. Internal systems comprising of policies and procedures are designed to ensure sound management of the Company's operations, safekeeping of its assets, optimal utilization of resources, reliability of its financial information and compliance. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the Best Practices of Corporate Governance, as detailed in the Code wherever applicable to the Company for the year ended June 30, 2017 statement of compliance with the Best Practices of Corporate Governance is attached and form part of this report.

Board of Directors & its Committee Meetings

The names of Directors of your Company and attendance by each director at the Board of Directors (BOD), Board Audit Committee (BAC) and Human Resource and Remuneration Committee (HR) meetings are as under:

	Meetings attended		
	BOD	BAC	HR
No. of meetings held	7	5	1
Mr. Aizaz Mansoor Sheikh	7 / 7	-	1/1
Mr. Nadeem Atta Sheikh	7 / 7	-	-
Mrs. Hafsa Nadeem	4 / 7	-	-
Ms. Aminah Aizaz Sheikh	3 / 7	3 / 5	-
Mr. Muhammad Atta Tanseer Sheikh	7 / 7	5 / 5	1/1
Mr. Muhammad Rehman Sheikh	4 / 7	5 / 5	1/1
Mr. Hasan Tariq Atta	7 / 7	-	-

The Directors who could not attend the Board & Committee Meetings and requested for leave were duly granted leave of absence from the meeting by the Board/Committees in accordance with the law.

Directors' Training Program

During the year, two directors attended and qualified the Directors' Certification Training Program from the institutes duly recognized by SECP. Three directors have already obtained certification under Directors' Certification Training Program in previous years, whereas two Directors are exempted due to more than 14 years of education and 15 years of experience on board of listed company. Therefore, all the directors have completed their Directors Training Program.

Trading in Company's shares

Trading in Company's shares made during the financial year ended June 30, 2017 by the Directors, CEO and the Executives and by their spouses is given as under:

		Share Sold
i)	Mr. Muhammad Atta Tanseer Sheikh Director	49,000
ii)	Sardar Shahbaz Ali Khan Khosa Director's spouse	83,000
iii)	Mr. Ibrahim Tanseer Sheikh Executive	22,000

The Company and the Environment

Kohat Cement is a responsible environment-protecting corporate citizen and is aware of its dual responsibility to the environment and to the nations' progress.

Kohat cement embarked on a number of voluntary initiatives to moderate the impact of its operations on the ecology and environment. We embraced the waste heat recovery system (WHRS) and installed this system to all our existing production lines. WHRS has proved to be the cheapest energy source in addition to moderating the carbon footprint. In addition to reducing the greenhouse gases emissions; this energy form has also enhanced our energy security (accounting for 30% of its power needs) and competitiveness. Going ahead, we shall install waste heat recovery into our design for all our future cement manufacturing facilities.

In addition to WHRS; the Company has implemented various initiatives to improve its environmental performance related to dust and gases emissions and continuously monitors the same. Initiatives in place to reduce dust and gas emission include a) process optimization and b) replacement of old dust collections system with advanced dust controlled bag filter systems. Company installed the latest dust collection system at Line 1 in 2013 whereas replacement of advanced dust collection system at Line 3 is in process and shall be completed by the end of financial year 2017-18.

Corporate Social Responsibility

The Company continued to contribute to the economic and social development of the local communities and committed to make the world a better place. Disclosure as required by the Companies Act, 2017 read with Companies (Corporate Social Responsibility) General Order, 2009 is annexed and form part of this report.

Holding Company

ANS Capital (Private) Limited, incorporated under the laws of Pakistan having its registered office at Lahore, is the holding company of the Company and owns and controls 84,986,400 ordinary shares of the Company constituting 55% of the total paid-up share capital of the Company.

Financial highlights

Key operating & financial data of last six years is included in this report.

Outstanding statutory dues

The outstanding statutory dues on account of taxes, duties, levies and charges are disclosed on the face of balance sheet and in Note No. 9 to the financial statements. There is no overdue amount on account of taxes and duties.

Statement on value of staff retirement funds

The value of investments of provident fund based on its unaudited accounts as at June 30, 2017 is Rs. 128.603 million (2016: Rs. 101.689 million).

Pattern of shareholding

The Pattern of Shareholding along with categories of shareholding as required by the Code is included in this repot.

External auditors

The present auditors, M/s KPMG Taseer Hadi and Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment. As suggested by the Audit Committee, the Board of Directors has recommended the re-appointment of present auditors of the Company for the ensuring year.

Management and employees relations

The Board of Directors of your company acknowledges the continued assistance and support of all stakeholders and business associates. We thank all employees for their commitment and continued contribution to the Company.

For and on behalf of the Board

Aizaz Mansoor Sheikh Chief Executive	Nadeem Atta Sheikh Director

Lahore: September 18, 2017

ہیں۔کمپنی کی جانب سے پاکستان سٹاک ایکسچینج کے جاری کردہ کارپوریٹ گورنینس کے ضابطہ اخلاق پر عمل درآمد کیا جارہا ہے۔

کارپوریٹ گورنینس کے ضابطہ کے تحت مختلف تفصیلات درج ذیل ہیں۔

۱۔ انتظامیہ کے تیار کردہ مالیاتی کھاتہ جات واضح طور پر کمپنی کے کاروباری حالات و واقعات ، کاروباری نتائج،کیش فلو اور مالکان کے سرمایہ کی تبدیلی کو پیش کرتے ہیں۔

۲۔کمپنی نے اپنے کھاتہ جات کی تمام کتب کو بہترین انداز میں مرتب کیا ہے۔

۳۔مالیاتی کھاتہ جات کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کے استعمال کے تسلسل کو برقرار رکھا گیا ہے،جبکہ اکاؤنٹنگ تخمینوں کی بنیاد معقول اور دانشمندانہ ہے۔

۴۔کمپنی کے مالیاتی کھاتہ جات کی تیاری کو بہترین بنانے کی خاطر پاکستان میں قابلِ اطلاق انٹرنیشنل رپورٹنگ سٹینڈرڈز کی ہدایات پر عمل درآمد کیا گیا ہے تاکہ کمپنی کی درست اور شفاف مالی حالت کو بیان کیا جاسکے۔

۵۔انٹرنل کنٹرول نظام کو محفوظ ترین ڈیزائن کیا گیا ہے جس پر موثر طریقے سے عمل درآمد اور نگرانی کی جاتی ہے۔انٹرنل کنٹرول نظام میں پالیسیوں اور طریقوں کو اس طرح سے مرتب کیا گیا ہے کہ کمپنی کی کاروباری سرگرمیوں کا اچھا انتظام،اس کے اثاثہ جات کا تحفظ ، وسائل کے بہترین استعمال ، قابلِ اعتماد مالیاتی معلومات کی فراہمی اور نافذ العمل نظام کی تعمیل کو یقینی بنایا جاسکے۔اس نظام اور اس کے تحت وضع کیے گئے طریقوں کا گاہے بگاہے جائزہ لیا جاتا ہے تاکہ کمپنی کی کاروباری سرگرمیوں میں اضافے اور ان سے وابستہ پیچیدگیوں سے نمٹنے کے لئے ان میں مطلوبہ تبدیلی کی جاسکے۔

۶۔کمپنی کے کاروبار کو جاری رکھنے کی صلاحیت کے حوالے سے کسی قسم کے قابلِ ذکر شکوک نہیں پائے جاتے ہیں۔

۷۔30 جون، 2017ء کو اختتام شدہ مالی سال میں پاکستان سٹاک ایکسچینج کے جاری کردہ کارپوریٹ گورنینس کے ضوابط سے کسی قسم کا قابلِ ذکر انحراف نہیں کیا گیا اور ان ضوابط کے تحت وضع کیئے گئے بہترین طریقوں کی تعمیل کے حوالے سے کمپنی کی معلومات اس رپورٹ کے ساتھ لف ہے۔

آپکی کمپنی کے ڈائریکٹرز کے نام اور ہر ڈائریکٹر کی بورڈ آف ڈائریکٹرز، بورڈ آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمونریشن کمیٹی کے اجلاس میں حاضری کی تفصیلات درج ذیل ہیں:

تفصیل	اجلاس میں حاضری		
	بورڈ آف ڈائریکٹرز	بورڈ آڈٹ کمیٹی	ہیومن ریسورس اینڈ ریمونریشن کمیٹی
منعقدہ اجلاس کی تعداد	7	5	1
جناب اعزاز منصور شیخ	7/7	-	1/1
جناب ندیم عطاء شیخ	7/7	-	-
محترمہ حفصہ ندیم	4/7	-	-
محترمہ آمنہ اعزاز شیخ	3/7	3/5	-
جناب محمد عطاء تنصیر شیخ	7/7	5/5	1/1
جناب محمد رحمان شیخ	4/7	5/5	1/1
جناب حسن طارق عطاء	7/7	-	-

وہ ڈائریکٹرز جو بورڈ اور کمیٹی کے اجلاس میں حاضر نہ ہو سکے اور انہوں نے اجلاس سے رخصت کی درخواست کی، انہیں بورڈ اور کمیٹی کی جانب سے قانون کے مطابق رخصت دی گئی۔

تربیتی پروگرام برائے ڈائریکٹرز :

رواں مالی سال کے دوران دو ڈائریکٹرز نے SECP کے مستند ادارے سے ''ڈائریکٹرز تربیتی پروگرام،، کی سند حاصل کی۔تین ڈائریکٹرز گذشتہ سالوں میں ''ڈائریکٹرز تربیتی پروگرام،، کی سند حاصل کر چکے ہیں، جبکہ دو ڈائریکٹران کو 14 سالہ تعلیمی قابلیت اور ایک لسٹڈ کمپنی کے بورڈ کے 15 سالہ تجربہ کے باعث اس پروگرام سے استثناء حاصل ہے۔مذکورہ دو ڈائریکٹرز کے سند حاصل کر لینے کے بعد اب تمام ڈائریکٹرز ''ڈائریکٹرز تربیتی پروگرام،، کے تحت تربیت یافتہ ہو چکے ہیں۔

کمپنی شیئرز کی خرید وفروخت:

30 جون, 2017ء کے اختتام شدہ مالی سال کے دوران کمپنی کے چیف ایگزیکٹو، ایگزیکٹوز، ڈائریکٹرز اور ان کے شریکِ حیات کی کمپنی کے شیئرز سے متعلقہ خرید وفروخت کی معلومات درج ذیل ہیں۔

			خرید	فروخت
۱۔	جناب محمد عطاء تنصیر شیخ	ڈائریکٹر	-	49,000
۲۔	سردار شہباز علی خان کھوسہ	ڈائریکٹر کے شریکِ حیات	-	83,000
۳۔	جناب ابراہیم تنصیر شیخ	ایگزیکٹو	-	22,000

ماحولیات کا تحفظ :

کوہاٹ سیمنٹ ماحولیاتی تحفظ کے حوالے سے اپنی دوہری ذمہ داری برائے ماحولیاتی تحفظ و قومی ترقی سے بحیثیت کمپنی بخوبی آگاہ ہے۔

کمپنی نے اپنے قدرتی ماحول پر اپنی سرگرمیوں کے مہلک اثرات کو بے اثر کرنے کے لئے رضاکارانہ طور پر بہت سے اقدامات کئے ہیں۔ہم نے اسی مقصد کو مدنظر رکھتے ہوئے ویسٹ ہیٹ ریکوری سسٹم خرید کر اپنی تمام موجودہ پیداواری تنصیبات پر نصب کیا ہے۔یہ سسٹم سستی بجلی کے حصول کا بہترین ذریعہ مانا جاتا ہے اور اس کے علاوہ یہ ماحول میں کاربن کے اثرات کو کم کرنے میں بھی مددگار ہے۔اس سے گرین ہاؤس گیسز کے اخراج میں کمی کے علاوہ کمپنی کی توانائی فراہمی کی صلاحیت میں استحکام ہوا ہے۔یہ پلانٹ کمپنی کی درکار توانائی کی 30% ضرورت کو پورا کر رہا ہے اور توانائی کی لاگت میں مسابقت حاصل ہو رہی ہے۔مذکورہ سسٹم مستقبل میں بھی سیمنٹ کی پیداواری صلاحیت میں توسیع کے منصوبوں کا حصہ ہوگا۔

ویسٹ ہیٹ ریکوری سسٹم کے علاوہ کمپنی نے ماحول کو گرد وغبار اور گیسز کے اخراج کی آلودگی سے بچانے کیلئے بہت سے اقدامات کیے ہیں جن کی مستقل نگرانی کی جارہی ہے۔گرد وغبار اور گیسز کے اخراج کو قابو کرنے کے حوالے سے کیئے جانے والے اقدامات میں (ا)۔پروسیس آپٹیمائزیشن اور (۲)۔گرد وغبار سے تحفظ کے جدید بیگ فلٹر سسٹم کی تنصیب سرفہرست ہے۔کمپنی کی جانب سے 2013ء میں پروڈکشن لائن-ا پر گرد وغبار سے تحفظ کا جدید سسٹم نصب کر دیا گیا تھا جبکہ پروڈکشن لائن-۳ پر اس جدید سسٹم کی تنصیب جاری ہے جو کہ آئندہ مالی سال 2017-18 میں مکمل ہو جائے گی۔

کاروباری سماجی ذمہ داری:

کمپنی کی انتظامیہ مقامی افراد کی معاشی اور سماجی ترقی میں مسلسل اپنا کردار ادا کر رہی ہے اور دنیا کو ایک بہترین جگہ بنانے کے لئے پرعزم ہے۔کاروباری سماجی ذمہ داری کے حوالے سے جاری کردہ کمپنیز ایکٹ 2017ء اور جنرل آرڈر 2009ء کے مطابق درکار معلومات لف ہیں۔

ہولڈنگ کمپنی:

اے این ایس (ANS) کیپٹل پرائیویٹ لمیٹڈ حکومت پاکستان کی جانب سے نافذ متعلقہ قوانین کے تحت قائم شدہ کمپنی ہے جو کہ کمپنی کی ہولڈنگ کمپنی ہے۔یہ ادارہ ہماری کمپنی کے 84,986,400 عام حصص کا مالک ہے جو کہ کمپنی کے کل عام حصص کا 55% ہے۔

اہم مالیاتی جھلکیاں:

اس رپورٹ میں گذشتہ 6 سال کی اہم کاروباری اور مالی معلومات کی جھلکیاں فراہم کی گئیں ہیں۔

واجب الادا قانونی محاصل کی ادائیگیاں:

قانونی طور پر واجب الادا ٹیکسیز اور ڈیوٹیز کا ذکر بیلنس شیٹ کی شہ سرخی میں جبکہ تفصیل مالی کھاتہ جات کے نوٹ نمبر 9 میں بیان کردی گئی ہے۔کسی قسم کے ٹیکسیز یا ڈیوٹیز کی ادائیگی زائد المیعاد نہیں ہے۔

سٹاف ریٹائرمنٹ فنڈز کی مالیت:

30 جون، 2017ء تک پراویڈنٹ فنڈز کے غیر آڈٹ شدہ کھاتہ جات کے مطابق پراویڈنٹ فنڈز کی سرمایہ کاری کی مالیت 128.603 ملین روپے ہے جو کہ گزشتہ مالی سال 30 جون، 2016ء میں 101.689 ملین روپے تھی۔

شیئر ہولڈنگ کی تفصیل:

کارپوریٹ گورنینس کے ضوابط کے مطابق کمپنی کے حصص داران کی معلومات بمع درجہ بندی اس رپورٹ میں فراہم کردی گئی ہیں۔

آڈیٹرز کی تقرری:

موجودہ آڈیٹرز میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنس ریٹائر ہو گئے ہیں انہوں نے اہل ہونے کی حیثیت سے خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔آڈٹ کمیٹی کی تجویز پر بورڈ آف ڈائریکٹرز نے موجودہ آڈیٹرز کی آئندہ سال کیلئے دوبارہ تقرری کی سفارش کی ہے۔

انتظامیہ اور ملازمین کے تعلقات:

کمپنی کے ڈائریکٹرز تمام شراکت داروں اور کمپنی سے منسلک دیگر کاروباری افراد کی مسلسل معاونت اور حمایت کو سراہتے ہیں اور اپنے تمام ملازمین کی مسلسل لگن اور کوششوں کے شکرگزار ہیں۔

برائے ومنجانب بورڈ آف ڈائریکٹرز

اعزاز منصور شیخ
چیف ایگزیکٹو

ندیم عطاء شیخ
ڈائریکٹر

لاہور: 18 ستمبر، 2017

ڈائریکٹرز رپورٹ برائے حصص داران

کوہاٹ سیمنٹ کمپنی لمیٹڈ(کمپنی) کے ڈائریکٹرز 30 جون، 2017ءکوختم ہونے والے مالی سال سے متعلقہ کمپنی کی سالانہ رپورٹ مع آڈٹ شدہ اکاؤنٹس اورآڈیٹرز رپورٹ پیش کرنے پرمسرت محسوس کرتے ہیں۔

کاروباری جائزہ:

30 جون، 2017ءکوختم ہونے والے مالی سال کے دوران پاکستانی سیمنٹ سیکٹر میں سیمنٹ کی فروخت کے حجم میں مجموعی طور پر 3.71% (2016: 9.82%) کا اضافہ دیکھا گیا ہے۔ملکی کھپت میں 8.03% کا اضافہ ہوا،جس کا حجم 35.65 (33 :2016) ملین میٹرک ٹن رہا. جبکہ برآمدات 4.7 (2016:5.9) ملین میٹرک ٹن رہیں، جن میں گذشتہ مالی سال کے مقابلے میں 20.59% کمی واقع ہوئی ہے۔

زیرِ جائزہ مالی سال کے دوران کمپنی کی جانب سے مجموعی طور پر سیمنٹ کی فروخت کا حجم 2.08 ملین میٹرک ٹن (2.09 ملین میٹرک ٹن:2016) رہا،جس میں برآمدات کا حجم 0.119 ملین میٹرک ٹن (0.203 ملین میٹرک ٹن:2016) تھا۔زیرِ جائزہ مالی سال کے دوران کمپنی کی گرے(Grey) سیمنٹ کی پیداوار ٹوٹل پیداواری صلاحیت کا 76.25%(2016:75.58%) رہی۔ذیل میں پیداواراور ترسیلات کے نتائج کا خلاصہ دیا گیا ہے:

	2017	2016
	میٹرک ٹن	
کلنکر کی پیداوار	1,966,031	1,956,506
سیمنٹ کی پیداوار	2,087,734	2,098,052
اندرون ملک فروخت	1,956,555	1,883,361
برآمدات	118,822	203,221
کل فروخت	2,075,377	2,086,582

حالیہ مالی سال کے دوران افغانستان میں کاروبار کی مندی اور پاک افغان سرحد کی بندش کی وجہ سے افغانستان کو برآمدات بہت بری طرح متاثر ہوئی ہیں۔ ہماری سیمنٹ انڈسٹری کی چائنہ پاک اقتصادی راہداری (CPEC) کے تحت ہونے والے منصوبہ جات سے بہت توقعات وابستہ ہیں اوران کی بدولت تعمیراتی سامان کی طلب میں قابلِ قدر اضافہ متوقع ہے

مالیاتی کارکردگی:

کمپنی کی مالیاتی کارکردگی کا سرسری جائزہ ذیل میں دیا گیا ہے:

	2017	2016
	(ملین روپے)	
کل فروخت	13,540	14,020
کل لاگت	7,713	7,523
خام منافع	5,827	6,497
سیلز،ڈسٹری بیوشن اور ایڈمنسٹریشن اخراجات	292	288
دیگر اخراجات	408	436
دیگر آمدنی	393	479
مالیاتی لاگت	85	78
منافع قبل از ٹیکس	5,435	6,174
ٹیکس	1,890	1,766
منافع بعد از ٹیکس	3,545	4,408
فی شیئر آمدنی(روپے/شیئر)	22.94	28,53

حالیہ منافع جات میں کمی کی خاص وجہ کوئلہ کی قیمت میں اضافہ اور سیمنٹ کی قیمتوں ،بلخصوص چوتھی سہ ماہی میں نوٹ کی گئی قیمتوں میں کمی ہے۔ کمپنی اپنی مالی ذمہ داریوں کو بروقت ادا کرنے کی اہلیت رکھتی ہے۔

زیرِ تعمیر منصوبہ جات:

7800 ٹن یومیہ پیداواری صلاحیت کی حامل نئی گرے(Grey) سیمنٹ پروڈکشن لائن کی موجودہ فیکٹری میں تنصیب پر کام ابتدائی مرحلے میں ہے اور کمپنی اس سے متعلقہ تمام قانونی تقاضے پورے کرنے میں کوشاں ہے۔اس کے علاوہ 105 ٹن فی گھنٹہ کی صلاحیت کی حامل سیمنٹ مل کی تنصیب بھی جاری ہے جس سے تجارتی بنیادوں پر پیداوار جلد متوقع ہے۔

منافع کی تقسیم:

کمپنی کے ڈائریکٹرز 30 جون، 2017ءکوختم ہونے والے مالی سال کے لئے 20% حتمی کیش ڈیویڈنڈ مالیتی 2 روپے فی عام شیئر تجویز کرتے ہیں۔ جو کہ گذشتہ مالی سال کے دوران ادا کردہ پہلے 40% عبوری اور دوسرے 80% عبوری کیش ڈیویڈنڈ کے علاوہ ہوگا۔

ڈائریکٹرز کی منظور شدہ منافع کی تقسیم کی تفصیل درج ذیل ہے۔

	روپے(ہزار)
منافع بعد از ٹیکس	3,544,815
سابقہ سالوں کا غیر منقسم منافع	12,104,437
تقسیم کیلئے دستیاب منافع	15,649,252
30 جون، 2016ءکوختم ہونے والے مالی سال کیلئے ادا کیا گیا حتمی کیش ڈیویڈنڈ بمطابق ۱ روپے فی شئیر	(154,509)
30 جون، 2017ءکوختم ہونے والے مالی سال کیلئے ادا کیا گیا عبوری کیش ڈیویڈنڈ بمطابق ۴ روپے فی شئیر	(618,035)
30 جون، 2017ءکوختم ہونے والے مالی سال کیلئے ادا کیا گیا عبوری کیش ڈیویڈنڈ بمطابق ۸ روپے فی شئیر	(1,236,069)
دستیاب غیر منقسم منافع	13,640,639

رسک مینجمنٹ:

رسک مینجمنٹ کے دائرہ کار کی تشکیل اورنگرانی کمپنی کے بورڈ آف ڈائریکٹرز (بورڈ) کی بنیادی ذمہ داری ہے۔رسک مینجمنٹ کی پالیسیوں کو وضع کرنا اور ان کی نگرانی بورڈ کی ذمہ داری ہے۔رسک مینجمنٹ کی پالیسیوں کو وضع کرنے کا مقصد کمپنی کو لاحق خطرات کی نشان دہی اوران کا تجزیہ کرنا ہے تاکہ نہ صرف خطرات کی ایک حد اوراس کے کنٹرول متعین کئے جائیں بلکہ انھیں اس حد میں بھی رکھا جائے۔رِسک مینجمنٹ پالیسیاں کمپنی کے حالات اور منڈی کی صورتحال کے مطابق باقاعدگی سے تبدیل کی جاتی ہیں۔

کمپنی کو لاحق کلیدی خطرات:

بنیادی خام مال کی فراہمی : چونے کا پتھر سیمنٹ کی پیداوار کے لئے درکار بنیادی خام مال ہے جس کی مسلسل بدلتے قوانین کے مدِ نگاہ طویل عرصے کے لئے مسلسل فراہمی بہت اہم ہے۔کمپنی کے موجودہ چونے کے پتھر کے ذخائر موجودہ اور مستقبل کی ضروریات کو پورا کرنے کے لئے کافی ہیں۔

طلب ورسد میں فرق: سیمنٹ کی صنعت اپنی پیداواری صلاحیت کا 87% استعمال کر رہی ہے اور اندازہ ہے کہ مستقبل میں سیمنٹ کی طلب اوراس صنعت کی پیداواری صلاحیت میں مزید اضافہ متوقع ہے۔ لیکن پیداواری صلاحیت میں اضافہ کا تناسب طلب سے کم متوقع ہے۔حکومتی تعمیراتی پروگرام بلخصوص CPEC، PSDP اور رہائشی تعمیراتی منصوبہ جات کی بدولت سیمنٹ کی کھپت کو بڑھانے میں مدد ملے گی جس سے طلب ورسد کے فرق میں کمی واقع ہوگی۔

ایندھن کی لاگت: سیمنٹ کی پیداوار کے لئے بہت زیادہ توانائی درکار ہوتی ہے۔ بین الاقوامی سطح پر بڑھتی ہوئی ایندھن کی طلب کی وجہ سے اس کی قیمتوں میں مسلسل اضافہ ہورہا ہے۔اس مسئلے کے پیشِ نظر آپکی کمپنی ایندھن کے متبادل ذرائع کی مسلسل تلاش میں ہے۔

ملکی قوانین اوران کی تعمیل: نئے قوانین کی تشکیل تیزی سے عمل پزیر ہے جسکی وجہ سے ان کی عدم تعمیل کا احتمال بھی بڑھ گیا ہے جو کمپنی کی ساکھ کے لئے بھی نقصان دہ ہوسکتا ہے۔آپکی کمپنی نے ایسے اصول وضع کئے ہیں کہ جن کی بدولت قوانین کی پاسداری خودکار طریقہ سے ہوتی رہے اور ملکی قوانین سے جانکاری کے لئے مناسب اقدامات کئے گئے ہیں۔

مسابقتی خطرات : سیمنٹ کی صنعت کی پیداواری گنجائش میں ہرنئے اضافے سے فروخت کے حجم،مارکیٹ شیئر اور منافع کو لاحق خطرات بڑھ جاتے ہیں۔آپ کی کمپنی اپنے برانڈ کی قدر میں اضافے اور اپنے صارفین کی بہتری کو مدنظر رکھتے ہوئے کاروباری سرگرمیاں جاری رکھے ہوئے ہے۔کمپنی کی جانب سے اپنی پراڈکٹ اوراس سے متعلقہ اپنی خدمات کے معیار میں مسلسل بہتری کے لئے کوشش کی جارہی ہے۔

مالیاتی خطرات: کاروباری حالات میں اتار چڑھاؤ کی وجہ سے کمپنی کو کریڈٹ،نقدی کی عدم فراہمی اور کاروباری خطرات (سود اور زرمبادلہ کی شرح اور قیمتوں میں تبدیلی) کا سامنا کرنا پڑسکتا ہے۔ان خطرات کی تفصیل کے لئے آڈٹ شدہ مالیاتی حسابات کے نوٹ نمبر 36 کو ملاحظہ کریں، جس میں ان خطرات کے حوالے سے کنٹرولز اور نمٹنے کے طریقہ کار کو بیان کردیا گیا ہے۔

کارپوریٹ گورننس کے ضوابط کی تعمیل:

کمپنی کی انتظامیہ اپنے تمام شراکت داروں کے ساتھ اعتماد، دیانت داری، احتساب اور شفافیت کی بنیاد پر پائیدار تعلقات قائم رکھنے پر یقین رکھتی ہے،اور کارپوریٹ گورنینس کے بہترین طریقوں پر موئثر انداز میں عمل درآمد کے لئے پرعزم ہے اور کمپنی کے تمام ڈائریکٹرز اور ملازمین اسی ضابطہ اخلاق کے تحت وضع کئے گئے بنیادی اصولوں کے تحت اپنی ذمہ داریوں کو ادا کرنے کے پابند

Corporate Social Responsibility





Kohat Cement Company Limited (KCCL)strongly believes in social progress and well being of local communities in particular and overall society in general. This starts with our own employees, whose health and safety is our foremost priority. Our primary focus remains on improving access to health & education services and uplift of rural infrastructural facilities. During the current financial year the Company took various initiatives under its Corporate Social Responsibility programs, a brief of which is given hereunder:

Corporate Philanthropy

The Layton Rehmatullah Benevolent Trust (LRBT): Commonly referred to as “LRBT”, is Pakistan’s foremost eye care organization. KCCL donated Rs. 1,000,000/- towards the surgical expenditures of the trust.

Door of Awareness: KCCL donated Rs. 100,000/- to Door of Awareness which is a non-profit educational charity working towards a better future for the unprivileged children of Lahore.

Other donations: KCCL donated Rs. 750,000/- in aggregate to the following institutions:-

- Gulab Devi Chest Hospital; and
- Institute of Cost and Management Accountants of Pakistan.

Enlightening Communities Through Education

Kohat Cement Educational Trust (KCET): KCET was established in 2002 to provide affordable education to the children of the local community. All expenditures of the Trust are primarily financed through dividend income from its shareholding in KCCL and any expense exceeding the income is covered by donations from KCCL. This year the Company contributed Rs. 640,400/- to the trust.

Scholarships: KCCL provides educational assistance to deserving students with an aim to make education accessible and affordable to talented students. An aggregate of Rs. 1,630,144/- were paid during the FY 2016-17 as scholarships to the students in the following colleges:

- UET Peshawar;
- NUST;
- Parho Likho Pakistan; and
- Namal College.

Apprenticeship Program: Fifteen (15) fresh diploma holders from the disciplines of Mechanical, Chemical and Electrical engineering were inducted by KCCL under the Apprenticeship Program. . The main objective of this program is to provide employment opportunities to new graduates and polish their professional skills through effective on–job training, learning & development activities.

Community Welfare

Sarhad Rural Support Program (SRSP): KCCL and SRSP share a common goal of economic and infrastructural development in the marginalized segments of Kohat district to improve the living standards of the local people. For this purpose, KCCL contributed Rs. 5,000,000/- in FY 2016-17.

Micro Economic Finance: KCCL started a partnership with Akhuwat in 2014, with the aim of promoting small-scale business opportunities to the local people of Kohat district. A pool with an amount of Rs. 10,000,000 is maintained by Akhuwat, which has been fully funded by KCCL. During the current year the Company spent Rs.1,440,000/-towards the operational cost of the Kohat branch. So far, 1,573 families have benefited from this initiative.

Financial Assistance of widows: KCCL aims to support widows of the local community and their families by providing monthly cash payments to deserving families. In FY 2016-17 the company donated Rs. 222,000/- to support seven (7) families.

Water Supply Project: In order to provide clean drinking water to the people in Kohat, the company installed 8 hand pumps for a total amount of Rs. 405,854/- in the following areas:

- Ghuruzai;
- Parshi;
- Gumbat;
- Bazi khel;
- Ghangyalee Bala;
- Highway bridge Kohat; and
- Kharmatoo.

Distribution of Cows: The Company distributed two (2)cows worth Rs. 160,000/- in the local community to help support deserving families.

Helping Visually Impaired Children: In Pakistan, there are limited facilities to accommodate people with special needs. Visually impaired students are usually taught in classrooms without any specialized equipment and books to cater to their special needs. KCCL distributed Braille books to Nishtar Special Education School and sponsored a teacher with specialized training in teaching blind children. A total of Rs. 225,600/- was spent on Nishtar School during the year.

Hajj Sponsorship: Hajj is an annual religious pilgrimage to Makkah undertaken each year. Kohat cement has long been sponsoring its employees to perform Hajj every year.In the FY 2016-17, the company contributed Rs. 370,381/- towards this cause.

Ramadan Dastarkhwan: During the month of Ramadan, Kohat cement arranged free meals for the employees and local community. The company incurred an expenditure of Rs.1,765,699/- for this noble case.

Other Welfare activities: KCCL paid Rs.1,916,448/- for the following activities during the FY 2016-17:

- Quran Distribution during the holy month of Ramadan; and
- Medical Treatment of deserving patients from the local community.

Healthcare Centres

Medical Camps: KCCL aims to provide free medical facilities during it's Health drive to the people of Kohat district. Rs. 102,398/- were spent on medical treatments of approximately 1,300/- patients during the campaigns undertaken in the following areas:

- Kohat Cement Plant;
- Charlakki; and
- Sumri Payan.

Basic Healthcare Unit: To provide employees with a basic healthcare facility, KCCL operates a 24 hours dispensary within the factory premises.

Sports Activities

Sports help in instilling discipline, commitment and a teamwork ethic in people, all the skills that are crucial in the professional as well as personal aspects of our lives. Hence, KCCL arranged the following activities during the current year and spent Rs.438,610/- in doing so:

- Sports Galla at Kohat Cement Educational Trust School, Kohat;
- Annual KCCL Cricket Tournament at Lahore; and
- Ghulam Banda Football & Cricket Tournament at Kohat.

Volunteer Work

We encourage employees to get involved in our social responsibility activities with communities where we operate, as we believe it to be the purest form of giving back to the society.

Volunteering activities: A total of 142 Employees completed 568 voluntary hours this year in the following places:

- Happy homes, Lahore
- Alshifa Hospital, Kohat
- Kawish School Project, Wapda town Lahore
- Begum Inayat Welfare Trust, Lahore
- Jannat-ul-Firdus Orphanage, Lahore
- Anjuman-e-Sulemaniya, Lahore
- Darul-Sahfqat, Lahore
- Almas Zaka-ur-Rehman Foundation, Lahore
- Fountain House, Lahore

Plantation Drive: In addition to the activities mentioned above, KCCL's employees participated extensively, as a part of the Go Green project, in a tree plantation drive in and around the company's factory premises. Over the course of the current year 2,130 different trees including Shesham, Paloosa, Eestonia, Oranges and Keekarwere planted.

Tax Payments

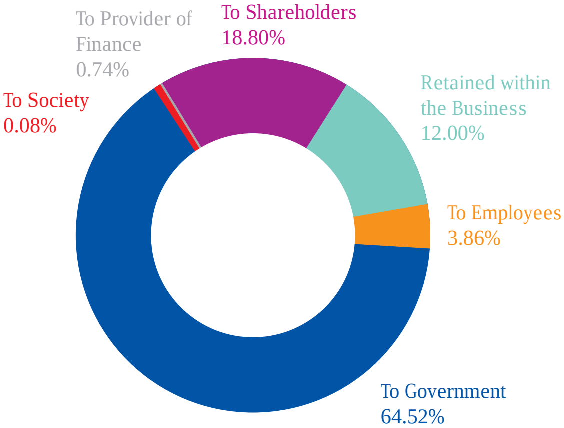
Contribution to National Exchequer – The Company contributed Rs. 7,151/- Million (2016: Rs. 5,632 Million) to the National Exchequer in the form of duties and taxes and further deposited Rs. 264/- million (2016: 243 Million) into National Treasury being income tax deducted on payments made to various persons in terms of income tax laws.

Company also earned Foreign Exchange of USD 6.1/- Million (2016: USD 11.818 Million) equivalent to Rs. 638/- Million (2016: 1,216 Million) for the country by exporting cement during the year.

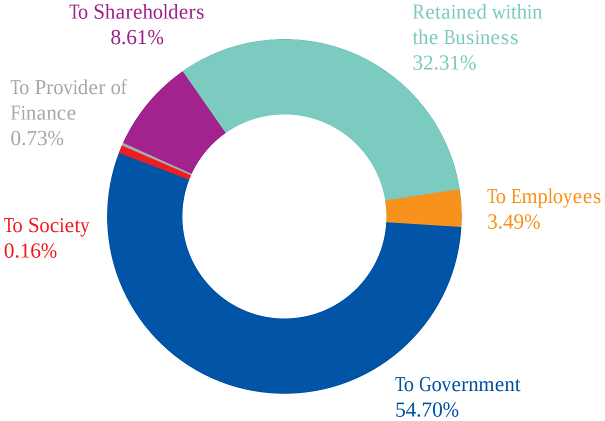
Statement of Value Added

	2017 Rs.	2017 %	2016 Rs.	2016 %
VALUE ADDED				
Gross Revenue Generated	18,980,637,752		18,216,293,069	
Materials & Services	(7,473,005,057)		(7,444,889,721)	
	11,507,632,695		10,771,403,348	
To Employees as Remuneration	443,748,770	3.86%	375,826,849	3.49%
To Government as Taxes	7,424,482,349	64.52%	5,891,644,493	54.70%
Income Tax	1,890,109,541	16.42%	1,765,991,492	16.40%
Sales Tax	2,976,535,619	25.87%	2,723,615,246	25.29%
Federal excise duty	1,956,554,700	17.00%	781,076,945	7.25%
Royalty and excise duty	202,996,647	1.76%	205,892,883	1.91%
Workers welfare fund	106,625,330	0.93%	85,678,851	0.80%
Workers profit participation fund	291,660,512	2.53%	329,389,076	3.06%
To Provider of Finance as Finance Cost	84,961,726	0.74%	78,116,546	0.73%
To Society as Donation	9,625,000	0.08%	17,740,000	0.16%
To Shareholders as Dividend	2,163,121,660	18.80%	927,052,140	8.61%
Retained within the Business	1,381,691,703	12.00%	3,481,023,320	32.31%
	11,507,632,695	100%	10,771,403,348	100%

Value Added - 2017



Value Added - 2016



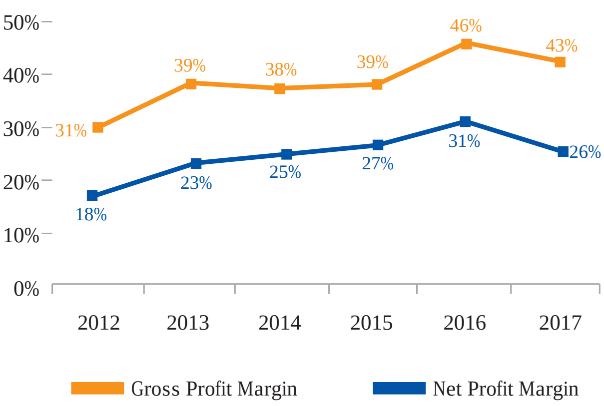
Key Financial Data

For the last six years

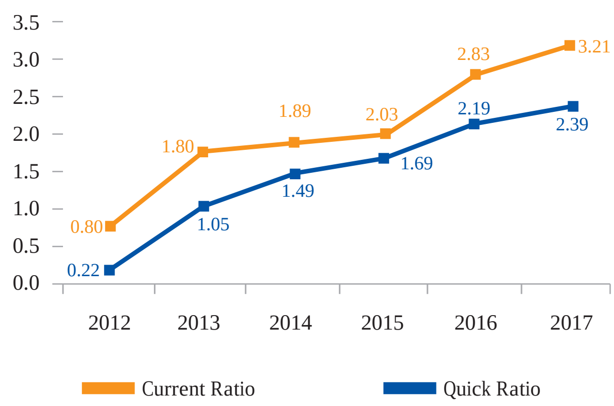
	2017	2016	2015	2014	2013	2012
Balance sheet (Rs. 000)						
Shareholders equity	15,306,258	13,770,090	10,797,254	8,587,467	6,041,048	3,756,455
Non-current liabilities	2,102,230	2,313,269	2,141,344	1,868,454	2,459,315	2,557,126
Current liabilities	2,783,703	3,261,783	4,122,870	3,695,537	2,294,227	2,899,296
Non-current assets	11,263,417	10,126,766	8,687,831	7,161,708	6,668,425	6,894,496
Current assets	8,928,774	9,218,376	8,373,637	6,989,750	4,126,166	2,318,382
Profit & loss account (Rs. 000)						
Sales - net	13,540,305	14,019,843	12,472,197	12,765,670	11,297,213	9,316,381
Gross profit	5,827,368	6,496,565	4,814,921	4,806,700	4,360,867	2,852,404
EBITDA	6,017,066	6,691,965	5,122,656	4,903,322	4,393,399	3,010,422
EBIT	5,519,886	6,252,183	4,731,182	4,531,275	4,018,513	2,662,044
Profit before tax	5,434,924	6,174,067	4,637,441	4,376,599	3,769,540	2,035,984
Profit after tax	3,544,815	4,408,075	3,322,268	3,154,827	2,632,633	1,660,511
Cash flows (Rs. 000)						
Cash flows from operations	5,417,049	5,859,322	4,724,799	5,544,291	4,167,750	2,922,778
Operating activities	3,565,091	2,979,188	2,554,144	4,836,154	3,633,928	2,488,940
Investing activities	(1,305,493)	(1,350,292)	1,776,178	(2,804,122)	(1,021,019)	(84,426)
Financing activities	(2,684,888)	(1,816,880)	38,783	(1,197,388)	(1,157,461)	(2,117,092)
Cash and cash equivalents at the beginning of the year	6,036,461	6,224,446	1,855,340	1,020,697	(434,752)	(722,175)
Cash and cash equivalents at the end of the year	5,611,172	6,036,461	6,224,446	1,855,340	1,020,697	(434,752)
RATIO ANALYSIS						
Profitability Ratios						
Gross profit ratio	43.04%	46.34%	38.61%	37.65%	38.60%	30.62%
Net profit to sales ratio	26.18%	31.44%	26.64%	24.71%	23.30%	17.82%
EBITDA to sales ratio	44.44%	47.73%	41.07%	38.41%	38.89%	32.31%
Return on equity	23.16%	32.01%	30.77%	36.74%	43.58%	44.20%
Return on capital employeed	31.71%	38.87%	36.57%	43.34%	47.27%	42.16%
Liquidity Ratios						
Current ratio	3.21	2.83	2.03	1.89	1.80	0.80
Quick ratio	2.39	2.19	1.69	1.49	1.05	0.22
Cash flow from operations to sales ratio	40.01%	41.79%	37.88%	43.43%	36.89%	31.37%
Activity/Turnover Ratios						
Inventory turnover ratio	5.93	6.74	8.99	8.62	6.58	5.51
No. of days in inventory	61.52	54.34	40.60	42.33	55.49	66.26
Debtor turnover ratio	39.39	54.17	56.53	155.37	896.17	2,074.45
No. of days in receivables	9.27	6.76	6.46	2.35	0.41	0.18
Total assets turnover ratio	0.67	0.72	0.73	0.90	1.05	1.01
Fixed assets turnover ratio	1.84	1.82	1.92	1.87	1.73	1.41
Investment/market ratios						
Earnings per share	22.94	28.53	21.50	20.42	17.04	10.75
Price Earning ratio	9.99	9.18	9.29	6.26	5.04	3.75
Dividend Yield ratio	6.11%	2.29%	4.50%	1.56%	5.83%	7.45%
Dividend payout ratio	61.02%	21.03%	41.81%	9.81%	29.34%	27.90%
Dividend cover ratio	1.64	4.75	2.39	10.21	3.41	3.58
Cash Dividend	140%	60%	90%	20%	50%	30%
Stock Dividend	-	-	-	-	20%	-
Market value per share						
- Closing	229.26	261.92	199.85	127.82	85.83	40.26
- High	311	283	220.00	132.40	88.84	42.99
- Low	216	181.54	106.72	66.05	39.22	4.55
Breakup value per share of Rs. 10 each	99.06	89.12	69.88	55.58	46.92	29.17
Capital Structure Ratios						
Debt to equity ratio	6:94	10:90	16:84	09:91	20:80	43:57
Interest cover ratio	64.97	80.04	50.47	29.30	16.14	4.25

Graphical Analysis

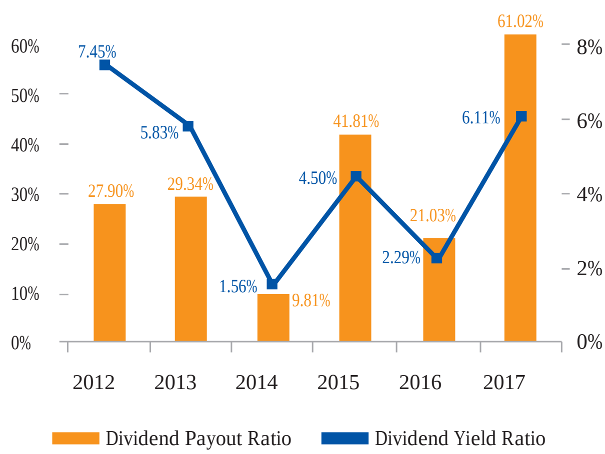
Profitability Ratios



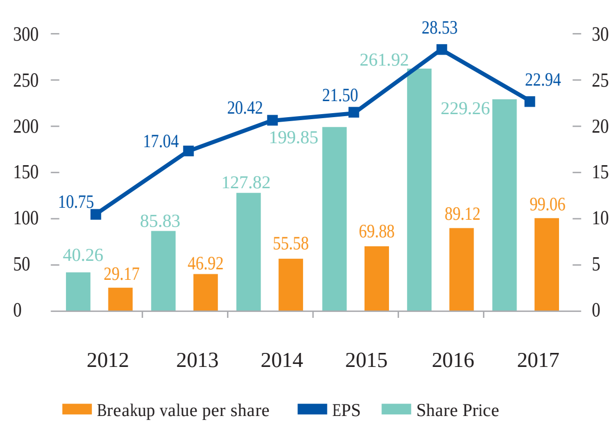
Liquidity Ratios



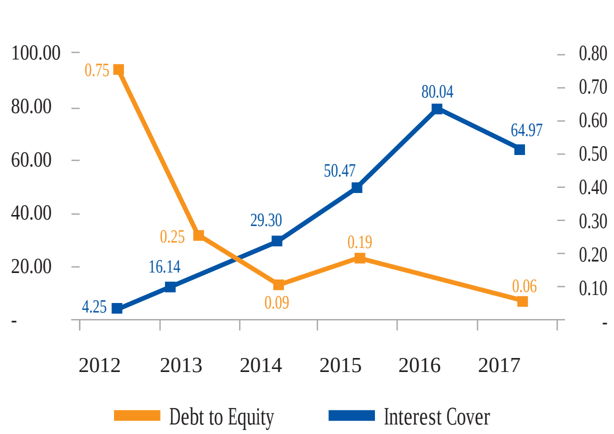
Market Ratios



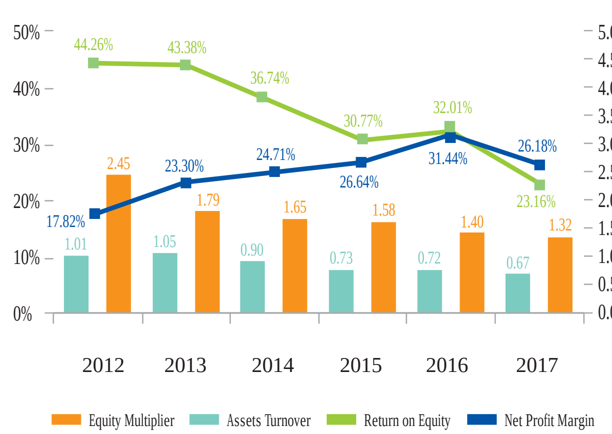
Market Ratios



Capital Structure Ratios



Dupont Graph



Horizontal & Vertical Analysis
of Balance Sheet

	2017		2016		2015		2014		2013		2012	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
Horizontal Analysis												
Equity & Liabilities												
Shareholders equity	15,306,256	11.16	13,770,090	27.53	10,797,254	25.73	8,587,467	42.15	6,041,048	60.82	3,756,455	78.64
Non-current liabilities	2,102,230	(9.12)	2,313,269	8.03	2,141,344	14.61	1,868,454	(24.03)	2,459,315	(3.83)	2,557,126	(39.28)
Current liabilities	2,783,705	(14.66)	3,261,783	(20.89)	4,122,870	11.56	3,695,537	61.08	2,294,227	(20.87)	2,899,296	3.16
	20,192,191	4.38	19,345,142	13.38	17,061,468	20.56	14,151,458	31.10	10,794,590	17.17	9,212,877	0.97
Assets												
Non-current assets	11,263,417	11.22	10,126,766	17.37	8,687,831	21.31	7,161,708	7.40	6,668,425	(3.28)	6,894,495	(3.85)
Current assets	8,928,774	(3.14)	9,218,376	9.30	8,373,6371	9.80	6,989,750	69.40	4,126,166	77.98	2,318,382	18.67
	20,192,191	4.38	19,345,142	13.38	17,061,468	20.56	14,151,458	31.10	10,794,590	17.17	9,212,877	0.97
Vertical Analysis												
Equity & Liabilities												
Shareholders equity	15,306,256	75.80	13,770,090	71.18	10,797,254	63.29	8,587,467	60.69	6,041,048	55.97	3,756,455	40.77
Non-current liabilities	2,102,230	10.41	2,313,269	11.96	2,141,344	12.55	1,868,454	13.20	2,459,315	22.78	2,557,126	27.76
Current liabilities	2,783,705	13.79	3,261,783	16.86	4,122,870	24.16	3,695,537	26.11	2,294,227	21.25	2,899,296	31.47
	20,192,191	100.00	19,345,142	100.00	17,061,469	100.00	14,151,457	100.00	10,794,590	100.00	9,212,877	100.00
Assets												
Non-current assets	11,263,417	55.78	10,126,766	52.35	8,687,831	50.92	7,161,708	50.61	6,668,425	61.78	6,894,495	74.84
Current assets	8,928,774	44.22	9,218,376	47.65	8,373,637	49.08	6,989,750	49.39	4,126,166	38.22	2,318,382	25.16
	20,192,191	100.00	19,345,142	100.00	17,061,468	100.00	14,151,458	100.00	10,794,590	100.00	9,212,877	100.00

Horizontal & Vertical Analysis
of Profit and Loss Account

	2017		2016		2015		2014		2013		2012	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
Horizontal Analysis												
Sales - Net	13,540,305	(3.42)	14,019,843	12.41	12,472,197	(2.30)	12,765,670	13.00	11,297,213	21.26	9,316,381	53.09
Cost of goods sold	(7,712,937)	2.52	(7,523,278)	(1.75)	(7,657,276)	(3.79)	(7,958,970)	14.74	(6,936,346)	7.31	(6,463,977)	25.31
Gross profit	5,827,368	(10.30)	6,496,565	34.93	4,814,921	0.17	4,806,700	10.22	4,360,867	52.88	2,852,404	207.66
Selling & distribution expenses	(129,666)	(16.12)	(154,584)	64.17	(94,163)	13.97	(82,622)	41.48	(58,400)	26.29	(46,243)	12.24
Administrative & general expenses	(163,009)	22.48	(133,092)	17.03	(113,725)	(22.19)	(146,151)	69.11	(86,423)	29.54	(66,715)	36.58
Other operating expenses	(407,911)	(6.44)	(436,010)	29.04	(337,886)	8.33	(311,907)	33.43	(233,754)	116.11	(108,165)	556.16
Other operating income	393,104	(17.98)	479,305	3.74	462,035	74.19	265,255	632.28	36,223	17.75	30,764	50.62
Operating profit	5,519,886	(11.71)	6,252,183	32.15	4,731,182	4.41	4,531,275	12.76	4,018,513	50.96	2,662,045	216.52
Finance cost	(84,962)	8.76	(78,117)	(16.67)	(93,741)	(39.39)	(154,676)	(37.87)	(248,973)	(60.23)	(626,061)	(12.47)
Profit before tax	5,434,924	(11.97)	6,174,067	33.14	4,637,441	5.96	4,376,599	16.10	3,769,540	85.15	2,035,984	1,518.68
Taxation	(1,890,109)	7.03	(1,765,991)	34.28	(1,315,173)	7.64	(1,221,772)	7.46	(1,136,907)	202.79	(375,473)	504.97
Profit after tax	3,544,815	(19.58)	4,408,076	32.68	3,322,268	5.31	3,154,827	19.84	2,632,633	58.54	1,660,511	2,506.11
Vertical Analysis												
Sales - Net	13,540,305	100.00	14,019,843	100.00	12,472,197	100.00	12,765,670	100.00	11,297,213	100.00	9,316,381	100.00
Cost of goods sold	(7,712,937)	(56.96)	(7,523,278)	(53.66)	(7,657,276)	(61.39)	(7,958,970)	(62.35)	(6,936,346)	(61.40)	(6,463,977)	(69.38)
Gross profit	5,827,368	43.04	6,496,565	46.34	4,814,921	38.61	4,806,700	37.65	4,360,867	38.60	2,852,404	30.62
Selling and distribution expenses	(129,666)	(0.96)	(154,584)	(1.10)	(94,163)	(0.75)	(82,622)	(0.65)	(58,400)	(0.52)	(46,243)	(0.50)
Administrative & general expenses	(163,009)	(1.20)	(133,092)	(0.95)	(113,725)	(0.91)	(146,151)	(1.14)	(86,423)	(0.76)	(66,715)	(0.72)
Other operating expenses	(407,911)	(3.01)	(436,010)	(3.11)	(337,886)	(2.71)	(311,907)	(2.44)	(233,754)	(2.07)	(108,165)	(1.16)
Other operating income	393,104	2.90	479,305	3.42	462,035	3.70	265,255	2.08	36,223	0.32	30,764	0.33
Operating profit	5,519,886	40.77	6,252,184	44.60	4,731,182	37.93	4,531,275	35.50	4,018,513	35.57	2,662,045	28.57
Finance cost	(84,962)	(0.63)	(78,117)	(0.56)	(93,741)	(0.75)	(154,676)	(1.21)	(248,973)	(2.20)	(626,060)	(6.72)
Profit before tax	5,434,924	40.14	6,174,067	44.04	4,637,441	37.18	4,376,599	34.28	3,769,540	33.37	2,035,984	21.85
Taxation	(1,890,109)	(13.96)	(1,765,991)	(12.60)	(1,315,173)	(10.54)	(1,221,772)	(9.57)	(1,136,907)	(10.06)	(375,473)	(4.03)
Profit after tax	3,544,815	26.18	4,408,076	31.44	3,322,268	26.64	3,154,827	24.71	2,632,633	23.30	1,660,511	17.82

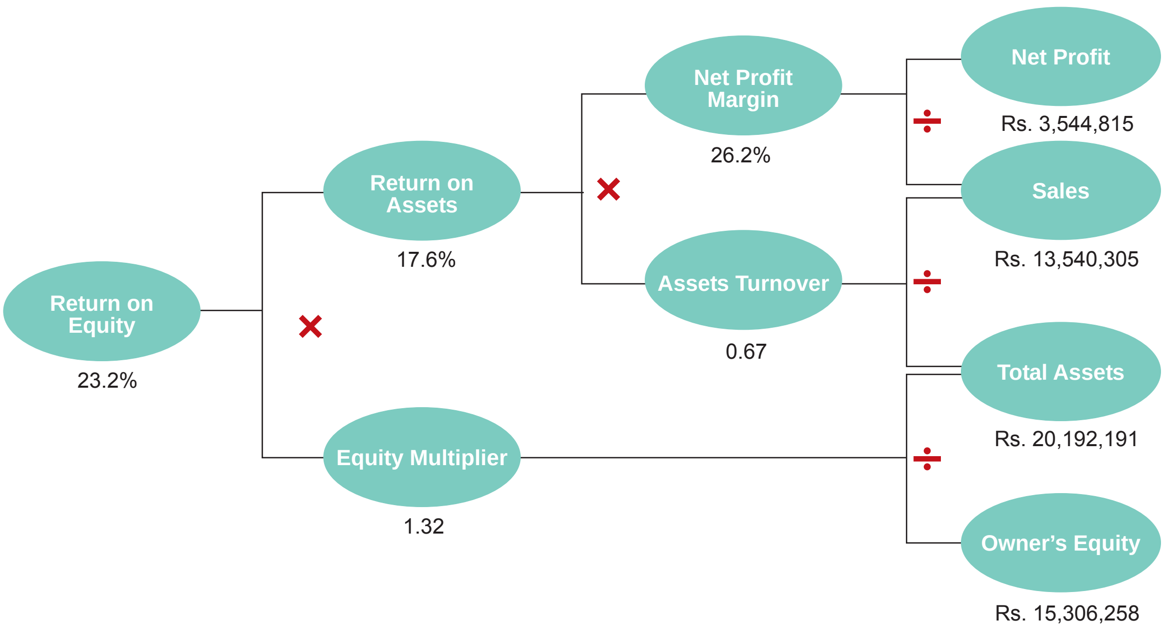
Analysis of Quarterly Results

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY 2016-17
Dispatches	469,989	599,440	536,586	469,362	2,075,377
- Local	433,507	554,651	514,550	453,847	1,956,555
- Exports	36,482	44,789	22,036	15,515	118,822
Sales - net	3,193,907,277	3,970,217,901	3,493,497,757	2,882,681,665	13,540,304,600
Cost of Sales	1,659,509,823	2,140,496,531	2,041,916,912	1,871,013,417	7,712,936,683
Gross Profit	1,534,397,454	1,829,721,370	1,451,580,845	1,011,668,248	5,827,367,917
Gross Profit Margin	48%	46%	42%	35%	43%
Selling and distribution costs	31,430,655	40,047,664	30,938,474	27,249,324	129,666,117
Administrative and general expenses	40,328,980	42,605,124	37,905,993	42,169,132	163,009,229
Other operating expenses	105,292,100	125,596,494	106,098,408	70,923,840	407,910,842
Other operating income	(103,100,957)	(99,446,937)	(100,007,239)	(90,549,255)	(393,104,388)
	73,950,778	108,802,345	74,935,636	49,793,041	307,481,800
Operating Profit	1,460,446,676	1,720,919,025	1,376,645,209	961,875,207	5,519,886,117
Operating Profit Margin	45.7%	43.3%	39.4%	33.4%	40.8%
Finance Cost	23,754,033	22,843,048	20,313,189	18,051,456	84,961,726
Profit before Tax (PBT)	1,436,692,643	1,698,075,977	1,356,332,020	943,823,751	5,434,924,391
PBT Margin	45%	43%	39%	33%	40%
Taxation	444,929,558	499,762,057	425,062,232	520,355,694	1,890,109,541
Effective Tax Rate	31%	29%	31%	55%	35%
Profit after Tax (PAT)	991,763,085	1,198,313,920	931,269,788	423,468,057	3,544,814,850
PAT Margin	31%	30%	27%	15%	26%
Earnings per Share	6.42	7.76	6.03	2.74	22.94
Depreciatino and amortization	111,736,416	130,467,200	121,811,192	133,165,558	497,180,366
EBITDA	1,572,183,092	1,851,386,225	1,498,456,401	1,095,040,765	6,017,066,483
EBITDA Margin	49%	47%	43%	38%	44%
Average net sales rate (Rs./mt)	6,796	6,623	6,511	6,142	6,524
Average of COGS raet (Rs./mt)	3,351	3,571	3,805	3,986	3,716

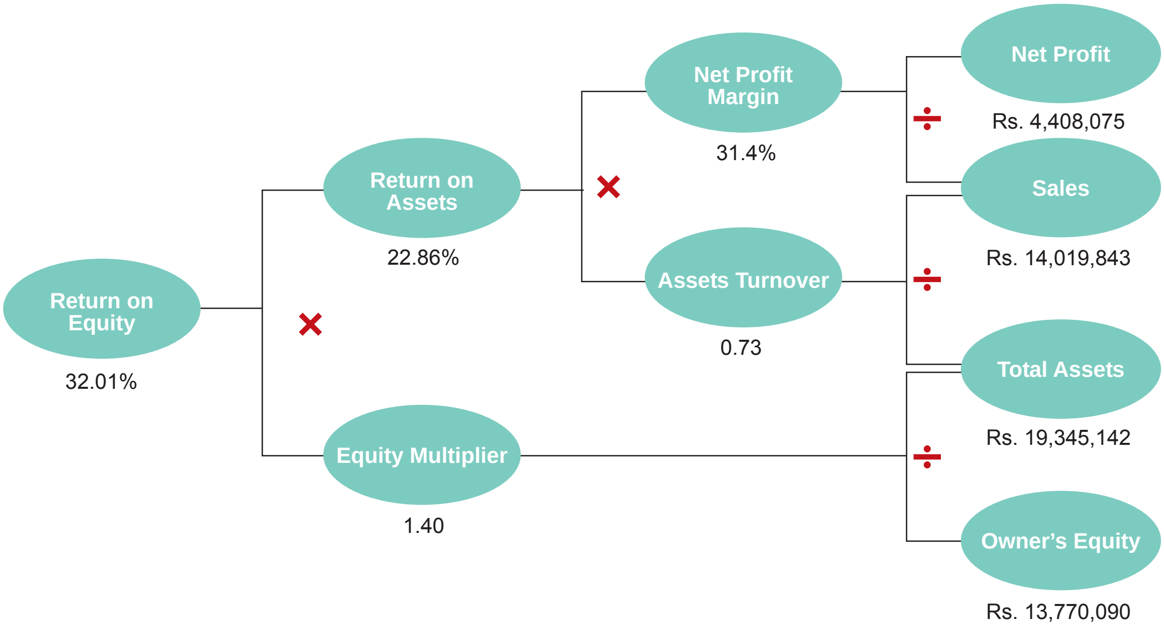
Decrease in profit margins is mainly due to reduction in cement prices and increase in fuel costs; whereas higher tax expenses in the fourth quarter is due to provision made for Super Tax amounting to Rs. 167.529 million and deferred tax adjustment of Rs. 55.2 million provided due to increase in local to exports dispatch ratio.

DuPont Analysis

2017



2016



Statement of Compliance

with the Code of Corporate Governance for the Year ended June 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the Regulation No. 5.19 of Rule Book of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

Kohat Cement Company Limited ("The Company") has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

   Independent Director
   Mr. Muhammad Atta Tanseer Sheikh

   Executive Directors
   Mr. Aizaz Mansoor Sheikh (Chief Executive)
   Mr. Nadeem Atta Sheikh

   Non-Executive Directors
   Mrs.Hafsa Nadeem
   Ms. Aminah Aizaz Sheikh
   Mr. Muhammad Rehman Sheikh
   Mr. Hasan Tariq Atta

   The independent director meets the criteria of independence under clause 5.19.1.(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI. None of the directors is a member of any stock exchange.

4. No Casual Vacancy occurred on the board of directors during the year.

5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive director, have been taken by the Board/Shareholders.

8. The meetings of the Board were presided over by a non-executive director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Company arranged orientation course for its directors as and when needed to apprise them of their duties and responsibilities. During the year two Directors of the Company attended and qualified Directors' Certification Training Programme from an institute duly approved by SECP for this purpose.

10. There were no new appointments of the CFO,Company Secretary and Head of Internal Audit during the year, however, all such appointments including their remuneration and terms and conditions of employment are duly approved by the Board.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by the CEO and the CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

Statement of Compliance

with the Code of Corporate Governance for the Year ended June 30, 2017

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee. It comprises three members including Chairman, of whom all are non-executive directors and the Chairman of the Committee is an independent director.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed a Human Resource and Remuneration (HR&R) Committee. It comprises three members, of whom two are non-executive directors and one is the executive director. The chairman of the Committee is a non-executive director.

18. The Board has set-up an effective internal audit function and personnel involved are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of ethics as adopted by ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the Company's securities, was determined and intimated to directors, employees and Pakistan Stock Exchange.

22. Material/price sensitive information has been disseminated among all market participants at once through Pakistan Stock Exchange.

23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. We confirm that all other material principles enshrined in the CCG have been complied with.

Aizaz Mansoor Sheikh
Chief Executive

Nadeem Atta Sheikh
Executive Director

Lahore: September 18, 2017

Financial Statments

For the year ended 30 June 2017

Review Report to the Members on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Kohat Cement Company Limited ("the Company") for the year ended 30 June 2017 to comply with the requirements of Listing Regulation No. 5.19.24(b) of the Rule Book of Pakistan Stock Exchange where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2017.

KPMG Taseer Hadi & Co.
Chartered Accountants
(M.Rehan Chughtai)

Lahore: September 18, 2017

Auditors' Report to the Members

We have audited the annexed balance sheet of Kohat Cement Company Limited ("the Company") as at 30 June 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

ii) the expenditure incurred during the year was for the purpose of the Company's business; and

iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of the profit, its cash flows and changes in equity for the year then ended; and

d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

KPMG Taseer Hadi & Co.
Chartered Accountants
(M.Rehan Chughtai)

Lahore: September 18, 2017

Balance Sheet

As at 30 June 2017

	Note	2017 Rupees	2016 Rupees
EQUITY AND LIABILITIES			
Authorized share capital	4	3,000,000,000	3,000,000,000
Issued, subscribed and paid-up capital	4	1,545,086,900	1,545,086,900
Reserves	5	120,531,465	120,565,665
Accumulated profits		13,640,639,246	12,104,437,366
		15,306,257,611	13,770,089,931
Non-current liabilities			
Long term financing - secured	6	426,315,784	710,526,312
Long term deposits	7	2,036,100	2,036,100
Deferred liabilities			
- deferred taxation	8.1	1,660,261,314	1,589,847,454
- compensated absences	8.2	13,616,897	10,859,150
		2,102,230,095	2,313,269,016
Current liabilities			
Current portion of long term financing	6	284,210,528	284,210,528
Trade and other payables	9	2,214,684,381	2,366,178,359
Short term borrowings - secured	10	200,000,000	598,000,000
Provision for taxation - net		78,470,775	-
Mark-up accrued on borrowings	11	6,337,389	13,394,584
		2,783,703,073	3,261,783,471
Contingencies and commitments	12	-	-
		20,192,190,779	19,345,142,418

The annexed notes from 1 to 44 form an integral part of these financial statements.

Balance Sheet

As at 30 June 2017

	Note	2017 Rupees	2016 Rupees
ASSETS			
Non current assets			
Property, plant and equipment	13	8,060,484,714	7,871,755,963
Intangibles	14	14,741,587	593,775
Long term loans and advances	15	39,827	137,937
Long term deposits	16	125,326,640	98,266,640
Investment property	17	3,062,824,000	2,156,011,898
		11,263,416,768	10,126,766,213
Current assets			
Stores, spares and loose tools	18	1,333,176,562	1,452,649,245
Stock in trade	19	949,142,281	628,906,348
Trade debts - unsecured, considered good		343,775,970	258,810,589
Short term investments	20	5,219,113,317	5,563,776,412
Advances, deposits, prepayments and other receivables	21	587,907,314	693,851,340
Advance tax-net		-	146,747,362
Cash and bank balances	22	495,658,567	473,634,909
		8,928,774,011	9,218,376,205
		20,192,190,779	19,345,142,418

Chief Executive

Chief Financial Officer

Director

Profit and Loss Account
For the year ended 30 June 2017

	Note	2017 Rupees	2016 Rupees
Sales - net	23	13,540,304,600	14,019,842,677
Cost of goods sold	24	(7,712,936,683)	(7,523,277,833)
Gross profit		5,827,367,917	6,496,564,844
Selling and distribution expenses	25	(129,666,117)	(154,584,148)
Administrative and general expenses	26	(163,009,229)	(133,091,979)
Other operating income	27	393,104,388	479,304,653
Other operating expenses	28	(407,910,842)	(436,009,872)
		(307,481,800)	(244,381,346)
Operating profit		5,519,886,117	6,252,183,498
Finance cost	29	(84,961,726)	(78,116,546)
Profit before taxation		5,434,924,391	6,174,066,952
Taxation	30	(1,890,109,541)	(1,765,991,492)
Profit after taxation		3,544,814,850	4,408,075,460
Earnings per share - basic and diluted	31	22.94	28.53

The annexed notes from 1 to 44 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

Statement of Comprehensive Income

For the year ended 30 June 2017

	2017 Rupees	2016 Rupees
Profit after taxation	3,544,814,850	4,408,075,460
Other comprehensive income		
Items that are or may be reclassified to profit and loss account:		
Available-for-sale financial assets		
- net changes in fair value	(34,200)	13,200,000
- reclassified to profit and loss account	-	(57,861,447)
	(34,200)	(44,661,447)
Total comprehensive income for the year	3,544,780,650	4,363,414,013

The annexed notes from 1 to 44 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

Cash Flow Statement

For the year ended 30 June 2017

	Note	2017 Rupees	2016 Rupees
Cash flows from operating activities			
Cash generated from operations	32	5,417,048,879	5,859,321,675
Finance cost paid		(92,018,921)	(503,110,438)
Compensated absences paid	8.2	(2,397,932)	(1,717,177)
Income tax paid		(1,594,477,544)	(2,211,187,608)
Payment made to Workers' Welfare Fund		(86,003,351)	(79,781,366)
Payment made to Workers' Profit Participation Fund		(50,000,000)	(27,337,315)
Long term deposits paid		(27,060,000)	(57,000,000)
		(1,851,957,748)	(2,880,133,904)
Net cash generated from operating activities		3,565,091,131	2,979,187,771
Cash flows from investing activities			
Acquisition of property, plant and equipment		(690,845,861)	(575,461,205)
Proceeds from disposal of property, plant and equipment		8,074,000	2,413,819
Acquisition of intangibles		(14,452,480)	(517,275)
Purchase of investment property		(906,812,102)	(1,256,405,877)
Short term investments - net		201,899,364	189,881,755
Interest on bank deposits and loan		96,546,023	284,744,791
Long term loans and advances received		98,110	5,051,820
Net cash used in investing activities		(1,305,492,946)	(1,350,292,172)
Cash flows from financing activities			
Export refinance paid		(398,000,000)	-
Repayment of long term finance		(284,210,528)	(430,710,528)
Dividend paid		(2,002,677,414)	(1,386,169,631)
Net cash used in financing activities		(2,684,887,942)	(1,816,880,159)
Net decrease in cash and cash equivalents		(425,289,757)	(187,984,560)
Cash and cash equivalents at beginning of the year		6,036,461,321	6,224,445,881
Cash and cash equivalents at end of the year	33	5,611,171,564	6,036,461,321

The annexed notes from 1 to 44 form an integral part of these financial statements.

Chief Executive Chief Financial Officer Director

Statement of Changes in Equity

For the year ended 30 June 2017

		Reserves					
		Capital reserves		Revenue reserves			
	Share capital	Share premium	Fair value reserve	General reserve	Accumulated profit	Total reserves	Total
	Rupees						
As at 01 July 2015	1,545,086,900	49,704,951	45,522,161	70,000,000	9,086,940,116	9,252,167,228	10,797,254,128
Total comprehensive income for the year							
Profit for the year ended 30 June 2016	-	-	-	-	4,408,075,460	4,408,075,460	4,408,075,460
Other comprehensive income for the year ended 30 June 2016	-	-	(44,661,447)	-	-	(44,661,447)	(44,661,447)
	-	-	(44,661,447)	-	4,408,075,460	4,363,414,013	4,363,414,013
Transactions with owners of the Company							
Final cash dividend at Rs. 4.00 per share for the year ended 30 June 2015	-	-	-	-	(618,034,760)	(618,034,760)	(618,034,760)
Interim cash dividend at Rs. 5.00 per share for the year ended 30 June 2016	-	-	-	-	(772,543,450)	(772,543,450)	(772,543,450)
As at 30 June 2016	1,545,086,900	49,704,951	860,714	70,000,000	12,104,437,366	12,225,003,031	13,770,089,931
Total comprehensive income for the year							
Profit for the year ended 30 June 2017	-	-	-	-	3,544,814,850	3,544,814,850	3,544,814,850
Other comprehensive income for the year ended 30 June 2017	-	-	(34,200)	-	-	(34,200)	(34,200)
	-	-	(34,200)	-	3,544,814,850	3,544,780,650	3,544,780,650
Transactions with owners of the Company							
Final cash dividend at Rs. 1.00 per share for the year ended 30 June 2016	-	-	-	-	(154,508,690)	(154,508,690)	(154,508,690)
First interim cash dividend at Rs. 4.00 per share for the year ended 30 June 2017	-	-	-	-	(618,034,760)	(618,034,760)	(618,034,760)
Second interim cash dividend at Rs. 8.00 per share for the year ended 30 June 2017	-	-	-	-	(1,236,069,520)	(1,236,069,520)	(1,236,069,520)
As at 30 June 2017	1,545,086,900	49,704,951	826,514	70,000,000	13,640,639,246	13,761,170,711	15,306,257,611

The annexed notes from 1 to 44 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

Notes to the Financial Statements

For the year ended 30 June 2017

1. Reporting entity

1.1 Kohat Cement Company Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017) and is listed on Pakistan Stock Exchange. The Company is engaged in production and sale of cement. The registered office and factory is situated at Rawalpindi Road, Kohat, Pakistan. Pursuant to the approval of the Board of Directors, the management intends to set up a new cement production line at the Company's existing factory site.

1.2 ANS Capital (Private) Limited is the holding company of the Company and holds 84,986,400 ordinary shares of the Company comprising 55% of its paid up share capital.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of, or directives issued under the Companies Ordinance, 1984 shall prevail.

During the year on 30 May 2017, the Companies Act, 2017 (the Act) was enacted which replaced and repealed the Companies Ordinance, 1984 (the repealed Ordinance). However, the Securities and Exchange Commission of Pakistan (SECP) through its Circular No. 17 of 2017 dated 20 July 2017 has advised the Companies whose financial year closes on or before 30 June 2017 to prepare their financial statements in accordance with the provisions of the repealed Ordinance.

2.2 New Companies Act, 2017 and new and revised approved accounting standards, interpretations and amendments thereto

2.2.1 The Companies Act, 2017 applicable for financial year beginning on 1 July 2017 requires certain additional disclosures.

2.2.2 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2017:

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' -effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.

Notes to the Financial Statements
For the year ended 30 June 2017

Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:

- Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 – 'Non-current Assets Held for Sale and Discontinued Operations'. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.

- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.

The above amendments are not likely to have an impact on Company's financial statements.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments at fair value.

2.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupees ("Rs.") which is the Company's functional currency. All financial information presented in Rupees has been rounded off to the nearest rupee, unless otherwise stated.

2.5 Use of judgements, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

2.5.1 Depreciation method, rates and useful lives of property, plant and equipment

The management of the Company reassesses useful lives, depreciation method and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company

Notes to the Financial Statements
For the year ended 30 June 2017

expects to derive from that item and the maximum period up to which such benefits are expected to be available. Any change in estimate may affect the depreciation charge or impairment. The rates of depreciation are specified in note 13.1. Effective from 1 July 2016, the Company has changed its estimate for depreciating the items of plant and machinery of white cement line. The change in accounting estimate has been recognized prospectively in accordance with the requirement of IAS 8 "Accounting Policy, Change in Accounting Estimate and Errors". This change has resulted in increase in depreciation expense for the year ended 30 June 2017 by Rs. 21.53 million with decrease in written down value of operating fixed assets by the same amount. Further this has reduced the earnings per share by Rs. 0.14.

Future outcome as a result of the change in estimate is given below:

	2018	2019	2020	2021	2022
			Rupees		
Increase in depreciation	16,786,477	16,786,477	16,786,477	16,786,477	16,786,477
(Decrease) in net profit	(16,786,477)	(16,786,477)	(16,786,477)	(16,786,477)	(16,786,477)

2.5.2 Recoverable amount of assets / cash generating units and impairment

The Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

2.5.3 Fair values based on inputs from other than active market

Fair values of financial instruments, which are based on inputs from other than active market are determined using valuation techniques which incorporate all factors that market participants would consider in setting a price and use inputs that reasonably represent market expectations and measures the risk-return factors inherent in the financial instrument.

2.5.4 Taxation

The Company takes into account the current income tax law and decisions taken by appellate authorities while estimating its tax liabilities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

The Company also regularly reviews the trend of proportion of incomes between Presumptive Tax Regime income and Normal Tax Regime income and the change in proportions, if significant, is accounted for in the year of change.

2.5.5 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

2.5.6 Stores, spare parts and loose tools

The Company reviews the stores, spare parts and loose tools for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of stores and spare parts and loose tools with a corresponding effect on the provision.

2.5.7 Stock in trade

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

2.5.8 Provision against trade debts, advances deposits and other receivables

The Company reviews the recoverability of its trade debts, advances, deposits and other receivables to assess amount of bad debts provision required there against on an annual basis.

Notes to the Financial Statements
For the year ended 30 June 2017

2.5.9 Contingencies

Where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation can not be measured with sufficient reliability, it is disclosed as contingent liability.

3. Significant accounting policies

The significant accounting policies have been applied consistently to all periods presented in these financial statements.

3.1 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses with the exception of freehold land and capital work in progress, which are stated at cost less accumulated impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation. Cost in relation to certain property, plant and equipment signifies historical cost and borrowing costs as referred to in note 3.13.

Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in profit and loss account as incurred.

The Company recognizes depreciation in profit and loss account by applying reducing balance method over the useful life of each item of property, plant and equipment except for the following:

- building of white cement and new grey cement line is charged by applying straight line method;
- Plant and machinery of white and new grey cement line including waste heat recovery power plant is charged by applying unit of production method; and
- power plant building and machinery is charged by applying straight line method.

Depreciation rates on items of property, plant and equipment are specified in note 13.1 to the financial statements. Depreciation on additions to property, plant and equipment is charged from the month in which the item becomes available for use and is discontinued from the month in which it is disposed or classified as held for disposal.

An item of property, plant and equipment is de-recognized when permanently retired from use. Any gain or loss on disposal of property, plant and equipment is recognized in profit and loss account.

Capital work in progress

Capital work in progress is stated at cost less any identified impairment losses and includes the expenditures on material, labour and appropriate overheads directly relating to the project. These costs are transferred to property, plant and equipment as and when assets are available for intended use.

3.2 Intangible assets

The cost of acquisition, development and installation of identifiable software products having finite useful lives of more than one year is recognized as an intangible asset at cost and are amortized on a straight line basis. Subsequent to initial recognition, it is measured at cost less accumulated amortization and accumulated impairment losses, if any. The rate of amortization is specified in note 14.

3.3 Stores, Spares and loose tools

These are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. For items which are slow moving and/or identified as surplus to the Company's requirements, adequate impairment is recognized. The Company reviews carrying value of stores, spares and loose tools on regular basis and provision is made for obsolescence.

Notes to the Financial Statements

For the year ended 30 June 2017

3.4 Stock in trade

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

Raw materials	Average cost
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
Stock in transit	Invoice price plus related expense incurred up to the reporting date.

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and a proportion of appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

3.5 Employees benefits

Defined contributions plan

The Company operates an approved defined contributory provident fund for its employees. Equal contributions are made by the Company and employees at 10% of basic salary. The Company's contribution is charged to profit and loss account currently.

Compensated absences

Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to profit and loss account.

3.6 Financial instruments

Financial assets and liabilities are recognized when the Company becomes party to the contractual provisions of the instruments. Financial assets are de-recognized when the Company looses control of the contractual rights that comprise the financial assets. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is extinguished, cancelled, or expired. Any gain or loss on de-recognition of the financial assets and financial liabilities is taken to profit and loss account.

The particular measurement methods adopted for various financial instruments are disclosed in the individual policy statements associated with each item.

3.7 Investments

3.7.1 Available for sale

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity are classified as available for sale. Available for sale investments are recognized initially at fair value plus any directly attributable transaction costs. After initial recognition, these are stated at fair values unless fair values can not be measured reliably, with any resulting gains and losses being charged to other comprehensive income until the investment is disposed off or impaired. At each reporting date, these investments are remeasured at fair value, unless fair value cannot be reliably measured. At the time of disposal, the respective surplus or deficit is transferred to profit and loss account. Fair value of quoted investments is their bid price on Pakistan Stock Exchange at the balance sheet date.

Investments intended to be held for less than twelve months from the balance sheet date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

All purchases and sales of investments are recognized on the trade date which is the date that the Company commits to purchase or sell the investment.

At subsequent reporting dates, the Company reviews the carrying amounts of the investments to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense. Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised recoverable amount.

Notes to the Financial Statements
For the year ended 30 June 2017

3.7.2 At fair value through profit or loss - held for trading

An investment is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial instruments are classified as held for trading if they are acquired for the purpose of selling and repurchasing in near term. These assets are acquired principally for the purpose of generating a profit from short-term fluctuation in price. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes sales and purchase decision based on their fair value in accordance with the Company's investment strategy.

All investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. Attributable transaction costs are recognized directly in profit and loss account. Subsequent to initial recognition, these investments are measured at fair value with any resulting gain or loss recognized directly in the profit and loss account.

3.7.3 Loans and receivables

Loans and receivables are recognized initially at fair value, plus attributable transaction costs. Subsequent to initial recognition, loans and receivables are stated at amortized cost with any difference between cost and redemption value being recognized in the profit and loss account over the period of the investments on an effective yield method.

3.7.4 Off-setting

A financial asset and a financial liability is offset and the net amount reported in the balance sheet if the Company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.7.5 Regular way purchases and sales of financial assets

Regular way purchases and sales of financial assets are recognized on trade dates.

3.8 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in profit and loss account over the period of the borrowings on an effective interest basis.

3.9 Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently at amortized cost using effective interest rate method.

3.10 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

3.11 Trade and other receivables

On initial recognition, these are measured at invoice value. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit and loss account. Provision is recognised for those that are considered doubtful for recovery. Bad debts are written off when there is no prospect of recovery.

3.12 Revnue

Revenue is measured at the fair value of the consideration received or receivable, net of returns allowances, trade discounts and rebates, and represents amounts received or receivable for goods and services provided and other

Notes to the Financial Statements

For the year ended 30 June 2017

income earned in the normal course of business. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company, and the amount of revenue and the associated costs incurred or to be incurred can be measured reliably.

Revenue from different sources is recognized as follows:

- Revenue from sale of goods is recognized when risks and rewards incidental to the ownership of goods are transferred to the buyer;
- Interest Income is recognized as and when accured on effective interest method; and
- Dividend income is recognized when the Company's right to receive payment is established.

3.13 Borrowing Costs

Borrowing costs those are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit and loss account as incurred.

3.14 Taxation

Income Tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit and loss account except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability.

Deferred taxation

Deferred tax is accounted for using the balance sheet approach providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by the Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.15 Earnings per share ("EPS")

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

3.16 Cash and cash equivalents

Cash and cash equivalents comprise running finances, cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Notes to the Financial Statements

For the year ended 30 June 2017

3.17 Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognized in profit and loss account.

3.18 Impairment

3.18.1 Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in profit and loss account. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset’s carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

3.18.2 Non-financial assets

The carrying amount of the Company’s non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit and loss account. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset’s carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

3.19 Dividend to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability in the Company’s financial statements in the year in which the dividends are approved by the Board of Directors or the Company’s shareholders as the case may be.

Notes to the Financial Statements
For the year ended 30 June 2017

3.20 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for:

- use in production or supply of goods or services or for administrative purposes; and
- sale in the ordinary course of business.

Investment property comprises of land only and it is initially measured at cost, being the fair value of the consideration given. Subsequent to the initial recognition, the investment property is measured using the cost model as provided in International Accounting Standard 40 – Investment Property. The cost model requires to measure the investment property at each balance sheet date at its cost less any accumulated impairment losses.

The Company assesses at each balance sheet date whether there is any indication that investment property may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use.

Any gain or loss on disposal of an investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the investment property is recognized in profit or loss account.

	Note	2017 Rupees	2016 Rupees
4 Share capital			
Authorized share capital			
300,000,000 (2016: 300,000,000) ordinary shares of Rs. 10 each		3,000,000,000	3,000,000,000
Issued, subscribed and paid-up capital			
Ordinary shares of Rs. 10 each			
20,749,585 (2016: 20,749,585) shares fully paid-up in cash		207,495,850	207,495,850
11,230,000 (2016: 11,230,000) shares issued for consideration other than cash	4.2	112,300,000	112,300,000
122,529,105 (2016: 122,529,105) fully paid bonus shares		1,225,291,050	1,225,291,050
		1,545,086,900	1,545,086,900

4.1 ANS Capital (Private) Limited, holding company, holds 84,986,400 (2016: 84,986,400) ordinary shares comprising 55% of total paid up share capital of the Company. Kohat Cement Educational Trust, an associated undertaking, holds 116,958 (2016: 116,958), ordinary shares of Rs. 10 each of the Company, Directors and Executives hold 402,072 (2016: 434,072) and 15,777 (2016: 38,177) respectively, ordinary shares of Rs. 10 each of the Company.

4.2 These shares were initially issued to State Cement Corporation of Pakistan against transfer of all the assets and liabilities comprising Kohat Cement Project to Kohat Cement Company Limited.

	Note	2017 Rupees	2016 Rupees
5 Reserves			
Capital reserves			
- share premium	5.1	49,704,951	49,704,951
- fair value reserve	5.2	826,514	860,714
		50,531,465	50,565,665
Revenue reserve			
- general reserves		70,000,000	70,000,000
		120,531,465	120,565,665

Notes to the Financial Statements

For the year ended 30 June 2017

5.1 This reserve can be utilized by the Company only for the purpose specified in section 83(2) of the Companies Ordinance, 1984.

5.2 This represents fair value adjustment on revaluation of investment classified as 'available for sale'.

	Note	2017 Rupees	2016 Rupees
6 Long term financing - secured			
Mark-up based financing from conventional banks:			
Syndicated term finance - ("STF WHR")	6.1	710,526,312	994,736,840
Less: Current portion presented under current liabilities		(284,210,528)	(284,210,528)
		426,315,784	710,526,312

6.1 This facility was obtained for Waste Heat Recovery Power Plant ("STF WHR") of Rs. 1,600 million by way of Syndicated Term Finance Agreement entered on 20 November 2014 from a consortium of banking companies. Askari Bank Limited is the lead arranger and agent of this facility. Out of total facility, only Rs. 1,350 million were drawn. This facility carries mark-up at three month KIBOR plus a spread of 1.75% per annum, payable quarterly. The principal is repayable in nineteen equal quarterly instalments which started after a grace period of three months from the date of first drawdown. This facility is secured by way of first pari passu charge over all present and future fixed assets of the Company amounting to Rs. 2,134 million and personal guarantees of sponsoring directors of the Company.

7. Long term deposits

These represent security deposits received from dealers and transporters. These deposits are repayable / adjustable on the termination of the relationship.

	2017 Rupees	2016 Rupees
8 Deferred liabilities		
8.1 Deferred taxation		
Accelerated tax depreciation and others	1,660,261,314	1,589,847,454
8.2 Compensated absences		
At beginning of the year	10,859,150	9,416,950
Charge for the year	5,155,679	3,159,377
Less: Payments made during the year	(2,397,932)	(1,717,177)
Closing balance	13,616,897	10,859,150

Notes to the Financial Statements

For the year ended 30 June 2017

		Note	2017 Rupees	2016 Rupees
9	Trade and other payables			
	Trade creditors		233,656,825	550,792,058
	Contractors' bills payable		12,006,222	11,460,519
	Accrued liabilities		140,009,609	160,777,877
	Advances from customers		82,688,697	106,777,914
	Payable to Workers' Profit Participation Fund	9.1	1,107,484,399	865,823,887
	Payable to Workers' Welfare Fund	9.2	107,569,463	86,947,484
	Payable to Provident Fund Trust		1,857,673	2,113,023
			1,685,272,888	1,784,692,762
	Payable to Government on account of:			
	Income Tax deducted at source		691	8,397,360
	Federal Excise Duty		79,815,400	-
	Royalty and Excise Duty		57,851,549	199,451,336
			137,667,640	207,848,696
	Securities and retention money payable	9.3	182,723,893	186,648,042
	Unclaimed dividend		8,027,340	5,769,951
	Dividend payable	9.4	29,082,559	25,404,392
	Other payables		171,910,061	155,814,516
			391,743,853	373,636,901
			2,214,684,381	2,366,178,359
9.1	Workers' Profit Participation Fund ("WPPF")			
	At beginning of the year		865,823,887	563,772,126
	Allocation for the year	28	291,660,512	329,389,076
			1,157,484,399	893,161,202
	Less: Paid during the year		(50,000,000)	(27,337,315)
	At end of the year	9.1.1	1,107,484,399	865,823,887

9.1.1 The outstanding WPPF liability for the year represents leftover amount payable to Workers Welfare Fund in terms of Companies Profits Worker's Participation Act, 1968. According to the 18th amendment to the Constitution of Pakistan in 2010, all labour / labour welfare laws have become provincial subject, and accordingly the left over amount is now payable to provincial government. However, no provincial authority has been constituted so far, to collect the left over amount. The Company had filed a writ petition before the Honourable Lahore High Court (LHC), seeking its directions to identify the legal authority to whom the left over amount shall be deposited. LHC had clarified to deposit the left over amount to Federal Government.

		Note	2017 Rupees	2016 Rupees
9.2	Workers' Welfare Fund			
	At beginning of the year		86,947,484	81,049,999
	Allocation for the year	28	106,625,330	85,678,851
	Less: Paid during the year		(86,003,351)	(79,781,366)
	At end of the year		107,569,463	86,947,484

Notes to the Financial Statements
For the year ended 30 June 2017

9.3 This represents security deposits and retention money witheld from contractors and are repayable after satisfactory completion of contracts. It includes Rs. 172.65 million (2016: Rs. 170.92 million) equivalent to USD 1.24 million (2016: USD 1.24 million) and Euro 0.35 million (2016: Euro 0.35 million) retained from invoices of Sinoma Technical Services Company Limited (previously TCDRI) for supply of grey cement plant. The management expects the matter to be resolved in next twelve months. Also refer to note 21.3.

9.4 Out of final cash dividend amounting to Rs. 386.27 million for the year ended 30 June 2012, dividend related to certain shareholders amounting to Rs. 20.97 million was withheld based on the order dated 25 October 2012 of the Honourable Lahore High Court and Securities and Exchange Commission of Pakistan approval vide letter number EMD/233/380/02-676 dated 23 November 2012 in response to application made by the Company under section 251(2) of the Companies Ordinance, 1984. Whereas, the balance amount of Rs. 8.112 million represents dividend withheld of those shareholders who have not presented copies of their CNIC to the Company as directed by SECP.

	Limit (Rupees in million)	Note	2017 Rupees	2016 Rupees
10 Short term borrowings - secured				
Mark-up based borrowings from conventional banks:				
Export refinances	598	10.1	200,000,000	598,000,000
			200,000,000	598,000,000

10.1 These facilities are under mark-up arrangement carrying mark-up at SBP export refinance rate plus 0.25% - 1.00% (2016: SBP export refinance rate plus 0.25% - 1.00%) per annum and are available for a period of 180 days and can be rolled over for a further period of 180 days.

10.2 Short term running finances available from different commercial banks amount to Rs. 615 million (2016: Rs. 765 million). The amount utilized as at 30 June 2017 was nil (2016: nil). The rate of mark-up ranges from 3MK + 1% - 2% (2016: 3MK + 1% - 2%).

10.3 The Company has aggregate facilities of Rs. 2,490 million (2016: Rs. 1,940 million) for opening of letters of credit and Rs. 128.73 million (2016: Rs. 128.73 million) for bank guarantees; the amount utilized as at 30 June 2017 was Rs. 569.36 million (2016: Rs. 55.60 million) and Rs. 122.73 million (2016: Rs. 121.73 million) respectively.

10.4 All the above short term finance facilities are secured by hypothecation charge of Rs. 2,262 million (2016: Rs. 1,328.67 million) on existing and future current assets of the Company; and personal guarantees of some of the directors of the Company.

	2017 Rupees	2016 Rupees
11 Mark-up accrued on borrowings		
Mark-up based borrowings:		
Long term financing - secured	5,215,455	7,263,208
Short term borrowings - secured	1,121,934	6,131,376
	6,337,389	13,394,584

Notes to the Financial Statements
For the year ended 30 June 2017

12. Contingencies and commitments

12.1 Contingencies

12.1.1 The State Cement Corporation of Pakistan (Private) Limited, previous sole owner of the Company, raised a claim of Rs. 5.64 million (2016: Rs. 5.64 million) against the Company on account of interim dividend pertaining to year ended 30 June 1993 declared by previous Board of Directors. The subsequent Board of Directors rescinded the declaration of interim dividend on various grounds. The matter is pending before Honourable Lahore High Court.

12.1.2 Current management of the Company filed a claim before Secretary Finance, Government of Pakistan for recovery of Rs. 14.10 million (2016: Rs. 14.10 million) being interim dividend pertaining to year ended 30 June 1992 paid by previous management of the Company to State Cement Corporation of Pakistan (Private) Limited ("SCCPL") and misuse of plant by previous management. Later, Board of Directors of the Company rescinded the aforesaid dividend which was ratified and confirmed by members of the Company at Annual General Meeting. Consequently, the Company withheld aforesaid interim dividend amounting to Rs. 14.10 million (2016: Rs. 14.10 million) from the interim dividend payable to SCCPL declared by the Company pertaining to period ended 31 December 1994. Intimations had been made to SCCPL and Securities and Exchange Commission of Pakistan ("SECP"). This amount has been withheld on legal advice obtained from corporate lawyers. Currently the matter is pending for arbitration with Secretary of Finance, Government of Pakistan.

12.1.3 The Competition Commission of Pakistan ("CCP") took suo moto action under Competition Ordinance, 2007, (subsequently enacted as Competition Act, 2010 - the "Law") and issued show cause notice on 28 October 2008 inquiring for increase in cement prices across the country. Similar notices were also issued to All Pakistan Cement Manufacturer Association ("APCMA") and its member cement manufacturers. The Company filed writ petition in Honourable Lahore High Court ("LHC") challenging the vires of the law. The LHC, vide its order dated 24 August 2009, allowed CCP to issue its final order. Consequently, CCP passed an order dated 28 August 2009 imposing a penalty of Rs. 103.00 million on the Company. The said levy of penalty has also been agitated by the Company before the LHC, and the LHC vide its order dated 31 August 2009 restrained CCP from enforcing its order against the Company for the time being.

The vires of the Law have been challenged by a number of petitioners and all such petitioners have been advised by their legal counsel that prima facie the Law is ultra vires the Constitution. A large number of grounds have been raised by these petitioners and the matter is currently being adjudicated by the LHC and Honourable Sindh High Court ("SHC"). In all these cases, stay orders have been granted by aforementioned courts.

12.1.4 An application was filed by certain shareholders of the Company including one ex-director of the Company before SECP praying for investigation into affairs of the Company. Consequently, SECP issued a show cause notice dated 27 July 2011 to the Company and all its Directors. Responding to the notice, management strongly denied all the baseless, false and frivolous allegations levelled in the application and further challenged the said notice before LHC that granted stay against the proceedings.

Further, in July 2012, the aforementioned shareholders have also filed a constitutional writ petition before Honourable Peshawar High Court ("PHC") against management of the Company under sections 290, 291, 292 read with section 265 of the Companies Ordinance, 1984 which is pending adjudication.

Notes to the Financial Statements

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12.1.5 The tax department, after conducting Sales Tax and Federal Excise Duty audit of the Company for tax year 2009 passed an order dated 23 May 2012 disallowing zero rating on exports and input tax claims, levying additional tax and penalty amounting to Rs. 12.72 million and Rs. 14.02 million under provisions of Sales Tax and Federal Excise Laws respectively. The Company filed appeal before CIR(A) along with a writ petition before the Honourable Lahore High Court ("LHC") against the above mentioned order. Both litigations have been decided in favour of the Company. However, both these appellate decisions have been assailed by the tax department at respective forums i.e. through filing of appeal before the ATIR and through filing of an Intra Court Appeal before the Honourable LHC, which are pending adjudication. An amount of Rs. 14.80 million was deposited by the Company under Amnesty Scheme announced vide SRO 548(I)/2012 dated 22 May 2012 which became refundable to the Company in consequence of favourable appellate orders.

12.1.6 The Additional Commissioner Inland Revenue ("ACIR") amended the assessment under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2007 to create a demand of Rs. 33.60 million after making various profit and loss additions to the income of the Company and changing apportionment basis of expenses between local and export sales. Out of the said demand, the Company has deposited Rs. 5.00 million under protest and has challenged the treatment meted out by ACIR through filing of appeal before the CIR(A), which has been partially decided in favour of the Company culminating into a disputed tax liability on part of the Company amounting to Rs. 22.80 million. The said decision of the CIR(A) has been contested both by the Company and the Inland Revenue Department before the ATIR through cross appeals which are pending adjudication.

12.1.7 Deputy Commissioner Inland Revenue ("DCIR") has imposed and the Company has paid a penalty of Rs. 36.90 million under section 33(17) of the Sales Tax Act, 1990 ("the Act") for alleged violation of section 3(2) of the Act, which requires the Company to print retail price on cement bags. The Company has deposited this penalty under protest. In the immediate case, DCIR ignored the facts of legal compliance by the Company including due discharge of its Sales Tax liability and arbitrarily imposed the penalty presuming that entire Sales Tax liability for the period from July 2013 to January 2014 is unpaid. Hence, the Company filed an appeal before CIR(A), which was decided by CIR(A) against the Company through a non speaking order which is contested by the Company before the honourable Appellate Tribunal Inland Revenue, Lahore which is pending adjudication.

12.1.8 The Deputy Commissioner Inland Revenue ("DCIR"), while rectifying deemed assessment of the Company for Tax Year 2013 disallowed claim of prior years' available refunds of Rs. 29.80 million without considering the facts and submissions of the Company. The arbitrary treatment meted out by the DCIR was contested by the Company before Commissioner Inland Revenue (Appeals) [CIR(A)], who has set aside the order of DCIR to consider the case of the Company afresh. The Company has challenged the decision of CIR(A) before the Appellate Tribunal Inland Revenue, Lahore, which is pending adjudication.

12.1.9 The Deputy Commissioner Inland Revenue (DCIR), disallowed Rs. 17.01 million being reversal of excess output tax paid by the Company on advances received from its dealers and imposed a penalty of Rs. 0.85 million, pertaining to Tax Periods August 2013, October 2013, December 2013, January 2014 and March 2014 without apprehending the facts and legal provisions which do not empower the DCIR to disallow the aforesaid amount. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], challenging the aforesaid disallowance and in the meanwhile, the principal demand of Rs. 17.01 million was also paid to the State treasury. The CIR(A), heard the case of the Company for the aforesaid tax periods except March 2014 and remanded the case back to the DCIR to consider the contention of the Company to delete the disallowance to the tune of Rs. 4.6 million as principal amount and Rs. 0.23 million as penalty. However, the rest of disallowance pertaining to tax period March 2014 amounting to Rs. 12.4 million and penalty Rs. 0.62 million is pending

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adjudication. The decision of CIR(A) remanding the case back to DCIR has been contested by the Company through filling of appeal before Apellate Tribunal Inland Revenue (ATIR). The appeal of the Company is pending adjudication.

12.1.10 The Company was selected for Sales Tax Audit for Tax Year 2013 by the FBR. Audit was conducted and finalized by the Inland Revenue Department resulting into a levy of Federal Excise Duty of Rs. 2.93 million along with a penalty of Rs. 0.15 million and disallowance of input Sales Tax/levy of Sales Tax of Rs. 27.20 million along with imposition of a penalty of Rs. 0.88 million. This aggregate demand of Rs. 31.20 million has been paid under protest and contested by the Company through filing of appeal before the Commissioner Inland Revenue (Appeals), which is pending adjudication.

12.1.11 The Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice U/S 205(1B) of the Income Tax Ordinance, 2001 (ITO, 2001) to the Company showing intention to impose default surcharge of Rs. 71.50 million for non payment of advance income tax liability for tax year 2014 under section 147 of the ITO, 2001 by the due date by working out the amount of default surcharge for the period from 01 April 2014 to the date of filing of income tax return. The Company is of the view that the default period for the purpose of default surcharge should commence from the due date of advance tax i.e. 15 June 2014 uptil the date of payment. Accordingly, the Company has challenged the basis of calculation of default surcharge before the Honourable Lahore High Court (LHC) seeking its intervention to declare such provisions as ultra vires the Constitution of Pakistan. The LHC has allowed interim relief to the Company whereby no default surcharge shall be levied and received by the department till the final decision of LHC.

12.1.12 The Sui Northern Gas Pipelines Limited (SNGPL) charged an amount of Rs. 12.19 million being Non-Metered Volume Adjustment for the period from 16 June 2013 to 25 June 2013 in the Sui gas bill of the Company for the Month of August 2014. On appeal before the Oil and Gas Regulatory Authority (OGRA), the said levy was set aside by the OGRA to its Designated Officer, who partially decided the case in favour of the Company which, thus, is agitated again by the Company on filing an appeal before OGRA, which is pending adjudication.

12.1.13 The Additional Commissioner Inland Revenue (ACIR) amended the assessment under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2010, whereby the ACIR created an Income Tax Demand of Rs 24.36 million by making various profit and loss additions to the income of the Company and changing apportionment basis of expenses between local and export sales. The order of the ACIR has been impugned by the Company before the Commissioner Inland Revenue (Appeals) [CIR(A)] which was suceeded leaving a tax demand of Rs. 12.8 million against the Company and deleting the entire additions and disallowances. The order of the CIR(A) resulted in filing of appeal by the Company and the Department before the Appeallate Tribunal Inland Revenue, which is pending adjudication.

12.1.14 The Additional Commissioner Inland Revenue, while proceeding U/S 122(5A) of the Income Tax Ordinance, 2001 created income tax demands of Rs. 900 million and Rs. 502 million for the Tax Years 2013 & 2014 respectively vide two separate orders. On an appeal by the Company before the Commissioner Inland Revenue (Appeals) [CIR(A)], the aforesaid demands have now been curtailed to Rs. 24.4 million and Rs. 16.7 million respectively for the Tax Year 2013 and Tax Year 2014 by passing two independent appeal orders for each year. The orders of CIR(A) for the Tax Years 2013 & 2014 have been challenged both by the Company and the Inland Revenue Department (IRD) before the Honourable Appellate Tribunal Inland Revenue, Lahore (ATIR) which are pending adjudication.

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12.1.15 The Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice U/S 205(1B) of the Income Tax Ordinance, 2001 (ITO, 2001) to the Company showing intention to impose Default Surcharge of Rs. 60.23 million (may be reduced to Rs. 41.8 million on acceptance of rectification) for non-payment of advance Income Tax Liability for tax year 2015 U/S 147 of the ITO, 2001 by the due date by working out the amount of Default Surcharge for the period from 01 April 2015 to the date of filing of Income tax return. The Company is of the view that default period for the purpose of default surcharge should be reckoned from the due date of advance tax i.e. 15 June 2015 uptil the date of payment. Accordingly, the Company has challenged the basis of calculation of default surcharge before the Honourable Lahore High Court (LHC) seeking its intervention to declare such provisions as ultra vires the Constitution of Pakistan. The LHC, very graciously allowed interim relief to the Company whereby no Default Surcharge shall be levied and received by the department till the final decision of the LHC.

Based on the opinion of the Company's legal counsels, management is confident of favourable outcome in all aforementioned matters, hence no provision is being recognized in respect of these matters in the financial statements.

12.1.16 Guarantees issued by Commercial Banks on behalf of the Company are of Rs. 118.730 million (2016: Rs. 118.730 million) in favour of SNGPL in accordance with the terms of agreement between the Company and SNGPL and Rs. 4 million (2016: Rs. 3 million) in favour of government institutions for supply of cement.

		Note	2017 Rupees	2016 Rupees
12.2	Commitments			
	In respect of letters of credit for:			
	- capital expenditure		70,344,785	316,746,816
	- stores and spares		499,021,201	55,596,274
	Investment property		-	527,250,000
			569,365,986	899,593,090
13	Property, plant and equipment			
	Operating fixed assets	13.1	7,378,863,363	7,698,456,586
	Capital work in progress	13.4	681,621,351	173,299,377
			8,060,484,714	7,871,755,963

Notes to the Financial Statements
For the year ended 30 June 2017

13.1 Operating fixed assets

	Cost					Depreciation				Net Book
	As at 01 July 2016	Additions/ transfer	Disposals/ transfer	As at 30 June 2017	Depreciation Rate	As at 01 July 2016	For the year	Disposals/ transfer	As at 30 June 2017	value as at 30 June 2017
	---------- Rupees ----------					---------- Rupees ----------				
Freehold land	42,509,358	-	-	42,509,358	-	-	-	-	-	42,509,358
Factory buildings & plant civil structure	3,039,621,369	-	(7,210,027)	3,032,411,342	4% - 5%	1,066,178,678	129,519,071	(2,710,027)	1,192,987,722	1,839,423,620
Office and other building	52,029,829	-	-	52,029,829	5%	20,406,637	1,581,160	-	21,987,797	30,042,032
Housing colony	80,367,775	-	-	80,367,775	5%	34,045,630	2,316,107	-	36,361,737	44,006,038
Plant, machinery and equipment	8,084,758,186	43,835,811	(2,184,378)	8,126,409,619	4% - 5% / units of production	2,675,256,167	324,453,564	(1,846,103)	2,997,863,628	5,128,545,991
Storage tanks and pipelines	30,148,252	-	-	30,148,252	10%	22,187,235	796,102	-	22,983,337	7,164,915
Power installations	97,336,071	35,023,268	-	132,359,339	10%	87,519,597	2,433,867	-	89,953,464	42,405,875
Furniture, fixtures and other office equipment	70,211,877	4,717,593	(205,858)	74,723,612	10%	30,969,794	4,146,834	(47,120)	35,069,508	39,654,104
Computer and printers	30,322,395	3,469,337	-	33,791,732	30%	20,460,120	3,569,491	-	24,029,611	9,762,121
Weighing scale	5,860,727	-	-	5,860,727	10%	3,741,291	211,944	-	3,953,235	1,907,492
Light vehicles	173,298,448	95,172,996	(2,430,086)	266,041,358	20%	75,177,753	24,724,749	(2,297,320)	97,605,182	168,436,176
Heavy vehicles	18,893,210	-	(5,485,500)	13,407,710	20%	14,807,238	808,608	(5,373,867)	10,241,979	3,165,731
Railway sidings	9,853,476	-	-	9,853,476	5%	8,032,545	91,046	-	8,123,591	1,729,885
Laboratory equipment	50,480,601	304,882	-	50,785,483	10%	28,460,820	2,222,303	-	30,683,123	20,102,360
Library books	94,217	-	-	94,217	10%	85,700	852	-	86,552	7,665
2017	11,785,785,791	182,523,887	(17,515,849)	11,950,793,829		4,087,329,205	496,875,698	(12,274,437)	4,571,930,466	7,378,863,363
			-					-		

	Cost					Depreciation				Net Book
	As at 01 July 2015	Additions/ transfer	Disposals/ transfer	As at 30 June 2016	Depreciation Rate	As at 01 July 2015	For the year	Disposals/ transfer	As at 30 June 2016	value as at 30 June 2016
	---------- Rupees ----------					---------- Rupees ----------				
Freehold land	465,365,708	-	(422,856,350)	42,509,358	-	-	-	-	-	42,509,358
Factory buildings & plant civil structure	2,742,025,103	297,596,266	-	3,039,621,369	4% - 5%	945,341,452	120,837,226	-	1,066,178,678	1,973,442,691
Office and other building	42,167,529	9,862,300	-	52,029,829	5%	18,872,026	1,534,611	-	20,406,637	31,623,192
Housing colony	48,108,904	32,258,871	-	80,367,775	5%	32,032,081	2,013,549	-	34,045,630	46,322,145
Plant, machinery and equipment	6,417,726,985	1,671,861,201	(4,830,000)	8,084,758,186	4% - 5% / units of production	2,393,738,819	282,887,222	(1,369,874)	2,675,256,167	5,409,502,019
Storage tanks and pipelines	30,148,252	-	-	30,148,252	10%	21,302,677	884,558	-	22,187,235	7,961,017
Power installations	97,336,071	-	-	97,336,071	10%	86,428,878	1,090,719	-	87,519,597	9,816,474
Furniture, fixtures and other office equipment	53,003,840	17,396,483	(188,446)	70,211,877	10%	27,350,561	3,704,563	(85,330)	30,969,794	39,242,083
Computer and printers	24,263,145	6,059,250	-	30,322,395	30%	17,403,750	3,056,370	-	20,460,120	9,862,275
Weighing scale	5,860,727	-	-	5,860,727	10%	3,505,798	235,493	-	3,741,291	2,119,436
Light vehicles	110,662,703	65,793,099	(3,157,354)	173,298,448	20%	56,630,638	19,651,947	(1,104,832)	75,177,753	98,120,695
Heavy vehicles	18,893,210	-	-	18,893,210	20%	13,785,744	1,021,494	-	14,807,238	4,085,972
Railway sidings	9,853,476	-	-	9,853,476	5%	7,936,707	95,838	-	8,032,545	1,820,931
Laboratory equipment	50,008,827	471,774	-	50,480,601	10%	26,062,229	2,398,591	-	28,460,820	22,019,781
Library books	94,217	-	-	94,217	10%	84,754	946	-	85,700	8,517
2016	10,115,518,697	2,101,299,244	(8,175,800)	11,785,785,791		3,650,476,114	439,413,127	(2,560,036)	4,087,329,205	7,698,456,586
			(422,856,350)	-				-		

Notes to the Financial Statements

For the year ended 30 June 2017

		Note	2017 Rupees	2016 Rupees
13.2	Depreciation charge for the year has been allocated as follows:			
	Cost of goods sold	24	491,064,240	433,984,642
	Selling and distribution expenses	25	1,132,532	949,815
	Administrative and general expenses	26	4,678,926	4,478,670
			496,875,698	439,413,127

13.3 Disposal of property, plant & equipment

Particulars of assets	Cost	Accumulated depreciation	Net Book value	Sales value	Gain /(loss) on disposal	Mode of disposal	Particulars of Purchaser
	2017						
	Rupees						
Light vehicles							
Mazda Sonni Coach	1,100,000	1,053,234	46,766	1,100,000	1,053,234	Negotiation	Mr. Khalid Khan Shinwari
Suzuki Potohar Jeep	319,723	318,373	1,350	315,000	313,650	Negotiation	Mr. Khawaja Muhammad
Toyota Hi-Lux Pick up	1,010,363	925,713	84,650	550,000	465,350	Negotiation	Mr. Laiq Khan
	2,430,086	2,297,320	132,766	1,965,000	1,832,234		
Heavy Vehicles							
Dump Truck Hino	2,235,500	2,222,634	12,866	45,000	32,134	Negotiation	Qadir & Co.
Wheel Loader FX	3,250,000	3,151,233	98,767	350,000	251,233	Negotiation	Qadir & Co.
	5,485,500	5,373,867	111,633	395,000	283,367		
Building							
Line 3 (BUL-R/Mill 3)	7,210,027	2,710,027	4,500,000	4,500,000	-	Casualty	
Plant and Machinery							
PM-Hydrl Crane	2,184,378	1,846,103	338,275	1,200,000	861,725	Negotiation	Qadir & Co.
Furniture, Fixtures and other office equipment							
Apple IPhone 16GB	75,132	15,247	59,885	7,000	(52,885)	Negotiation	Open Market
Apple IPhone 128GB	130,726	31,873	98,853	7,000	(91,853)	Negotiation	Open Market
	205,858	47,120	158,738	14,000	(144,738)		
2017	17,515,849	12,274,437	5,241,412	8,074,000	2,832,588		
2016	8,175,800	2,560,036	5,615,764	2,413,819	(3,201,945)		

		Note	2017 Rupees	2016 Rupees
13.4	Capital work in progress			
	Opening balance		173,299,377	1,699,137,416
	Additions during the year		526,463,141	391,512,221
	Transfers to property, plant and equipment		(18,141,167)	(1,917,350,260)
	Closing balance	13.5	681,621,351	173,299,377
13.5	The breakup is as follows:			
	Plant and machinery		478,152,924	128,593,364
	Civil works		203,264,912	44,502,498
	Borrowing cost		203,515	203,515
			681,621,351	173,299,377

Notes to the Financial Statements

For the year ended 30 June 2017

		Note	2017 Rupees	2016 Rupees
14	Intangibles			
	Intangible assets	14.1	569,107	593,775
	Oracle - ERP under implementation	14.2	14,172,480	-
			14,741,587	593,775
14.1	Intangible assets			
	Cost	14.1.1	5,649,559	5,369,559
	Less: Accumulated amortization	14.1.2	(5,080,452)	(4,775,784)
			569,107	593,775

	2017	2016
	(Percentage)	
Amortization rate	20%	20%

		Note	2017 Rupees	2016 Rupees
14.1.1	Cost			
	At beginning of the year		5,369,559	4,852,284
	Additions during the year		280,000	517,275
	At end of the year		5,649,559	5,369,559
14.1.2	Accumulated amortization			
	At beginning of the year		4,775,784	4,407,103
	Amortization for the year	26	304,668	368,681
	At end of the year		5,080,452	4,775,784
14.2	Oracle - ERP under implementation			
	At beginning of the year		-	-
	Addition during the period	14.2.1	14,172,480	-
	At end of the year		14,172,480	-

14.1.2 This represents development of accounting software under implementation phase.

		Note	2017 Rupees	2016 Rupees
15	Long term loans and advances			
	Loans to employees - secured, considered good		116,808	392,653
	Less: Receivable within one year	21.1	(76,981)	(254,716)
			39,827	137,937
	Loan to Sui Northern Gas Pipelines Limited ("SNGPL")		-	4,700,000
	Less: Receivable within one year		-	(4,700,000)
			-	-
			39,827	137,937

16 Long term deposits

These mainly include security deposits with Pakistan State Oil and Water and Power Development Authority.

Notes to the Financial Statements

For the year ended 30 June 2017

		Note	2017 Rupees	2016 Rupees
17	Investment property			
	Balance at the beginning of the year		2,156,011,898	476,749,671
	Additions during the year		906,812,102	1,256,405,877
	Transfers from property, plant and equipment		-	422,856,350
		17.1	3,062,824,000	2,156,011,898

17.1 Investment property comprises of land that are held for capital appreciation. The approximate market value of investment property is Rs. 3,815.43 million (2016: Rs. 2,648.37 million) conducted by an Independent Valuer. During the year, the Company has purchased land measuring 436.22 kanals located in Lahore.

		Note	2017 Rupees	2016 Rupees
18	Stores, spares and loose tools			
	Stores	18.1	543,164,194	767,176,712
	Spares		764,131,793	663,483,084
	Loose tools		25,880,575	21,989,449
			1,333,176,562	1,452,649,245

18.1 These include stores in transit valuing Rs. 196.51 million (2016: Rs. 507.82 million).

		Note	2017 Rupees	2016 Rupees
19	Stock in trade			
	Raw materials		12,942,787	22,266,462
	Packing materials		65,631,791	76,232,958
	Work in process		703,144,382	405,860,370
	Finished goods		167,423,321	124,546,558
			949,142,281	628,906,348
20.	Short term investments			
	Available for sale - quoted investments			
	Gharibwal Cement Limited:			
	Cost		89,286	89,286
	Fair value gain	20.1	826,514	860,714
			915,800	950,000
	Held for trading			
	Money Market / Income Mutual Funds		102,684,520	-
	Market Treasury Bills		5,115,512,997	-
			5,218,197,517	-
	Loans and receivables			
	Investment in term deposit receipts		-	4,716,818,777
	Investment in market treasury bills		-	696,007,635
	Investment certificates		-	150,000,000
			5,219,113,317	5,563,776,412

Notes to the Financial Statements

For the year ended 30 June 2017

		Note	2017 Rupees	2016 Rupees
20.1	Gharibwal Cement Limited			
	20,000 (2016: 20,000) ordinary shares of Rs. 10 each Market value Rs. 45.79 per share (2016: Rs. 47.50 per share)			
	Cost			
	At beginning of the year		89,286	9,017,839
	Less: Disposals during the year		-	(8,928,553)
			89,286	89,286
	Fair value (loss) / gain			
	At beginning of the year		860,714	45,522,161
	For the year		(34,200)	13,200,000
	Less: Realized during the year		-	(57,861,447)
	Fair value adjustment		826,514	860,714
			915,800	950,000
21	**Advances, deposits, prepayments and other receivables**			
	Advances - unsecured, considered good			
	- to employees	21.1	4,772,443	2,869,838
	- to suppliers		112,502,131	118,063,160
	- to contractors		60,833,299	6,131,602
			178,107,873	127,064,600
	Income tax paid under protest		5,000,000	5,000,000
	Sales tax, Federal Excise Duty and Customs Duty paid under protest	21.2	105,851,454	105,851,453
	Sales tax - net (including advance sales tax)		62,393,581	138,914,435
	Federal Excise Duty - net		-	44,134,749
	Letter of credit / guarantee margin		9,635,624	24,801,332
	Prepayments		1,536,255	3,720,839
	Security deposits		6,962,112	7,747,112
	Accrued interest on bank deposits		273,551	16,792,002
	Current portion of loan given to SNGPL		-	4,700,000
	Duty drawback claims receivable on export sales		20,920,566	19,823,594
	Other advances and receivables	21.3	197,226,298	195,301,224
			587,907,314	693,851,340
21.1	Advances to Company's employees			
	Current maturity of long term loans to employees	15	76,981	254,716
	Advances to employees against salary		3,112,223	1,465,991
	Advances to employees against expenses		1,583,239	1,149,131
			4,772,443	2,869,838

21.2 These represent sales tax, federal excise duty and custom duty paid to the relevant departments under protest, as referred to in notes 12.1.5, 12.1.7, 12.1.9 and 12.1.10.

Notes to the Financial Statements
For the year ended 30 June 2017

21.3 This includes an amount of Rs. 172.65 million (2016: Rs. 170.92 million) equivalent to 1.647 USD million (2016: USD 1.635 million) receivable on account of notice of encashment of unconditional and irrevocable performance bank guarantees issued by foreign / local bank on behalf of the foreign supplier of plant and equipment of 6,700 TPD cement plant (the aforesaid amount is net off Rs. 90.17 million being provision for doubtful receivables). The said guarantee had been called by the Company for encashment, as the foreign supplier could not complete the project within the time period stipulated in the Plant Supply Contract. The Company also withheld retention money of Rs. 172.65 million (2016: Rs. 170.92 million) of supplier till the resolution of this matter as referred in note 9.3. The management believes that there is no adverse exposure on the Company.

	Note	2017 Rupees	2016 Rupees
22 Cash and bank balances			
Cash in hand		863,944	609,525
Cash at bank			
- current accounts			
Deposits with conventional banks		114,181,042	154,556,063
Deposits with islamic banks		-	-
		114,181,042	154,556,063
- saving accounts	22.1		
Deposits with conventional banks		157,379,132	278,522,195
Deposits with islamic banks		8,008,449	14,947,126
		165,387,581	293,469,321
Banker's Cheques'		215,226,000	25,000,000
		495,658,567	473,634,909

22.1 These carry return at 3.75% to 5.3% (2016: 2.50% to 6.65%) per annum.

	2017 Rupees	2016 Rupees
23 Sales - net		
Local sales	17,937,745,206	16,520,932,729
Export sales	649,788,158	1,216,055,687
	18,587,533,364	17,736,988,416
Less: Sales tax	(2,976,535,619)	(2,723,615,246)
Federal Excise Duty	(1,956,554,700)	(781,076,945)
Commission on cement sales	(114,138,445)	(212,453,548)
	(5,047,228,764)	(3,717,145,739)
	13,540,304,600	14,019,842,677

Notes to the Financial Statements

For the year ended 30 June 2017

		Note	2017 Rupees	2016 Rupees
24	Cost of goods sold			
	Raw materials consumed		633,468,138	602,370,152
	Packing materials consumed		694,095,986	872,942,567
	Power and fuel		1,592,911,187	1,769,479,992
	Coal, gas and furnace oil		3,556,481,643	3,079,261,546
	Coal unloading and feeding charges		5,484,226	4,563,083
	Stores and spares consumed		360,165,551	356,865,679
	Salaries, wages and other benefits	24.1	298,575,042	256,156,089
	Royalty and excise duty		202,996,647	205,892,883
	Rent, rates and taxes		27,029,749	22,519,391
	Repairs and maintenance		86,947,369	95,570,031
	Insurance		31,901,016	20,450,279
	Depreciation	13.2	491,064,240	433,984,642
	Other expenses		81,098,676	66,017,469
			8,062,219,470	7,786,073,803
	Work in process			
	At beginning of the year		405,860,370	168,067,955
	At end of the year		(703,144,382)	(405,860,370)
			7,764,935,458	7,548,281,388
	Finished goods			
	At beginning of the year		124,546,558	103,016,133
	At end of the year		(167,423,321)	(124,546,558)
			7,722,058,695	7,526,750,963
	Less: Cost attributable to own cement consumption		(9,122,012)	(3,473,130)
			7,712,936,683	7,523,277,833

24.1 Salaries, wages and other benefits include Rs. 5.98 million (2016: Rs. 5.50 million) and Rs. 3.80 million (2016: Rs. 2.32 million) in respect of provident fund contributions and compensated absences, respectively.

		Note	2017 Rupees	2016 Rupees
25	Selling and distribution expenses			
	Salaries, wages and other benefits	25.1	34,954,773	36,815,310
	Vehicle running expenses		2,157,564	2,252,638
	Travelling and conveyance		1,725,713	1,810,609
	Printing and stationery		634,312	786,261
	Postage, telephone and telegrams		1,016,125	1,084,567
	Entertainment		1,458,952	1,687,674
	Rent, rates and taxes		2,312,714	2,032,980
	Electricity, water and gas		397,180	341,844
	Sales promotion		10,207,003	5,999,679
	Depreciation	13.2	1,132,532	949,815
	Cement loading charges		29,531,133	26,141,810
	Freight and handling charges on exports		43,111,000	73,899,865
	Miscellaneous		1,027,116	781,096
			129,666,117	154,584,148

25.1 Salaries, wages and other benefits include Rs. 0.88 million (2016: Rs. 0.87 million) and Rs. 0.5 million (2016: Rs. 0.30 million) in respect of provident fund contributions and compensated absences, respectively.

Notes to the Financial Statements

For the year ended 30 June 2017

		Note	2017 Rupees	2016 Rupees
26.	Administrative and general expenses			
	Salaries, wages and other benefits	26.1	110,218,955	82,855,450
	Vehicle running		2,059,394	993,431
	Traveling and conveyance		1,209,844	1,059,328
	Printing and stationery		3,372,591	4,002,172
	Legal and professional	26.2	12,915,026	9,181,343
	Postage, telephone and telegrams		3,569,154	3,891,456
	Repairs and maintenance		13,290,869	13,661,660
	Rent, rates and taxes		1,482,306	1,958,411
	Electricity, water and gas		3,314,239	3,454,659
	Entertainment		2,832,361	2,779,771
	Auditors' remuneration	26.3	1,215,500	1,215,500
	Depreciation	13.2	4,678,926	4,478,670
	Amortization	14.1.2	304,668	368,681
	Advertisement		613,111	1,917,464
	Miscellaneous		1,932,285	1,273,983
			163,009,229	133,091,979

26.1 Salaries, wages and other benefits include Rs. 2.86 million (2016: Rs. 1.98 million) and Rs. 0.86 million (2016: Rs. 0.53 million) in respect of provident fund contributions and compensated absences, respectively.

26.2 Legal and professional charges include remuneration to cost auditor amounting to Rs. 0.15 million (2016: Rs. 0.08 million).

		Note	2017 Rupees	2016 Rupees
26.3	Auditors' remuneration			
	Statutory audit		1,100,000	1,100,000
	Half year review		115,500	115,500
			1,215,500	1,215,500
27	Other operating income			
	Income from financial assets			
	Interest on bank deposits and investments under mark-up based arrangement with conventional banks		79,613,672	285,366,201
	Realized gain on held for trading investments		258,945,659	-
	Unrealized gain on held for trading investments		45,638,225	123,091,755
	Profit on bank deposits - arrangements permissible under Shariah		361,167	9,004,797
	Interest on SNGPL loan		52,733	123,809
	Dividend received from investment in mutual funds		30,000	-
	Gain on sale of investment in Gharibwal Cement Limited	20.1	-	57,861,447
			384,641,456	475,448,009
	Income from non-financial asset			
	Income from sale of scrap		2,385,920	1,290,410
	Gain on disposal of property, plant and equipment	13.3	2,832,588	-
	Miscellaneous income		3,244,424	2,566,234
			8,462,932	3,856,644
			393,104,388	479,304,653

Notes to the Financial Statements

For the year ended 30 June 2017

		Note	2017 Rupees	2016 Rupees
28	Other operating expenses			
	Workers' Profit Participation Fund	9.1	291,660,512	329,389,076
	Worker's Welfare Fund	9.2	106,625,330	85,678,851
	Loss on disposal of property, plant and equipment	13.3	-	3,201,945
	Donations	28.1	9,625,000	17,740,000
			407,910,842	436,009,872

28.1 None of the Directors of the Company or any of their spouse have any interest in donee's fund.

		Note	2017 Rupees	2016 Rupees
29	Finance cost			
	Mark-up on:			
	Short term borrowings- secured		8,326,649	17,567,418
	Long term finances-secured		67,381,272	28,257,371
			75,707,921	45,824,789
	Bank charges, commission and others		9,253,805	15,917,286
	Default surcharge		-	16,374,471
			84,961,726	78,116,546
30.	Taxation			
	Current			
	- for the year	30.3	1,821,543,146	1,311,323,773
	- prior		(1,847,465)	(25,556)
			1,819,695,681	1,311,298,217
	Deferred - for the year		70,413,860	454,693,275
			1,890,109,541	1,765,991,492
30.1	Relationship between tax expense and accounting profit			
	Profit before taxation		5,434,924,391	6,174,066,952
	Tax calculated at the rate of 31.00% / 32.00%		1,684,826,561	1,975,701,425
	Tax effect of:			
	- income under Final Tax Regime		(76,268,974)	(119,818,630)
	- super tax		167,529,258	132,529,252
	- effect of permanent differences		29,274,250	-
	- change in proportion of local and export sales		105,505,966	36,933,621
	- tax rate adjustment		(624,404)	(69,118,034)
	- tax credits		(10,869,658)	(195,409,576)
	- prior year adjustment		(1,847,465)	(25,556)
	- others		(7,415,993)	5,198,990
			1,890,109,541	1,765,991,492

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30.2 The Finance Act, 2017 amended Section 5A of the Income Tax Ordinance, 2001 under which every public company other than a scheduled bank or modaraba, that derives profits for a tax year and does not distribute atleast 40 percent of its after tax profits within six months of the end of the tax year through cash or bonus shares shall be liable to pay tax at the rate of seven and a half percent of its accounting profit before tax.

During the year, the Company has paid interim dividend equivalent to 52.3% of its after tax profits. Accordingly, no provision for tax under the above mentioned section has been recognized in these financial statements for the year ended 30 June 2017.

30.3 This includes provision for Super Tax amounting to Rs. 167.5 million (2016: Rs. 132.5 million) computed at the rate of 3% on the income of the Company in excess of Rs. 500/- million computed in terms of Section 4B of the Income Tax Ordinance, 2001. The aforesaid levy is in the nature of fee/cess being imposed for a specific purpose i.e. for rehabilitation of temporary displaced persons; hence does not come within the scope of Money Bill/Act as settled by the Honourable Supreme Court of Pakistan in a similar matter that feature of having a specific purpose is a characteristic of a fee. A number of taxpayers have challenged the chargeability of Super Tax before the Honourable High Courts and there is a strong possibility of favourable decision from the Honourable Courts. However, being prudent, till the time any such declaration is pronounced by higher judicial authorities, the liability of Super Tax is recognized by the Company in its books of accounts as per statutory law.

	Unit	2017 Rupees	2016 Rupees
31. Earnings per share - basic and diluted			
31.1 Basic and diluted earnings per share			
Earnings for the year after taxation	Rupees	3,544,814,850	4,408,075,460
Weighted average number of ordinary shares	Numbers	154,508,690	154,508,690
Earnings per share	Rupees	22.94	28.53

31.2 There is no dilutive effect on the basic earnings per share as the Company does not have any convertible instruments in issue as at 30 June 2017 and 30 June 2016.

	Note	2017 Rupees	2016 Rupees
32 Cash generated from operations			
Profit before taxation		5,434,924,391	6,174,066,952
Adjustments for non-cash items:			
Depreciation on property, plant and equipment	13.2	496,875,698	439,413,127
Amortization on intangibles	14.1.2	304,668	368,681
(Gain) / loss on disposal of property, plant and equipment	27	(2,832,588)	3,201,945
Unrealized gain on held for trading investments	27	(45,638,225)	(180,953,202)
Provision for compensated absences	8.2	5,155,679	3,159,377
Interest on bank deposits and advances	27	(79,666,405)	(285,490,010)
Realized gain on held for trading investments		(258,945,659)	-
Profit on bank deposits - arrangements permissible under Shariah	27	(361,167)	(9,004,797)
Provision for Workers' Welfare Fund	29	106,625,330	85,678,851
Provision for Workers' Profit Participation Fund	29	291,660,512	329,389,076
Finance cost	29	84,961,726	78,116,546
		598,139,569	463,879,594
Operating profit before working capital changes		6,033,063,960	6,637,946,546

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	Note	2017 Rupees	2016 Rupees
Changes in working capital			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		119,472,683	(420,316,073)
Stock in trade		(320,235,933)	(273,768,725)
Trade debts		(84,965,381)	(38,191,595)
Advances, deposits, prepayments and other receivables		89,425,575	(182,740,839)
		(196,303,056)	(915,017,232)
Increase / (decrease) in current liabilities:			
Trade and other payables		(419,712,025)	136,392,361
Cash generated from operations		5,417,048,879	5,859,321,675

33 Cash and cash equivalents

	Note	2017 Rupees	2016 Rupees
Term deposit receipts	20	-	4,716,818,777
Market treasury bills	20	5,115,512,997	696,007,635
Investment Certificates	20	-	150,000,000
Cash and bank balances	22	495,658,567	473,634,909
		5,611,171,564	6,036,461,321

34. Transactions with relaetd parties

The related parties comprise holding company, associated companies, Directors of the Company, key management staff and staff retirement funds. Transactions and balances with related parties are as follows:

	Nature of transactions	Note	2017 Rupees	2016 Rupees
Transaction with holding company				
ANS Capital (Private) Limited.	Dividend paid		1,104,823,200	764,877,600
Transactions with associated undertakings / companies due to common directorship				
Art Vision (Private) Limited (Asian Hotels and Resorts (Pvt) Ltd.)	Sale of Cement		-	8,184,897
Ultra Pack (Private) Limited	Sale of Cement		3,302,348	10,018,917
Ultra Pack (Private) Limited	Purchase of packing materials		255,458,000	-
Palace Enterprises (Private) Limited	Accommodation Services received		392,788	613,590
Employee Funds				
Contribution to Provident Fund Trust	Contribution		9,722,315	8,786,068
Workers' Profit Participation Fund	Contribution	9.1	50,000,000	27,337,315
Others				
Kohat Cement Educational Trust	Contribution		640,400	505,831
	Dividend paid		1,520,454	1,052,622
Key Management Personnel				
Directors	Remuneration paid	35	71,147,027	43,474,757
Directors	Dividend paid		5,078,136	235,505,601
Other Executives	Remuneration paid		88,291,889	74,141,748

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	Nature of transactions	Note	2017 Rupees	2016 Rupees
Balances with associated undertakings / companies due to common directorship				
Ultra Pack (Private) Limited	Trade debts		3,915	565,290
	Trade creditors		5,978,701	-
Palace Enterprises (Pvt) Limited	Trade creditors		15,347	257,507

35. Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the financial statements for the year in respect of remuneration, including benefits to the Chief Executive, Directors and Executives of the Company is as follows:

	2017			
		Directors		
	Chief Executive	Non-Executive	Executive	Executives
Short term employee benefits				
Managerial remuneration	30,000,000	-	30,000,000	72,100,612
Bonus	4,073,300	-	4,073,300	13,888,067
Medical expenses reimbursed	900,427	-	-	-
	34,973,727	-	34,073,300	85,988,679
Post employment benefits				
Contribution to provident fund	1,050,000	-	1,050,000	2,303,210
	36,023,727	-	35,123,300	88,291,889
Number of persons	1	5	1	24

	2016			
		Directors		
	Chief Executive	Non-Executive	Executive	Executives
Short term employee benefits				
Managerial remuneration	17,457,000	-	17,457,000	61,819,316
Bonus	3,099,250	-	3,099,250	10,307,399
Medical expenses reimbursed	1,140,267	-	-	-
	21,696,517	-	20,556,250	72,126,715
Post employment benefits				
Contribution to provident fund	610,995	-	610,995	2,015,033
	22,307,512	-	21,167,245	74,141,748
Number of persons	1	5	1	20

35.1 The Company also provides the Chief Executive, Directors and Executives with free use of Company maintained cars.

35.2 No meeting fee has been paid during the year to any director (2016: Nil)

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36 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Company's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors reviews and agrees policies for managing each of these risks.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

36.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

36.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The Company is not exposed to credit risk against investments made in Government securities of Rs. 5,115.5 million (2016: Rs. 696 million). The maximum exposure to credit risk as at the end of the reporting period was as follows:

	2017 Rupees	2016 Rupees
Loans and receivables		
Long term loans and advances	39,827	137,937
Long term deposits	125,326,640	98,266,640
Trade debts - unsecured, considered good	343,775,970	258,810,589
Short term investments	-	4,866,818,777
Advances, deposits, and other receivables	217,286,789	246,362,377
Cash at banks	494,794,623	473,025,384
	1,181,223,849	5,943,421,704

Notes to the Financial Statements
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36.1.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2017 Rupees	2016 Rupees
Customers	343,775,970	258,810,589
Banking companies	494,794,623	5,339,844,161
Others	342,653,256	364,590,548
	1,181,223,849	5,963,245,298

36.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

36.1.3 (a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances and short term investments. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

	Rating				2017	2016
	Short term	Long term	Rating agency	Date of Rating	Rupees	Rupees
Bank						
Albaraka Bank (Pakistan) Limited	A1	A	PACRA	June-2017	1,902	642,079
Allied Bank Limited	A1+	AA+	PACRA	June-2017	216,825,181	127,568,771
Askari Bank Limited	A1+	AA+	PACRA	June-2017	992,982	11,836,844
Bank Alfalah Limited	A1+	AA+	PACRA	June-2017	2,281,800	2,593,648
Dubai Islamic Bank Pakistan Limited	A-1	AA-	JCR-VIS	May-2017	29,665	29,665
Habib Bank Limited	A-1+	AAA	JCR-VIS	June-2017	75,477,642	63,084,036
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	June-2017	1,698,131	-
MCB Bank Limited	A1+	AAA	PACRA	June-2017	82,093,834	167,949,943
National Bank of Pakistan	A1+	AAA	PACRA	June-2017	53,759,563	19,217,121
NIB Bank Limited	A1+	AA-	PACRA	June-2017	3,979,233	2,991,183
Soneri Bank Limited	A1+	AA-	PACRA	June-2017	1,806,346	1,436,100
Standard Chartered Bank (Pakistan) Ltd.	A1+	AAA	PACRA	June-2017	5,990,963	13,704,211
The Bank of Punjab	A1+	AA	PACRA	June-2017	6,285,584	2,253,323
The Bank of Khyber	A1	A	PACRA	June-2017	8,127,793	15,619,856
United Bank Limited	A-1+	AAA	JCR-VIS	June-2017	32,083,255	33,348,677
Meezan Bank Limited	A-1+	AA	JCR-VIS	June-2017	2,023	600,762
Samba Bank Limited	A-1	AA	JCR-VIS	June-2017	2,859,472	10,044,370
JS Bank Limited	A1+	AA-	PACRA	June-2017	499,254	104,795
					494,794,623	473,025,384

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	Rating				2017	2016
	Short term	Long term	Rating agency	Date of Rating	Rupees	Rupees
Term Deposit Receipts						
Allied Bank Limited	A1+	AA+	PACRA	June-2017	-	800,000,000
Askari Bank Limited	A1+	AA+	PACRA	June-2017	-	-
Bank Alfalah Limited	A1+	AA	PACRA	June-2017	-	500,000,000
The Bank of Punjab	A1+	AA-	PACRA	June-2017	-	375,000,000
United Bank Limited	A-1+	AAA	JCR-VIS	June-2017	-	500,000,000
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	June-2017	-	206,079,408
JS Bank Limited	A1+	A+	PACRA	June-2017	-	125,000,000
National Bank of Pakistan	A1+	AAA	PACRA	June-2017	-	500,000,000
Habib Bank Limited	A-1+	AAA	JCR-VIS	June-2017	-	1,000,000,000
Samba Bank Limited	A-1	AA	JCR-VIS	June-2017	-	100,000,000
NIB Bank Limited	A1+	AA-	PACRA	June-2017	-	410,739,369
Soneri Bank Limited	A1+	AA-	PACRA	June-2017	-	200,000,000
					-	4,716,818,777
Certificate of Investment						
Pak Oman Investment Company Ltd.	A-1+	AA+	JCR-VS		-	150,000,000

36.1.3(b) Counterparties without external credit ratings

These include customers which are counter parties to trade debts. The Company is exposed to credit risk in respect of trade debts. However, trade debts includes an amount of Rs. 78.36 million (2016: Rs. 159.16 million) in respect of FWO and Rs. 1.06 million (2016: Rs. 0.75 million) in respect of Pakistan Railways which are Government backed organizations. The analysis of ages of trade debts of the Company as at the reporting date is as follows:

	Gross carrying amount	
	2017 Rupees	2016 Rupees
Past due 0 - 1 Months	254,331,359	81,150,688
Past due 1 - 6 Months	84,192,150	143,195,223
Past due 6 - 12 Months	2,304,751	32,588,955
Past due above one year	2,947,710	1,875,723
	343,775,970	258,810,589

Based on past experience the management believes that no impairment allowance is necessary in respect of trade debts past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

36.2. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner unfavourable to the Company. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and availability of adequate funds through committed credit facilities. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

Notes to the Financial Statements

For the year ended 30 June 2017

36.2.1 Exposure to liquidity risk

36.2.1(a) Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities at the reporting date. The amounts are grossed and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	Note	Carrying amount	Contractual cash flows	Less than six months	Six to twelve months	One to Five years
		2017				
		Rupees				
Non-derivative financial liabilities						
Long term financing	6	710,526,312	787,684,416	168,918,853	162,951,756	455,813,807
Long term deposits	7	2,036,100	2,036,100	-	-	2,036,100
Trade and other payables	9	740,306,610	740,306,610	740,306,610	-	-
Short term borrowings	10	200,000,000	200,000,000	200,000,000	-	-
Mark-up accrued on borrowings	11	6,337,389	6,337,389	6,337,389	-	-
		1,659,206,411	1,736,364,515	1,115,562,852	162,951,756	457,849,907

	Note	Carrying amount	Contractual cash flows	Less than six months	Six to twelve months	One to Five years
		2016				
		Rupees				
Non-derivative financial liabilities						
Long term financing	6	994,736,840	1,151,391,760	187,065,445	177,009,868	787,316,447
Long term deposits	7	2,036,100	2,036,100	-		2,036,100
Trade and other payables	9	1,065,493,012	1,065,493,012	1,065,493,012	-	-
Short term borrowings	10	598,000,000	598,000,000	598,000,000	-	-
Mark-up accrued on borrowings	11	13,394,584	13,394,584	13,394,584	-	-
		2,673,660,536	2,830,315,456	1,863,953,041	177,009,868	789,352,547

36.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

36.3.1 Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which advances, sales and purchases and bank balances are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The currencies in which these transactions are primarily denominated are Euros and US dollars.

36.3.1(a) Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

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For the year ended 30 June 2017

	2017		
	EURO	USD	Rupees
Assets			
Advances, deposits, and other receivables	-	1,647,380	172,645,424
Liabilities			
Trade creditors	-	(1,326,532)	(139,285,860)
Retention money payable to Sinoma	(353,300)	(1,240,000)	(172,645,424)
Net balance sheet exposure	(353,300)	(919,152)	(139,285,860)

	2016		
	EURO	USD	Rupees
Assets			
Advances, deposits, and other receivables	-	1,635,601	170,920,328
Liabilities			
Trade creditors	(41,589)	(3,480,163)	(369,210,283)
Retention money payable to Sinoma	(353,300)	(1,240,000)	(170,920,328)
Net balance sheet exposure	(394,889)	(3,084,562)	(369,210,283)

36.3.1(b) Exchange rates applied during the year

The following significant exchange rates have been applied during the year

	EURO		USD	
	2017	2016	2017	2016
	Rupees			
Reporting date spot rate				
- *buying*	119.91	116.08	104.80	104.50
- *selling*	120.14	116.31	105.00	104.70
Average rate for the year	119.66	116.76	104.58	105.17

36.3.1(c) Sensitivity analysis

A reasonably possible strengthening / (weakening) of 1% in Pak Rupee against the following currencies would have affected the measurement of financial instruments denominated in foreign currency and affected profit and loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit	
	2017 Rupees	2016 Rupees
EURO	(424,455)	(459,295)
USD	(968,404)	(3,232,808)
	(1,392,859)	(3,692,103)

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36.3.1(d) Currency risk management

Since the maximum amount exposed to currency risk is only 1.83% (2016: 1.91%) of the Company's total assets, any adverse / favorable movement in functional currency with respect to US dollar and Euro will not have any material impact on the operational results.

36.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

36.3.2(a) Mark-up bearing financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2017		2016	
	Financial asset	Financial liability	Financial asset	Financial liability
	Rupees			
Non-derivative financial instruments				
Fixed raet instruments	116,808	200,000,000	5,567,919,065	598,000,000
Variable rate instruments	-	710,526,312	-	1,425,447,368

36.3.2(b) Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) equity and profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

	Profit	
	2017 Rupees	2016 Rupees
Increase of 100 basis points	(7,105,263)	(9,947,368)
Decrease of 100 basis points	7,105,263	9,947,368

36.3.2(c) Interest raet risk management

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company's borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

36.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments trading in market.

36.3.3(a) Investments exposed to price risk

At the balance sheet date, the Company's investment in quoted equity securities, investments in money market/income mutual funds and market treasury bills is as follows:

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For the year ended 30 June 2017

	2017 Rupees	2016 Rupees
Investment in equity securities	915,800	950,000
Investment in units of mutual funds	102,684,520	-
Investment in market treasury bills	5,115,512,997	-
	5,219,113,317	950,000

36.3.3(b) Sensitivity analysis

A 5% increase / decrease in redemption and share prices at year end would have increased / decreased the Company's surplus on re-measurement of available for sale investments and profit and loss account respectively as follows:

	Equity	
	2017 Rupees	2016 Rupees
Available for sale financial assets		
Effect of increase	45,790	47,500
Effect of decrease	(45,790)	(47,500)
	Profit and loss account	
Held for trading		
Effect of increase	5,134,226	-
Effect of decrease	(5,134,226)	-

36.3.3(c) Price risk management

The Company manages price risk by monitoring exposure in quoted equity securities and units in mutual funds and implementing the strict discipline in internal risk management and investment policies. The carrying value of investments subject to equity price risk are based on quoted market prices as at reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from reported market value. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

36.4 Fair value of financial instruments

36.4.1 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

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		Carrying Amount					Fair Value		
		Fair value through other comprehensive income	Fair value through profit and loss	Loans and receivables	Other fianncial liabilities	Total	Level 1	Level 2	Level 3
On-Balance sheet financial instruments	Note				Rupees				
30 June 2017									
Financial assets measured at fair value		915,800	5,218,197,517	-	-	-	5,219,113,317	-	-
		915,800	5,218,197,517	-	-	-	5,219,113,317	-	-
Financial assets not measured at fair value									
Long term loans and advances		-	-	39,827	-	39,827	-	-	-
Long term deposits		-	-	125,326,640	-	125,326,640	-	-	-
Trade debts - unsecured, considered good		-	-	343,775,970	-	343,775,970	-	-	-
Short term investments		-	-	-	-	-	-	-	
Advances, deposits, and other receivables		-	-	217,286,789	-	217,286,789	-	-	-
Cash at banks		-	-	494,794,623	-	494,794,623	-	-	-
	36.4.2	-	-	1,181,223,849	-	1,181,223,849	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value									
Long term financing		-	-	-	710,526,312	710,526,312	-	-	-
Long term deposits		-	-	-	2,036,100	2,036,100	-	-	-
Trade and other payables		-	-	-	740,306,610	740,306,610	-	-	-
Short term borrowings		-	-	-	200,000,000	200,000,000	-	-	-
Mark-up accrued on borrowings		-	-	-	6,337,389	6,337,389	-	-	-
	36.4.2	-	-	-	1,659,206,411	1,659,206,411	-	-	-

		Carrying Amount					Fair Value		
		Fair value through other comprehensive income	Fair value through profit and loss	Loans and receivables	Other fianncial liabilities	Total	Level 1	Level 2	Level 3
On-Balance sheet financial instruments	Note				Rupees				
30 June 2016									
Financial assets measured at fair value		950,000	-	-	-	-	950,000	-	-
		950,000	-	-	-	-	950,000	-	-
Financial assets not measured at fair value									
Long term loans and advances		-	-	137,937	-	137,937	-	-	-
Long term deposits		-	-	98,266,640	-	98,266,640	-	-	-
Trade debts - unsecured, considered good		-	-	258,810,589	-	258,810,589	-	-	-
Short term investments		-	-	5,562,826,412	-	5,562,826,412	-	-	
Advances, deposits, and other receivables		-	-	246,362,377	-	246,362,377	-	-	-
Cash at banks		-	-	473,025,384	-	473,025,384	-	-	-
	36.4.2	-	-	6,639,429,339	-	6,639,429,339	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value									
Long term financing		-	-	-	994,736,840	994,736,840	-	-	-
Long term deposits		-	-	-	2,036,100	2,036,100	-	-	-
Trade and other payables		-	-	-	1,065,493,612	1,065,493,612	-	-	-
Short term borrowings		-	-	-	598,00,000	598,00,000	-	-	-
Mark-up accrued on borrowings		-	-	-	13,394,384	13,394,584	-	-	-
	36.4.2	-	-	-	2,673,660,536	2,673,660,536	-	-	-

36.4.2 Fair value versus carrying amount

The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

Notes to the Financial Statements
For the year ended 30 June 2017

36.4.3 Fair value of investment property

Fair value of investment property is determined by professional valuers (level 3 measurement) based on their assessment of the market values as disclosed. The valuations are conducted by the valuation experts appointed by the Company. The valuation experts used a market based approach to arrive at the fair value of the Company's investment properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

37 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when management capital are:

i. to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

ii. to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

38 Operating segments

38.1 These financial statements have been prepaerd on the basis of single reportable segment.

38.2 Revenue from sale of cement represents 100.00% (2016: 100.00%) of gross sales of the Comapny.

38.3 The net sales percentaeg by geographic region is as follows:

	2017	2016
Pakistan	95.77%	92.38%
Afghanistan	4.23%	7.62%
	100.00%	100.00%

38.4 All assets of the Company as at June 2017 are located in Pakistan

	Plant capacity		Actual production	
	2017	2016	2017	2016
	Metric tons		Metric tons	
39 Capacity and production				
Clinker:				
Grey	2,550,000	2,550,000	1,944,347	1,927,412
White	135,000	135,000	21,684	29,094
Cement:				
Grey	2,805,000	2,805,000	2,055,248	2,059,292
White	148,500	148,500	32,486	38,760

Difference is due to supply demand situation of the market.

Notes to the Financial Statements

For the year ended 30 June 2017

40 Provident Fund Trust

The following informatino is based on latest un-audited financial statements of Provident Fund Trust

	Unit	2017 Un-Audited	2016 Audited
Size of fund - total assets	Rupees	135,453,097	107,806,628
Cost of investments made	Rupees	125,769,260	100,229,167
Percentage of investments made	Percentage	92.85%	92.97%
Fair value of investment	Rupees	128,602,632	101,689,328

The breakup of fair value of investments is as follows:

	2017 (Un-Audited)		2016 (Audited)	
	Rupees	Percentage	Rupees	Percentage
Fixed deposits	67,262,859	52.30%	47,773,235	46.98%
Mutual funds	60,923,751	47.38%	49,825,294	49.00%
Cash at bank	416,022	0.32%	4,090,799	4.02%
	128,602,632	100.00%	101,689,328	100.00%

The investments out of Provident Fund Trust have been made in accordance with the provision of section 227 of the Companies Ordinance, 1984 and the rules formulated for the purpose.

41. Number of empoyees

The total average number of employees during the year and as at 30 June 2017 and 2016 respectively are as follows:

	2017	2016
	Number of employees	
Average number of employees during the year	499	464
Number of employees as at 30 June:	518	494

42. Post balance sheet events

The Board of Directors in their meeting held on September 18, 2017 has proposed a 20% (2016: 10%) final cash dividend of Rs. 2/- (2016: Re. 1) per ordinary share for approval of members at annual general meeting to be held on October 23, 2017. These financial statements do not reflect this appropriation as explained in note 3.19.

43. Date of authorization for issue

These financial statements were authorized for issue on September 18, 2017 by the Board of Directors of the Company.

44. General

Figures haev been rounded off to the nearest rupee.

Chief Executive | Chief Financial Officer | Director

Pattern of Shareholding

As at 30 June 2017

Number of Shareholders	Shareholdings From		Shareholdings To	Total Number of Shares Held	Percentage of Total Capital
435	1	-	100	23,489	0.02
761	101	-	500	244,191	0.16
343	501	-	1000	275,849	0.18
751	1001	-	5000	1,504,018	0.97
134	5001	-	10000	1,045,613	0.68
59	10001	-	15000	757,172	0.49
27	15001	-	20000	483,659	0.31
17	20001	-	25000	399,528	0.26
22	25001	-	30000	634,692	0.41
4	30001	-	35000	131,200	0.08
11	35001	-	40000	425,038	0.28
3	40001	-	45000	130,800	0.08
12	45001	-	50000	588,182	0.38
11	50001	-	55000	581,502	0.38
6	55001	-	60000	346,606	0.22
5	60001	-	65000	307,850	0.20
3	65001	-	70000	202,000	0.13
1	70001	-	75000	75,000	0.05
1	75001	-	80000	78,700	0.05
2	80001	-	85000	161,900	0.10
1	85001	-	90000	90,000	0.06
2	90001	-	95000	184,300	0.12
2	95001	-	100000	196,000	0.13
2	105001	-	110000	216,500	0.14
1	110001	-	115000	110,900	0.07
1	115001	-	120000	116,958	0.08
1	120001	-	125000	121,133	0.08
1	130001	-	135000	135,000	0.09
1	135001	-	140000	137,277	0.09
1	145001	-	150000	148,200	0.10
1	150001	-	155000	150,700	0.10
1	155001	-	160000	160,000	0.10
1	160001	-	165000	165,000	0.11
2	185001	-	190000	377,200	0.24
1	190001	-	195000	195,000	0.13
1	225001	-	230000	225,689	0.15
1	240001	-	245000	240,600	0.16
1	245001	-	250000	247,179	0.16
1	255001	-	260000	256,846	0.17
1	260001	-	265000	263,800	0.17
1	285001	-	290000	289,200	0.19
1	300001	-	305000	301,500	0.20
1	340001	-	345000	341,220	0.22
1	385001	-	390000	389,600	0.25
1	435001	-	440000	436,400	0.28
1	450001	-	455000	451,628	0.29
1	465001	-	470000	465,400	0.30
1	485001	-	490000	488,000	0.32
2	520001	-	525000	1,047,407	0.68
2	535001	-	540000	1,075,700	0.70
1	555001	-	560000	555,528	0.36
1	560001	-	565000	560,400	0.36
1	565001	-	570000	565,600	0.37
1	580001	-	585000	582,300	0.38
1	880001	-	885000	883,500	0.57
1	955001	-	960000	956,200	0.62
1	1000001	-	1005000	1,001,424	0.65
1	1060001	-	1065000	1,061,472	0.69
1	1360001	-	1365000	1,360,693	0.88
1	1510001	-	1515000	1,513,224	0.98
1	2360001	-	2365000	2,363,400	1.53
1	3100001	-	3105000	3,102,500	2.01
1	3150001	-	3155000	3,150,500	2.04
1	3970001	-	3975000	3,970,100	2.57
1	4600001	-	4605000	4,603,606	2.98
1	25870001	-	25875000	25,870,517	16.74
1	84985001	-	84990000	84,986,400	55.00
2,661				154,508,690	100.00

Categories of Shareholding

As at 30 June 2017

Categories of Shareholders		Shares Held	Percentage
I	Directors, Chief Executive Officer, their Spouses and Minor Children	402,072	0.26%
	Directors		
	Mr. Aizaz Mansoor Sheikh	56,606	0.04%
	Mr. Nadeem Atta Sheikh	979	0.00%
	Mrs. Hafsa Nadeem	927	0.00%
	Ms. Aminah Aizaz Sheikh	883	0.00%
	Mr. Muhammad Rehman Sheikh	600	0.00%
	Mr. Hasan Tariq Atta	187,200	0.12%
	Mr. Muhammad Atta Tanseer Sheikh	137,277	0.09%
	Director's Spouse		
	Mrs. Shahnaz Aizaz	600	0.00%
	Mr. Sardar Shahbaz Ali Khan Khosa	17,000	0.01%
II	Associated Companies, Undertakings & Related Parties	85,103,358	55.08%
	ANS Capital (Pvt.) Limited	84,986,400	55.00%
	Kohat Cement Educational Trust	116,958	0.08%
III	NIT & ICP	177,980	0.12%
	FUNDS UNDER NATIONAL INVESTMENT TRUST LIMITED	177,500	0.11%
	INVESTMENT CORPORATION OF PAKISTAN	480	0.00%
IV	Banks, Development Finance Institutions, and Non-Banking Finance Companies	4,012,671	2.60%
V	Insurance/ Takaful Companies	6,545,230	4.24%
VI	Modarbas	1,500	0.00%
VII	Mutual Funds	11,641,254	7.53%
	AKD INDEX TRACKER FUND	9,500	0.01%
	AL AMEEN ISLAMIC DEDICATED EQUITY FUND	1,360,693	0.88%
	AL MEEZAN MUTUAL FUND	560,400	0.36%
	AL-AMEEN SHARIAH STOCK FUND	523,307	0.34%
	ALHAMRA ISLAMIC STOCK FUND	106,500	0.07%
	APF-EQUITY SUB FUND	35,000	0.02%
	APIF - EQUITY SUB FUND	38,800	0.03%
	ASKARI ASSET ALLOCATION FUND	16,000	0.01%
	ASKARI EQUITY FUND	15,000	0.01%
	ATLAS ISLAMIC STOCK FUND	289,200	0.19%
	ATLAS STOCK MARKET FUND	538,000	0.35%
	FAYSAL ASSET ALLOCATION FUND	27,000	0.02%
	FAYSAL BALANCED GROWTH FUND	17,000	0.01%
	FAYSAL ISLAMIC ASSET ALLOCATION FUND	27,000	0.02%
	FIRST HABIB STOCK FUND	9,000	0.01%
	JS ISLAMIC FUND	165,000	0.11%
	JS ISLAMIC PENSION SAVINGS FUND-EQUITY ACCOUNT	10,400	0.01%
	JS LARGE CAP. FUND	52,500	0.03%
	LAKSON EQUITY FUND	524,100	0.34%
	LAKSON ISLAMIC TACTICAL FUND	12,754	0.01%
	LAKSON TACTICAL FUND	90,300	0.06%
	MCB PAKISTAN STOCK MARKET FUND	488,000	0.32%
	MEEZAN ASSET ALLOCATION FUND	50,000	0.03%
	MEEZAN BALANCED FUND	465,400	0.30%
	MEEZAN ISLAMIC FUND	3,102,500	2.01%
	MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	436,400	0.28%

Categories of Shareholding
As at 30 June 2017

	Categories of Shareholders	Share Held	Percentage
	NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND	240,600	0.16%
	NAFA ISLAMIC ASSET ALLOCATION FUND	582,300	0.38%
	NAFA ISLAMIC STOCK FUND	537,700	0.35%
	NAFA STOCK FUND	883,500	0.57%
	PAKISTAN CAPITAL MARKET FUND	48,000	0.03%
	PIML ISLAMIC EQUITY FUND	20,000	0.01%
	PIML VALUE EQUITY FUND	10,000	0.01%
	UNIT TRUST OF PAKISTAN	50,000	0.03%
	ALHAMRA ISLAMIC ASSET ALLOCATION FUND	94,000	0.06%
	GLOBAL X FUNDS-GLOBAL X MSCI PAKISTAN ETF	50,500	0.03%
	ASKARI ISLAMIC ASSET ALLOCATION FUND	18,000	0.01%
	JS GROWTH FUND	22,400	0.01%
	JS VALUE FUND	59,500	0.04%
	PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	25,000	0.02%
	PAK OMAN ISLAMIC ASSET ALLOCATION FUND	30,000	0.02%
VIII	Shareholder holding 5% and more (other than above)	25,870,517	16.74%
	Mrs. Hijab Tariq	25,870,517	16.74%
IX	General Public	18,217,163	11.79%
	a) Local	18,217,163	11.79%
	b) Foreign	-	0.00%
X	Others	2,536,945	1.64%
	Joint Stock Companies	1,574,075	1.02%
	Gratuity/Pension/Provident Funds	527,843	0.34%
	Charitable Trusts / Non-Profit Organizations / Wakfs	378,450	0.24%
	Executives	15,777	0.01%
	Investment Companies	40,800	0.03%
Total		154,508,690	100%

Financial Calendar

The Company follows the period of July 01 to June 30 as the financial year.

Financial results will be announced as per the following tentative schedule:

First Quarter ending September 30, 2017	Last week of October 2017
Second Quarter ending December 31, 2017	Third week of February 2018
Third Quarter ending March 31, 2018	Last week of April 2018
Year ending June 30, 2018	Second week of September 2018

Form of Proxy

38th Annual General Meeting

I/We____

of____ being a member of

Kohat Cement Company Limited and holder of ______________________________(No. of shares) Ordinary shares as per

Share Register Folio No. _____________________________ and/or CDC Participant I.D. No. ___________________ and

Sub Account No. _________________________ hereby appoint ____

of ____another member of the Company having Folio

No.__________________________ and/or CDC Participant I.D. No.__________________and Sub

Account No.__________________________(or failing him____________________of_________________________

having Folio No._________________and/or CDC Participant I.D. No. ___________and Sub Account No.______________)

as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, October 23rd, 2017 at 10 A.M. at the registered office of the Company Kohat Cement Factory, Rawalipindi Road, Kohat and at any adjournment thereof.

Signed this __________________day of________________2017.

Signature:

Please affix
Rupees Ten
revenue stamp

Witnesses:

1. Signature:______________________

   Name: ______________________

   Address:______________________

   ____

   CNIC or CNIC or

   Passport No.______________________

2. Signature:______________________

   Name: ______________________

   Address:______________________

   ____

   CNIC or CNIC or

   Passport No.______________________

Note:

1. Proxies in order to be effective must be received by the Company not later than 48 hours before the time of holding the meeting. No person shall be appointed as a proxy who is not a member of the Company qualified to vote except that a Company / Corporation being a member may appoint as proxy a person who is not a member.

2. CDC account holders and their proxies are requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

AFFIX
CORRECT
POSTAGE

The Company Secretary,

THE STRENGTH
KOHAT CEMENT

Kohat Cement Company Limited
37-P, Gulberg II, Lahore.
Te : +92 - 42 - 11 111 5225
Fax : +92 - 42 - 35874990

پراکسی فارم
اڑتیسواں سالانہ اجلاس عام

میں مسمّی / مسمّاۃ ______________________________

ساکن رنمائندہ ______________________________

ضلع ________ بحیثیت ممبر کوہاٹ سیمنٹ کمپنی لمیٹڈ (سی ڈی سی / فولیو نمبر ________) مسمّی / مسمّاۃ ______________________________

ساکن ______________________________ (سی ڈی سی / فولیو نمبر ________) کو بطورِ مختار (پراکسی) مقرر کرتا ہوں، تا کہ وہ میری جگہ اور میری طرف سے کمپنی کے سالانہ اجلاسِ عام جو بتاریخ 23 اکتوبر 2017ء بروز پیر صبح 10:00 بجے کمپنی کے رجسٹرڈ آفس کوہاٹ سیمنٹ فیکٹری، راولپنڈی روڈ، کوہاٹ میں منعقد ہو رہا ہے میں یا اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

یہ پراکسی فارم آج مورخہ ________ کو درج ذیل گواہان کی موجودگی میں دستخط ہوا۔

دستخط شیئر ہولڈر:

برائے مہربانی ۱۰ روپے مالیت کی ریونیو سٹیمپ چسپاں کریں۔

گواہان

1۔

دستخط: ______________________________

نام: ______________________________

پتہ: ______________________________

____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ______________________________

یا

پاسپورٹ نمبر: ______________________________

2۔

دستخط: ______________________________

نام: ______________________________

پتہ: ______________________________

____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ______________________________

یا

پاسپورٹ نمبر: ______________________________

نوٹ:

ا۔ پراکسی (نمائندے) کو فعال بنانے کے لئے نامزدگی کا فارم (پراکسی) میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہو جانا چاہئے، کوئی بھی شخص پراکسی (نمائندہ) مقرر نہیں کیا جا سکتا اور نہ وہ ووٹ دینے کا اہل ہو سکتا ہے جو کمپنی کا ممبر نہ ہو، ماسوائے کہ کمپنی رکارپوریشن ایسے شخص کو غیر معمولی اجلاس میں شرکت اور ووٹ دینے کیلئے نامزد کر سکتی ہے جو ممبر نہ ہو۔

2۔ سی ڈی سی اکاؤنٹ ہولڈرز اور ان کے نمائندوں سے درخواست ہے کہ وہ پراکسی فارم کے ہمراہ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول جمع کروائیں۔

AFFIX
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The Company Secretary,

Kohat Cement Company Limited
37-P, Gulberg II, Lahore.
Te : +92 - 42 - 11 111 5225
Fax : +92 - 42 - 35874990

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Fax : +92 - 42 - 35754084, 35874990