Annual Report 2017

DANDOT CEMENT COMPANY LIMITED

Contents

Company Information

Board of Directors

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

Audit Committee

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

Human Resouces & Remuneration Committee

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

Chief Financial Officer
Mr. Muhammad Kamran

Company Secretary
Mr. Muhammad Kamran

Statutory Auditors
Amin, Mudassar & Co.
Chartered Accountants, Lahore.

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

Legal Advisor
International Legal Services

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

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

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

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

Website
Www.dandotcement.com

Notice of Annual General Meeting

NOTICE is hereby given that 37th Annual General Meeting of the shareholders of Dandot Cement Company Limited for the financial year ended June 30, 2017 will be held on Monday, November 27, 2017 at the registered office of the Company, 30 Sher Shah Block, New Garden Town , Lahore at 11:30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the last Annual General Meeting held on November 30, 2016.

2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2017 together with Auditors' and Directors' Reports thereon.

3. To appoint Auditors and to fix their remuneration. The present Auditors, M/s. Amin, Mudassar & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

4. To transact any other business with the permission of the Chair.

(By Order of the Board)

LAHORE:
November 06, 2017

(MUHAMMAD KAMRAN)
COMPANY SECRETARY

NOTES:

1. The Register of Members and the Share Transfer Books of the Company will remain closed from November 20, 2017 to November 27, 2017 (both days inclusive) for determining entitlement to attend the Annual General Meeting.

2. A member entitled to attend and vote at the Meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. Proxies, in order to be effective, must be received at the Registered Office situated at 30- Sher Shah Block New Garden Town Lahore,. of the Company not later than 48 hours before the time of the holding of the Meeting.

3. CDC shareholders are requested to bring their National Identity Card, Account and Participant's Numbers and will further have to follow the guidelines as laid down in SECP's Circular No. 1 dated January 26, 2000 while attending the Meeting for identification.

4. Members are requested promptly notify Company's Share Registrar M/s Corplink (Pvt) Ltd, Wings Arcade, 1-K Commercial, Model Town, Lahore. Ph: 042-35916714, 35916719 of change in their address to ensure delivery of mail.

Vision

Strives to continue its path of market growth, consolidation and improvement, spanning the areas upto Abroad. Our vision is to establish a strong market presence, focused on customer brand loyalty and satisfaction, on long-term basis.

Envisions to maintain consistent quality, keep abreast with technology as well as up-date our dynamic managerial and human resource capabilities in a competitive business environment, and to accomplish further improvement in its market share in an aggressive growth scenario.

Mission

Mission is to perform to the highest levels of professional excellence within the industry and the national economy, while catering to the needs of our ever dedicated workforce, ensuring reasonable return to the stakeholders while delivering our product to the end consumer at competitive prices to accelerate the sustained development of Pakistan.

Directors' Report to the Shareholders

The Board of Directors presents the 37th annual report along with the audited financial statements of the company for the year ended June 30, 2017.

Operational Performance

The operational performance of the company for the year under review as compared with preceding year is as follows:

		2017	2016
Clinker production	M.Ton	**273,492**	315,145
Capacity utilization	%age	**57**	66
Cement production	M.Ton	**270,305**	332,937
Capacity utilization	%age	**54**	66
Sales	M. Ton	**266,097**	336,165

During the year under review, cement production and sales have been decreased by 41,649 M. Tons and 70,068 M. Tons respectively. Reason of production decrease is mentioned in note no. 39.1 of these financial statements.

Operating Results

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

	2017	2016
	(Rupees in Thousands)	
Gross Sales	**2,493,918**	2,985,891
Net sales	**1,806,252**	2,346,937
Gross Loss	**274,290**	12,457
Net loss	**527,685**	280,252
Earnings / (Loss) Per Share	**(5.56)**	(2.96)

The reason of loss sustained by the company is mainly attributable to high input costs, power shutdowns with voltage fluctuations, frequent repair and maintenance and alternative fuel testing cost. However, Gross Loss and Net Loss have been increased by 262 million and 235 million respectively. Further, Loss per share has also increased by Rs. 2.60 per share.

Dividend has not been recommended by the board of directors for the current year due to the loss suffered by the company.

Future Prospects

Industry:

Significant progress is being noticed on CPEC projects and it would be a trigger to absorb future cement supply against available demand. It is expected that demand of cement would increase in local market and this trend will continue in the current financial year due to expected election in next year. Government's allocation in latest budget is a clear indication that the focus of the Government will remain on the completion of infrastructure scheme including power projects, motorways, orange train and low income housing schemes. Improved law and order situation, controlled inflation, low interest rates, stable economic outlook and reduced coal prices will also benefit the cement industry.

Company

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

Company's Plan

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

Auditors' Observations

On the basis of the facts mentioned in note 1.2 of these financial statements, the management of the company is fully confident that the company will continue its operations as going concern. Letters for the balance confirmations have already been circulated and many of them have been received subsequently. However, as mentioned in auditor's report these balances have already been confirmed by external auditors' through alternative audit procedures. Mark-up on all dues of interest bearing liabilities has been accounted for in the books of accounts except BankIslami Pakistan Limited (Formerly KASB Bank Limited), due to the facts mentioned in note 11.1.In the year 2016-17, company is making timely payment of old & current dues of provident fund. During the year, four of the company's directors successfully got certification under mandatory directors training program (DTP) arranged by Institute of Chartered Accountants of Pakistan.

Compliance with Code of Corporate Governance

The management is fully aware of the compliance with Code of Corporate Governance and steps have been taken for its effective implementation since its inception.

Statements as required by the Code of Corporate Governance 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.

Proper books of account have been maintained.

Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

International Accounting Standards as applicable in Pakistan have been followed in preparation of the financial statements.

The board of directors has outsourced the internal audit department to Parker Randall AJS Chartered Accountants who are suitably qualified & experienced for this purpose and are conversant with the policies and procedures of the company.

There has been no material departure from the Best Practices of Corporate Governance, as detailed in the listing regulations wherever applicable to the company for the year ended June 30, 2017.

Key operating and financial data of last 10 years in annexed.

The outstanding statutory dues on account of taxes, duties, levies and charges are disclosed in notes to the annexed financial statements.

The estimated value of investment and assets of provident fund are referred in note 37.

During the year, following meetings were held. Attendance at the meetings is as under:

Directors Name	Board of Directors	Audit Committee	HR Remuneration Committee
	Number of Meetings Attended		
Mr. Muhammad Azhar Sher (CEO)	5	-	5
Mr. Muhammad Sabir Sheikh	5	6	-
Mr. Imran Bashir	5	-	-
Mr. Muhammad Imran Iqbal	5	-	-
Syed Ansar Raza Shah	5	6	5
Mr. Muhammad Amjad Aziz	5	-	-
Mr. Gul Hussain	-	-	-

Note:

The directors who could not attend the above meetings were duly granted leave of absence from the board in accordance with the law.

Trading in Company's Shares

During the year under review, no trading in the shares of the company was carried out by other directors, CFO, company secretary and their spouses and minor children.

CORPORATE SOCIAL RESPONSIBILITY

Your company being a responsible corporate citizen is always conscious to discharge its obligations towards the people who work for it day and night, people around the work place and to the society as a whole.

Pattern of Shareholding

The pattern of shareholding and additional information required in this regard is enclosed.

External Auditors

The present auditors, M/s Amin, Mudassar & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year 2017-18. The Audit Committee has recommended their re-appointment.

Acknowledgement

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

MUHAMMAD AZHAR SHER
Chief Executive
Lahore: November 06, 2017

Pattern of Shareholding

As at June 30, 2017

No. of Shareholders	Shareholdings From	Shareholdings To	Total Shares Held
186	1	100	4,791
191	101	500	69,099
107	501	1,000	95,073
163	1,001	5,000	433,804
36	5,001	10,000	259,096
12	10,001	15,000	146,960
4	15,001	20,000	72,000
5	20,001	25,000	116,826
2	25,001	30,000	56,000
1	30,001	35,000	31,804
3	45,001	50,000	145,000
1	50,001	55,000	52,000
2	70,001	75,000	142,293
2	90,001	95,000	184,340
1	95,001	100,000	95,212
1	135,001	140,000	136,088
1	180,001	185,000	182,625
1	190,001	195,000	191,500
1	195,001	200,000	200,000
1	210,001	215,000	211,862
1	230,001	235,000	231,379
1	385,001	390,000	387,524
2	495,001	500,000	1,000,000
1	520,001	525,000	523,500
1	1,000,001	1,005,000	1,000,250
1	1,010,001	1,015,000	1,012,000
1	1,490,001	1,495,000	1,491,902
1	1,535,001	1,540,000	1,537,660
1	1,540,001	1,545,000	1,543,839
1	1,640,001	1,645,000	1,643,000
1	2,565,001	2,570,000	2,566,886
1	2,765,001	2,770,000	2,769,499
1	3,245,001	3,250,000	3,250,000
1	3,495,001	3,500,000	3,495,737
1	11,150,001	11,155,000	11,150,500
1	11,455,001	11,460,000	11,457,000
1	46,950,001	46,955,000	46,952,931
739			**94,839,980**

5. Categories Of Shareholders	Shares held	Percentage
5.1 Directors, Chief Executive Officers and their spouse and minor children	203,500	0.2146%
5.2 Associated Companies, undertakings and related parties. (Parent Company)	46,953,431	49.5081%
5.3 NIT and ICP	1,100	0.0012%
5.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	12,994,860	13.7019%
5.5 Insurance Companies	182,625	0.1926%
5.6 Modarabas and Mutual Funds	22,500	0.0237%
5.7 Share holders holding 10% or more	74,022,817	78.0502%
5.8 General Public		
a. Local	30,884,043	32.5644%
b. Foreign	4,543	0.0048%
5.9 Others (to be specified)		
1- Joint Stock Companies	1,117,122	1.1779%
2- Foreign Companies	328,031	0.3459%
3- Trusts	2,143,225	2.2598%
4- Other Companies	5,000	0.0053%

Catagories of Shareholding required under Code of Coprorate Governance (CCG)
As on June 30, 2017

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	THREE STARS CEMENT (PVT) LTD (CDC)	46,953,431	49.5081
Mutual Funds (Name Wise Detail)		-	0.0000
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. MUHAMMAD AZHAR SHER (CDC)	500	0.0005
2	MR. MUHAMMAD SABIR SHEIKH (CDC)	500	0.0005
3	MR. IMRAN BASHIR (CDC)	500	0.0005
4	MR. MUHAMMAD IMRAN IQBAL	500	0.0005
5	MR. MUHAMMAD AMJAD AZIZ (CDC)	200,500	0.2114
6	MR. ANSAR RAZA (CDC)	500	0.0005
7	MR. GUL HUSSAIN (CDC)	500	0.0005
Executives:		-	0.0000
Public Sector Companies & Corporations:		-	0.0000
Banks, Development Finance Institutions, Non Banking Finance		13,177,485	13.8944
Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:			
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	THREE STARS CEMENT (PVT) LTD (CDC)	46,953,431	49.5081
2	BANKISLAMI PAKISTAN LIMITED (CDC)	11,457,000	12.0803
3	MR. SAUD RASHEED (CDC)	15,612,386	16.4618

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

MUHAMMAD AZHAR SHER
Chief Executive
Lahore: November 06, 2017

Statement of Compliance with the Code of Corporate Governance (CCG)

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the Regulation No. 5.19 of listing regulations of Pakistan Stock Exchange (PSX) Rule Book 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.

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:

Category	**Names**
Independent Directors	Syed Ansar Raza Shah
Executive Directors	Mr. Muhammad Azhar Sher (Chief Executive) Mr. Muhammad Imran Iqbal
Non-Executive Directors	Mr. Muhammad Sabir Sheikh Mr. Imran Bashir Mr. Gul Hussain Mr. Muhammad Amjad Aziz (Chairman)

The independent directors meet the criteria of independence under clause 5.19.1(b) of CCG.

The independent directors meet the criteria of independence under clause 5.19.1(b) of CCG.

2- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including company (excluding the listed subsidiaries of listed holding companies where applicable).

3- All the resident director 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 and NBFI or, being a member of stock exchange, has been declared as a defaulter by the stock exchange.

4- No casual vacancy occurred in the Board of Directors during the year ended June 30, 2017.

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 the 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, other executive and non-executive directors, have been taken by the board.

8- The meetings of the board were presided over by the Chairman and, in his absence, by a 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- All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. The directors were apprised of their duties and responsibilities through orientation courses. Four directors have obtained certification under Directors' Training Program (DTP) during the year.

10- No new appointment of CFO, Company Secretary and head of Internal Audit has been 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 CEO and 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.

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, of whom two 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 an HR and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the committee is a Non-Executive director.

18- The board of directors has outsourced the internal audit department to Parker Randall A.J.S. Chartered Accountants who are suitably qualified and experienced for this 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 program of the 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 the 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 company's securities, was determined and intimated to directors, employees and stock exchange(s).

22- Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

23- The Board has ensured that a mechanism is put in place for an annual evaluation of the board's own performance as required by the Code.

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

MUHAMMAD AZHAR SHER
Chief Executive
Lahore: November 06, 2017

Review Report to the Members on Statement of Compliance with the Best Practices of 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 **DANDOT CEMENT COMPANY LIMITED** (“the Company”) for the year ended June 30, 2017 to comply with the requirements of Rule 5.19 of the Rule Book of the Pakistan Stock Exchange Limited 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 its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arms' 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 June 30, 2017.

AMIN, MUDASSAR & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: MUHAMMAD AMIN
Lahore: November 06, 2017

Auditors' Report to the Members

We have audited the annexed balance sheet of the **Dandot Cement Company Limited** as at June 30, 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 purpose 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 repealed 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 repealed 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 repealed 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) (1) As described in note 1.2 to the financial statements, the financial statements have been prepared on going concern basis. The company sustained gross loss and net loss amounting Rs. 274.30 million and Rs. 527.68 million respectively during the year ended 30 June 2017 and as of that date its accumulated loss was Rs. 4,927.808 million due to which total equity stood at negative balance of Rs. 3,947.607 million. As of 30 June 2017, the company's current liabilities exceeded its current assets by Rs. 3,762.808 million. The company has been facing financial crunch, due to this the company could not pay its some overdue contractual obligations. Though the management of the company has planned to overcome the current situation, however, these matters have not been fully disclosed in these financial statements. These events indicate a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

(2) We have not received reply of direct balance confirmation circulated in respect of loans from Economic Affairs Division (EAD), Bank Islami Pakistan Limited (formerly KASB Bank Limited), ex-sponsors, accrued interest on loan from Bank Islami Pakistan Limited (formerly KASB Bank Limited) and Economic Affairs Division (EAD), loan to ex-associate and accrued interest from ex-associate as referred to note nos. 6.1, 11.1, 11.2, 10.1, 10.2, 20 and 22 respectively. However, carrying amount of aforesaid loans and balances has been confirmed through alternative procedures. Further, we have not received reply of direct balance confirmation circulated amounting Rs.41.524 million and Rs.18.337 million as referred to note no. 9.6 and 20.2 respectively. Had these balances been written off/ written back the loss for the year would have been lower by net amounting Rs. 23.187 million.

(3) The company has paid dues of provident fund within stipulated time period with insignificant delay as required under section 218/227 of the Companies Act, 2017/Companies Ordinance, 1984 as referred in note no. 37 to the financial statements.

(4) The company has not provided markup in the financial statements on loan obtained from Bank Islami Pakistan Limited (formerly KASB Bank Limited), as referred to note no. 11.1 aggregate Rs. 87.78 million including Rs. 26.37 million for the year. Had there been provision made for markup in the financial statements the accrued markup, accumulated loss and loss for the year would have been higher by Rs. 87.78 million, Rs. 87.78 million and Rs. 26.37million respectively.

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in para (c)(1), (c)(3) and (c)(4) and possible effects of matter discussed in para (c)(2), 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 repealed 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 June 30, 2017 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

AMIN, MUDASSAR & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: MUHAMMAD AMIN
Lahore: November 06, 2017

Balance Sheet

	Note	2017 Rupees	2016 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 100,000,000 (2016: 100,000,000) ordinary shares of Rs.10/- each		**1,000,000,000**	1,000,000,000
Issued, subscribed and paid up share capital	3	**948,399,800**	948,399,800
Share premium reserve		**31,800,740**	31,800,740
Accumulated loss		**(4,927,808,065)**	(4,471,759,146)
		(3,947,607,525)	(3,491,558,606)
SURPLUS ON REVALUATION OF FIXED ASSETS	4	**1,782,380,292**	2,115,757,386
		(2,165,227,233)	(1,375,801,220)
NON CURRENT LIABILITIES			
Loan from banking companies	5	**1,101,881,000**	1,027,296,911
Other loans and liabilities	6	**7,751,530**	13,751,530
Deferred liabilities	7	**750,383,613**	513,083,592
Long term advances and deposits	8	**1,882,313**	1,882,313
		1,861,898,456	1,556,014,346
CURRENT LIABILITIES			
Trade and other payables	9	**2,670,254,906**	2,237,880,330
Mark up accrued	10	**575,289,168**	554,741,680
Short term borrowings	11	**1,427,909,328**	1,427,909,328
Current portion of long term loans and liabilities	12	**104,869,732**	89,428,986
Provision for taxation	13	**-**	-
		4,778,323,134	4,309,960,324
CONTINGENCIES AND COMMITMENTS	14	**-**	-
		4,474,994,357	4,490,173,450

The annexed notes from 1 to 43 form an integral part of these financial statements.

MUHAMMAD AZHAR SHER
Chief Executive

MUHAMMAD KAMRAN
Chief Financial Officer

As at June 30, 2017

	Note	**2017 Rupees**	2016 Rupees
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	15	**3,446,070,235**	3,568,929,575
Capital work in progress - civil works		**2,741,999**	-
LONG TERM SECURITY DEPOSITS	16	**10,666,715**	10,666,715
		3,459,478,949	3,579,596,290
CURRENT ASSETS			
Stores, spares and loose tools	17	**200,804,243**	210,807,703
Stock in trade	18	**162,404,493**	27,216,037
Trade debts	19	**167,546,402**	166,041,054
Loans and advances	20	**326,073,473**	315,106,355
Balance with statutory authorities	21	**128,385,779**	136,114,851
Interest accrued	22	**9,388,556**	9,388,556
Other receivables	23	**359,995**	360,095
Cash and bank balances	24	**20,552,467**	45,542,509
		1,015,515,408	910,577,160
		4,474,994,357	4,490,173,450

MUHAMMAD AMJAD AZIZ
Director

Profit and Loss Account

For the Year Ended June 30, 2017

	Note	**2017 Rupees**	2016 Rupees
Sales			
Local sales		**2,493,917,952**	2,985,890,623
Less: Excise duty		**266,096,710**	139,487,515
Sales tax		**402,854,930**	478,202,652
Commission / discount		**18,714,418**	21,263,608
		687,666,058	638,953,775
Net sales		**1,806,251,894**	2,346,936,848
Cost of sales	25	**2,080,542,318**	2,359,393,646
Gross loss		**(274,290,424)**	(12,456,798)
Distribution cost	26	**24,156,773**	18,781,904
Administrative expenses	27	**55,817,746**	55,858,889
		79,974,519	74,640,793
		(354,264,943)	(87,097,591)
Other income	28	**1,845,586**	2,536,210
Other operating expenses	29	**2,220,463**	222,979
		(354,639,820)	(84,784,360)
Finance cost	30	**184,760,569**	171,989,656
Loss before taxation		**(539,400,389)**	(256,774,016)
Taxation	31	**11,715,538**	(23,478,486)
Loss after taxation		**(527,684,851)**	(280,252,502)
Earnings per share - Basic and Diluted - Rupees	32	**(5.56)**	(2.96)

The annexed notes from 1 to 43 form an integral part of these financial statements.

MUHAMMAD AZHAR SHER
Chief Executive

MUHAMMAD KAMRAN
Chief Financial Officer

MUHAMMAD AMJAD AZIZ
Director

Statement of Comprehensive Income
For the Year Ended June 30, 2017

	2017 Rupees	2016 Rupees
Loss after taxation	**(527,684,851)**	(280,252,502)
Items that will not be reclassified to profit or loss		
Gain on staff retirement benefit obligation	**5,342,752**	13,117,811
Items that may be reclassified to profit or loss	**-**	-
	-	-
Other comprehensive income	**5,342,752**	13,117,811
Total comprehensive loss for the year	**(522,342,099)**	(267,134,691)

The annexed notes from 1 to 43 form an integral part of these financial statements.

MUHAMMAD AZHAR SHER
Chief Executive

MUHAMMAD KAMRAN
Chief Financial Officer

MUHAMMAD AMJAD AZIZ
Director

Cash Flow Statement

For the Year Ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		**(539,400,389)**	(256,774,016)
Adjustments of items not involving movement of cash:			
Depreciation	15	**125,570,126**	62,822,302
Gain on disposal of fixed assets	28	**(393,660)**	(645,243)
Gratuity	9.1	**17,257,762**	21,931,830
Profit on deposit and PLS accounts	28	**(173,570)**	(266,503)
Reversal of provision for doubtful balances	28	**(1,048,080)**	(1,176,927)
Exchange loss	29	**1,854,864**	-
Balances written back	28	**(230,276)**	(447,537)
Balances written off	29	**365,599**	222,979
Finance cost	30	**184,760,569**	171,989,656
		327,963,334	254,430,557
Net cash used before working capital changes		**(211,437,055)**	(2,343,459)
(Increase) / Decrease in operating assets:			
Stores, spares and loose tools		**10,003,460**	(80,152,190)
Stock in trade		**(135,188,456)**	57,782,104
Trade debts		**(1,870,947)**	(28,639,061)
Loans and advances		**(9,919,038)**	(21,089,409)
Other receivables		**100**	(100)
Increase / (decrease) in current liabilities:			
Trade and other payables		**455,523,133**	234,280,526
		318,548,252	162,181,870
Cash generated from operations		**107,111,197**	159,838,411
Long term security deposits		**-**	8,000
Gratuity paid		**(5,522,253)**	(11,141,502)
Finance cost paid		**(49,279,772)**	(46,953,878)
Interest received		**173,570**	266,503
Income tax paid		**(41,828,243)**	(48,017,555)
Net cash flows from operating activities		**10,654,499**	53,999,979
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(2,727,128)**	(7,854,573)
Sale proceeds of fixed assets		**410,000**	1,202,500
Capital work in progress		**(2,741,999)**	-
Net cash used in investing activities		**(5,059,127)**	(6,652,073)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans		**(30,585,414)**	(22,907,105)
Net cash used in financing activities		**(30,585,414)**	(22,907,105)
Net increase / (decrease) in cash and cash equivalents		**(24,990,042)**	24,440,801
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**45,542,509**	21,101,708
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	**20,552,467**	45,542,509

The annexed notes from 1 to 43 form an integral part of these financial statements.

MUHAMMAD AZHAR SHER	**MUHAMMAD KAMRAN**	**MUHAMMAD AMJAD AZIZ**
Chief Executive	Chief Financial Officer	Director

Statement of Changes in Equity
For the Year Ended June 30, 2017

	Share Capital	Share premium reserve	Accumulated loss	Total
	(R U P E E S)			
Balance as at June 30, 2015	948,399,800	31,800,740	(4,237,939,635)	(3,257,739,095)
Loss after taxation	-	-	(280,252,502)	(280,252,502)
Other comprehensive income	-	-	13,117,811	13,117,811
Total comprehensive loss for the year	-	-	(267,134,691)	(267,134,691)
Transferred from surplus on revaluation account: - Incremental depreciation due to revaluation charged to surplus - net of deferred tax	-	-	33,315,180	33,315,180
Balance as at June 30, 2016	948,399,800	31,800,740	(4,471,759,146)	(3,491,558,606)
Loss after taxation	-	-	(527,684,851)	(527,684,851)
Other comprehensive income	-	-	5,342,752	5,342,752
Total comprehensive loss for the year	-	-	(522,342,099)	(522,342,099)
Transferred from surplus on revaluation account: - Incremental depreciation due to revaluation charged to surplus - net of deferred tax	-	-	66,293,180	66,293,180
Balance as at June 30, 2017	**948,399,800**	**31,800,740**	**(4,927,808,065)**	**(3,947,607,525)**

The annexed notes from 1 to 43 form an integral part of these financial statements.

MUHAMMAD AZHAR SHER	**MUHAMMAD KAMRAN**	**MUHAMMAD AMJAD AZIZ**
Chief Executive	Chief Financial Officer	Director

Notes to the Financial Statements
For the Year Ended June 30, 2017

1. THE COMPANY AND ITS OPERATIONS

1.1 The Company is a public limited Company incorporated in Pakistan and is listed on Pakistan Stock Exchange. The Company started its production on March 01, 1983 and has been engaged in production and marketing of cement. The company is a subsidiary of Three Stars Cement (Pvt) Ltd. The registered office of the company is situated at 30-Sher Shah Block, New Garden Town, Lahore.

1.2 During the last few years, the company has been facing financial crunch. Loans from banks financial institutions could not be obtained due to company's continuous loss history and adverse financial ratios. However, sponsors of the company are also considering various options to arrange inject further funds to make the machinery efficient especially by replacement of old electric installations equipment's to reduce the power and fuel cost which is the major cause of loss sustained by the company in past years. As part of management plan, the company had already managed to reschedule the liability of The Bank of Punjab (BOP) amounting Rs. 1,857 million, dues of Large Taxpayer Units (LTU) amounting Rs. 460 million and Islamabad Electric Supply Company (IESCO) amounting Rs. 167 million. Upto June 30, 2017, the company has not defaulted even in a single installment of these dues and paid a sum of Rs. 875.51 million in aggregate against the said rescheduled liabilities. Further, after resumption of operations in 2013-14, the company is also complying the order passed in 2009 by Securities and Exchange Commission of Pakistan (SECP) related to old dues of provident fund. Further, the company is approaching financial institutions for further financial support and rescheduling of outstanding liability. All the above steps have been taken by the management of the company to bring out the company from the current dilemma. On the basis of these facts, the management of the company is fully confident that the company will continue its operations as a going concern, inspite of the fact of loss for the year and accumulated loss amounting Rs. 527.685 million and Rs. 4,927.808 million respectively and current liabilities exceed its current assets by Rs. 3,762.808 million as at June 30, 2017 and the company may unable to realize its assets and discharge its liabilities in course of business. Accordingly, these financial statements have been prepared on a going concern basis for reasons disclosed above and do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary for the company to continue as a going concern.

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 (IFRS) 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.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide its circular no. 17 dated July 20, 2017, these financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.2 ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention except as stated hereafter in the relevant accounting policies. Further accrual basis of accounting is followed in the preparation of these financial statements except for cash flow information.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are prepared in Pakistani Rupee, which is the Company's functional and presentation currency.

2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Estimates and judgement are continuously evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

a) staff retirement benefits;

b) taxation; and

c) useful life of depreciable assets and provision for impairment there against.

2.5 CHANGES IN ACCOUNTING STANDARDS AND INTERPRETATIONS

2.5.1 Amendments to published standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after July 01, 2016 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.5.2 Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Company

The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after July 01, 2017 or later periods:

- IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after January 01, 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner as under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

- 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

- 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.

- 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.

Certain amendments/improvements may impact the financial statements of the company and the management is in process of assessing the full impact of change.

In addition, the Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 17 of 2017 has clarified that the companies whose financial year closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.
The Companies Act, 2017 applicable for financial year beginning on 1 July 2017 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of fixed assets to bring it in line with the requirements of IAS 16 – Property, plant and equipment. Accordingly, surplus on revaluation of fixed assets will be part of equity.

2.5.3 Standard and amendments to published standards that are not yet effective and not considered relevant

There are other standard and amendments to published standards that are mandatory for accounting periods beginning on or after July 01, 2017 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.6.1 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

2.6.2 Taxation

Current

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

Deferred

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

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

2.6.3 Employees Retirement Benefits

(a) The company operates a funded gratuity scheme for its all permanent employees. Such gratuity is payable on cessation of employment subject to a minimum qualifying period of five years service with the Company. Provision for gratuity is made in the financial statements to cover full obligation under the scheme.

The Company uses projected unit credit method to determine the present value of its defined benefit obligation and the related current service cost and where applicable, past service cost.

Actuarial valuation was conducted on June 30, 2017 on the projected unit credit method using the following significant assumptions.

	2017	2016
Discount rate p.a.	7.75%	7.25%
Expected p.a. rate of salary increase in future year	6.75%	6.25%

The Company's policy with regard to acturial gain/losses is to follow Projected Unit Credit (PUC) as mandated under IAS 19.

(b) The Company operates a funded contributory provident fund scheme for all eligible employees and contribution is based on the salaries of the employees and the liability is recognized in accounts on monthly basis.

2.6.4 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under accrued mark up to the extent of the amount remaining unpaid.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

2.6.5 Trade and Other Payables

Liabilities for trade and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services, whether or not billed to the company.

2.6.6 Dividend

Dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

2.6.7 Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Provision are measured at present value of expected expenditure, discounted at on pre-tax rate that reflects current market assessment of the time value of money and risk specific to the obligation.

2.6.8 Contingencies and Commitments

Capital commitments and contingencies, unless those are actual liabilities, are not incorporated in the financial statements.

2.6.9 Property, Plant and Equipment

Operating fixed assets are stated at cost or revalued amount less accumulated depreciation except for freehold land which is stated at revalued amount.

Depreciation charge is based on reducing balance method at the rates specified in note 15. Leasehold land for quarries are amortized over a period of 15-20 years.

Depreciation on additions to property, plant and equipment is charged for the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which asset is disposed off. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gains and losses on disposal of assets, if any, are included in profit and loss account.

The management assesses at each balance sheet date whether there is any indication that an asset is impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount by charging the impairment loss against income for the year.

2.6.10 Assets Subject to Finance Lease

These are recorded at the inception of lease at the value representing the lower of present value of minimum lease payments under the lease agreements or the fair value of the assets. The related obligation of lease are accounted for as liabilities. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of financial cost on the remaining balance of principal liability for each period. Financial charges and depreciation on leased assets are charged to income currently.

2.6.11 Capital Work in Progress

Capital work in progress is stated at cost excluding impairment and including borrowing cost and represents expenditure incurred on fixed assets during their construction and installation. Transfers are made to relevant fixed assets category as and when assets are available for use.

2.6.12 Stores, Spares and Loose Tools

These are valued at lower of moving average cost and net realizable value (NRV) except items in transit which are valued at cost accumulated upto the Balance Sheet date. The company reviews the carrying amount of stores, spares parts and loose tools on a regular basis and provision is made for obsolescence.

Notes.....

2.6.13 Stock in Trade

These are valued at lower of cost and net realizable value applying the following method:

Raw Materials	at weighted average cost.
Work in process	at average cost covering direct material, labour and manufacturing overheads.
Finished goods	at lower of cost and net realizable value.

Net realizable value signifies the selling price in the ordinary course of business less cost necessary to be incurred to effect such sales.

2.6.14 Trade Debts

Trade debts are recognised at invoice value. Provision for doubtful debts is based on management's assessment of customers' credit worthiness. Bad debts are written off when there is not realistic prospect of recovery.

Known bad debts are written off and provision is made for debts considered doubtful.

2.6.15 Loans, Advances and Deposits

These are stated at cost less estimates made for doubtful receivables based on review of all outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified.

2.6.16 Cash and Cash Equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to know amount of cash and which are subject to an insignificant risk of change in value.

2.6.17 Foreign Currency Transactions

Transactions in foreign currencies are accounted for in Pak Rupees at the exchange rate prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the Balance Sheet date.

The company charges all exchange differences to profit and loss account.

2.6.18 Financial Instruments

Recognition and Measurements

All financial assets and financial liabilities are recognized at cost or fair value at the time when the company becomes a party to the contractual provisions of the instrument. Gain or loss on derecognition of financial assets / liabilities is taken to Profit and Loss Account.

Notes.....

Offsetting of Financial Assets and Financial Liabilities

A financial asset and financial liability is offset and the net amount is 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.

2.6.19 Revenue Recognition

Revenue is recognised to the extent that is probable that the economic benefit will flow to the company. Revenue is recognised net of any discount, rebates and commission.

- Sales are recorded on dispatch of goods to customers.

- Interest income is accounted for on 'accrual basis'.

2.6.20 Borrowing Cost

Borrowing cost 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 cost eligible for capitalisation. All other borrowing costs are recognised in profit and loss account as incurred.

2.6.21 Impairment

The carrying value of the company's assets except for inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exist the asset's recoverable amount is estimated and impairment losses are recognised in profit and loss account.

2.6.22 Related Party Transactions

All transactions with related parties are at arm's length prices determined in accordance with the pricing method as approved by the Board of Directors.

2.6.23 Basic and Diluted Earnings Per Share (EPS)

The company presents basic and diluted EPS. Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by using profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the affects of all dilutive potential ordinary shares.

Notes.....

		2017 Rupees	2016 Rupees
3	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**		
	86,089,980 (2016: 86,089,980) ordinary shares of Rs.10/- each fully paid in cash	**860,899,800**	860,899,800
	8,750,000 (2016: 8,750,000) ordinary shares of Rs.10/- each issued as fully paid bonus shares	**87,500,000**	87,500,000
		948,399,800	948,399,800
4	**SURPLUS ON REVALUATION OF FIXED ASSETS**		
	Balance as at July 01,	**2,628,840,978**	995,952,154
	Revaluation surplus during the year	**-**	1,666,204,004
		2,628,840,978	2,662,156,158
	Less: Incremental depreciation (Net of deferred tax Rs. 66,293,180)	**96,077,073**	33,315,180
	Balance as at June 30,	**2,532,763,905**	2,628,840,978
	Less: Deferred tax attributable to surplus	**750,383,613**	513,083,592
	Net surplus	**1,782,380,292**	2,115,757,386

Revaluations of freehold land, buildings, plant and machinery and vehicles were carried out in year 2002, 2007 and 2016, as referred in note 15.3 to these financial statements resulting a surplus of Rs. 1,843.8 million, 685.61 million and 1,666.204 million respectively. These amounts were credited to surplus on revaluation of fixed assets account to comply with the requirements of Section 235 of the Companies Ordinance, 1984.

		Note	2017 Rupees	2016 Rupees
5	**LOAN FROM BANKING COMPANIES- Secured**			
	Bank of Punjab Limited (BOP)			
	Demand finance facility - 1	5.1	**847,169,660**	797,798,990
	Demand finance facility - 2	5.2	**294,734,340**	254,030,921
			1,141,904,000	1,051,829,911
	Less: Current portion			
	Payable within next 12 months		**(40,023,000)**	(23,027,000)
	Overdue		**-**	(1,506,000)
			(40,023,000)	(24,533,000)
			1,101,881,000	1,027,296,911
5.1	**Demand finance facility - 1 (DF - 1)**			
	Balance as at July 01,	5.3	**797,798,990**	744,011,820
	Markup on DF - 1		**73,906,830**	69,287,170
			871,705,820	813,298,990
	Less: Payments made during the year		**(24,536,160)**	(15,500,000)
			847,169,660	797,798,990

Notes.....

	Note	2017 Rupees	2016 Rupees
5.2 Demand finance facility - 2 (DF - 2)			
Balance as at July 01,	5.4	**254,030,921**	218,761,104
Markup on DF - 2		**40,703,419**	35,269,817
		294,734,340	254,030,921

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

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

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

	Note	**2017 Rupees**	2016 Rupees
6 OTHER LOANS AND LIABILITIES- Unsecured			
LOANS			
Economic Affairs Division, Government of Pakistan (EAD)	6.1	**35,232,000**	35,232,000
OTHER LIABILITIES			
Provident Fund Trust	6.2	**37,030,316**	43,030,316
Peace agreement arrears	6.3	**335,946**	385,200
		37,366,262	43,415,516
		72,598,262	78,647,516
Less current portion:			
Payable within next 12 months		**6,000,000**	6,000,000
Overdue		**58,846,732**	58,895,986
	12	**64,846,732**	64,895,986
		7,751,530	13,751,530

6.1 (a) This represents the balance of Pak rupee loan of Rs. 340.841 million originally advanced in 1984 in Japanese Yen to the State Cement Corporation of Pakistan (Private) Limited. After privitizaion in 1992, under sale agreement, loan was payable to EAD with the assurance of Privitization Commission Government of Pakistan. This was secured by bank guarantee.

The amount of the original loan was in Japanese Yen 5,199,457,960 carrying interest @ 8.5% p.a. In 1987 the yen loan was converted into Pak rupee loan at exchange rate of 1 Yen=0.122111 Pak Rupee carrying interest @ 11% and exchange risk fee @ 3% per annum payable to the EAD in 30 equal half yearly installments.

(b) In 2004, management of Gharibwal Cement Limited (GCL) paid Rs. 134 million against outstanding principal and requested for restructuring of this loan. The competent authority has accorded its approval and waived off outstanding markup to date amounting to Rs. 87.783 million. After rescheduling, principal was outstanding of Rs. 132 million and future mark up @ 14% p.a. (11% mark up and 3% exchange risk fee) payable in ten equal half yearly installments. The rescheduled amount was to be secured by bank guarantee or creating second charge against fixed assets of the company in favour of EAD.

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

6.3 This represents arrears payable to workers on account of increments on salaries for the financial years ended on June 30, 2007, June 30, 2008 and June 30, 2009. As per peace agreement with CBA dated May 09, 2009 these arrears were payable in 72 equal monthly installments of Rs. 530,407 each. It is interest free and unsecured.

Notes.....

		Note	2017 Rupees	2016 Rupees
7	**DEFERRED LIABILITIES**			
	Deferred taxation	7.1	**750,383,613**	513,083,592
			750,383,613	513,083,592
	7.1 Deferred taxation			
	This is composed of the following:			
	Deferred tax liability on taxable temporary differences arising in respect of:			
	Accelerated tax depreciation		**94,645,493**	544,488,666
	Surplus on revaluation of assets		**750,383,613**	513,083,592
			845,029,106	1,057,572,258
	Deferred tax asset on deductible temporary differences arising in respect of:			
	Unused tax losses carried forward		**(1,062,164,657)**	(1,110,220,291)
	Minimum tax recoverable against normal tax charges in future years		**(41,546,841)**	(23,478,486)
	Deferred tax asset not recognized on unused losses and minimum tax		**1,009,079,600**	589,549,064
			(94,631,898)	(544,149,713)
	Provision for doubtful balances		**(13,595)**	(338,953)
			(94,645,493)	(544,488,666)
	Deferred tax liability / (asset)	7.2	**750,383,613**	513,083,592

7.2 During the year, net deferred tax assets for the carry forward of unused tax losses and minimum tax amounting Rs.1,009,079,600 (2016:Rs.589,549,064) has not been recognized because there are remote chances that taxable profit would be available in foreseeable future against which the unused tax losses and unused tax credits can be utilized.

		Note	2017 Rupees	2016 Rupees
8	**LONG TERM ADVANCES AND DEPOSITS**			
	Un-secured - Interest free			
	Security deposits	8.1	**1,852,334**	1,852,334
	Retention money		**29,979**	29,979
			1,882,313	1,882,313

8.1 These represent securities from distributors and contractors. These are being utilized by the company as authorized by the agreement with parties or deposited with separate bank account in compliance with section 226 of the repealed Companies Ordinance, 1984.

		Note	2017 Rupees	2016 Rupees
9.	**TRADE AND OTHER PAYABLES**			
	Trade creditors		**1,467,559,614**	1,009,971,627
	Accrued expenses		**487,001,628**	451,053,168
	Due to Gratuity Fund Trust	9.1	**221,148,526**	214,755,769
	Due to Provident Fund Trust	9.2	**53,013,436**	58,824,849
	Past Dues - CBA	9.3	**1,027,019**	1,103,011
	Excise duty		**47,698,247**	90,500,010
	Royalty		**15,258,244**	11,976,127
	Sales tax		**7,124,237**	66,413,588
	Workers' profit participation fund	9.4	**31,888,474**	31,565,414
	Unclaimed dividend		**1,081,940**	1,081,940
	Income tax withheld		**2,819,627**	33,143,547
	Advances from customers	9.5	**308,087,918**	210,635,850
	Others		**26,545,996**	56,855,430
			2,670,254,906	2,237,880,330

	2017 Rupees	2016 Rupees
9.1 Gratuity		
Net liability as on July 01	**214,755,769**	217,083,252
Charge to profit and loss account	**17,257,762**	21,931,830
Remeasurement chargeable in other comprehensive income	**(5,342,752)**	(13,117,811)
Payment to fund during the year	**(5,522,253)**	(11,141,502)
Net liability as on June 30,	**221,148,526**	214,755,769
The amount recognized in the balance sheet is as follows:		
Fair value of plan assets	**(185,677)**	(185,846)
Present value of defined benefit obligation	**157,121,990**	158,835,030
Deficit	**156,936,313**	158,649,184
Payable to outgoing members	**64,212,213**	56,106,585
Net liability as on June 30,	**221,148,526**	214,755,769
The amount recognized in profit and loss account is as follows:		
Current service cost	**6,249,707**	6,677,670
Interest cost	**11,021,529**	15,272,264
Expected return on plan assets	**(13,474)**	(18,104)
Total amount chargeable to profit and loss account	**17,257,762**	21,931,830
The movement in the present value of defined benefit obligation is as follows:		
Present value of defined benefit obligation	**158,835,029**	163,256,359
Current Service cost	**6,249,707**	6,677,670
Interest cost	**11,021,529**	15,272,264
Benefits due but not paid	**(13,627,880)**	(13,235,517)
Actuarial (gain) / loss	**(5,356,395)**	(13,135,747)
Present value of defined benefit obligations as on June 30,	**157,121,990**	158,835,029
The movement in the fair value of plan assets is as follows:		
Fair value of plan assets as on July 01,	**185,846**	185,678
Expected return on plan assets	**13,474**	18,104
Contributions	**5,522,253**	11,359,094
Benefits paid	**(5,522,253)**	(11,359,094)
Actuarial (loss) / gain	**(13,643)**	(17,936)
Fair value of plan assets as on June 30,	**185,677**	185,846

Comparison of present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of gratuity fund for the current year and last four years is as follows:

	Present value of defined Benefit	Fair value of plan assets	Surplus / (Deficit)
	------------------R	u p e e	s------------------
Year ended June 30, 2017	(157,121,990)	185,677	(156,936,313)
Year ended June 30, 2016	(158,835,029)	185,846	(158,649,183)
Year ended June 30, 2015	(163,256,359)	185,678	(163,070,681)
Year ended June 30, 2014	(135,578,196)	182,007	(135,396,189)
Year ended June 30, 2013	(134,346,485)	178,921	(134,167,564)

9.2 This includes short term loan obtained from Provident Fund Trust of amounting Rs.Nil (2016:Rs.6.00 million). This carried markup 21.05%.

9.3 This represents the amounts payable for the closure period of the factory on account of accumulated salaries and benefits, one day deduction and legal expenses payable to the employees and CBA for which a mutual agreement had been executed between the management and the CBA at the time of take over of the factory in 2000 by the the management.

		2017 Rupees	2016 Rupees
9.4	Workers' profit participation fund		
	Balance as at July 01,	**3,780,109**	3,780,109
	Less: payments during the year	**-**	-
		3,780,109	3,780,109
	Interest on unpaid contribution	**28,108,365**	27,785,305
		31,888,474	31,565,414
9.5	Advances from customers		
	Gross advances from customers	**308,318,194**	211,083,387
	Less: Balances written back during the year	**230,276**	447,537
		308,087,918	210,635,850

9.6 During the audit, balance confirmation requests were circulated of amounting Rs.2,982.146 million to various parties for direct balance confirmation of loans and liabilities, long term advances and deposits, trade and other payables, accrued markup and short term borrowing as referred to note no. 6, 8, 9, 10 and 11 respectively. Balance confirmed through alternative procedures amounting Rs. 163.371 million by the auditors and direct balance confirmations received upto date of issuance of financial statements amounting Rs. 2,777.251 million.

10 MARK UP ACCRUED

		2017	2016
Mark up accrued on:			
Secured loan	10.1	**391,750,449**	395,495,449
Unsecured loan	10.2	**183,538,719**	159,246,231
		575,289,168	554,741,680

10.1 This represents the mark up payable on loans obtained from Bank of Punjab Limited and BankIslami Pakistan Limited (formerly: KASB Bank Ltd.) of amounting Rs.Nil (2016: Rs.3,745,000) and Rs.391,750,449 (2016:Rs.391,750,449) respectively.

10.2 This represents the mark up payable on loans or balances payable to Economic Affairs Division (EAD), Three Stars Cement (Pvt) Limited and Provident Fund Fund Trust of amounting Rs.47,536,650 (2016: Rs.42,604,170), Rs.22,564,684 (2016: Rs.22,564,684) and Rs.113,437,385 (2016: Rs.94,077,376) respectively.

11. SHORT TERM BORROWINGS	Note	**2017 Rupees**	2016 Rupees
FINANCIAL INSTITUTION:			
Running finances - secured			
BankIslami Pakistan Limited (formerly: KASB Bank Ltd.)	11.1	**290,000,000**	290,000,000
INTEREST FREE AND UNSECURED LOANS:			
Ex-Sponsors' Loan	11.2	**250,000,000**	250,000,000
Loan from Related Parties - unsecured			
Holding Company	11.3	**37,804,256**	37,804,256
Ex-Director - interest free	11.4	**37,065,450**	37,065,450
Others-interest free	11.5	**25,516,375**	25,516,375
		100,386,081	100,386,081
OTHERS	11.6	**787,523,247**	787,523,247
		1,427,909,328	1,427,909,328

11.1 This represents finance facility against the limit of Rs. 290 million (2016: Rs. 290 million). It carries mark up @ six months KIBOR plus 3% per annum (2015: 6 months KIBOR + 3% per annum) payable on quarterly basis with no floor and cap. The facility was to be repaid in bullet repayment on September 30, 2007. The facility is secured by 1st pari passu charge on plant and machinery of the company amounting Rs. 400 million and lien over deposit of Rs. 176.5 million in saving account of Mr. Tauseef Peracha and Mr. A. Rafique Khan (Ex-Management).

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

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

11.3 This represents loan from holding company, Three Stars Cement (Pvt) Ltd. The terms and conditions of the repayment of loan have not yet been finalized and have not been reduced in writing.

11.4 This represents Rs. 37.065 million injected by the ex-director, Mr. Mansoor Rasheed to meet the working capital requirements of the company in the year 2010, 2011. Repayment of such loan is subject to availability of cash.

11.5 This represents loan from Three Star Hosiery (Private) Limited and Active Apparel International (Private) Limited amounting Rs. 13,721,332 and Rs. 11,795,043 (2016: Rs. 13,721,332 and Rs. 11,795,043) respectively. Repayment of such loans is subject to availability of cash.

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

Notes.....

	Note	2017 Rupees	2016 Rupees
12 CURRENT PORTION OF LONG TERM LOANS AND LIABILITIES			
Loan from banking companies		**40,023,000**	24,533,000
Other loans	6	**64,846,732**	64,895,986
		104,869,732	89,428,986
13 PROVISION FOR TAXATION			
Balance as at 1st July,		**-**	-
Less: Adjusted during the year		**-**	-
		-	-
Add: Provision for the taxation-current		**18,068,355**	23,478,486
		18,068,355	23,478,486
Less: Tax deducted at source / advance tax		**(18,068,355)**	(23,478,486)
		-	-

13.1 Provision for the current year represents tax on income chargeable under under minimum tax on turnover due under section 113 of the Income Tax Ordinance, 2001.

13.2 No numeric tax rate reconciliation is presented in these financial statements as the company is liable to pay tax under minimum tax u/s 113 of Income Tax Ordinance 2001.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

a) The company is in litigation with some suppliers / workers and their relatives. The matter is pending for decision in Court. Company's exposure in respect of these cases could be Rs.18.226 million (2016: Rs.22.505 million).

b) Sui Northern Gas Pipelines Ltd., (SNGPL) has charged the excess gas bill amounting to Rs. 37.90 million in 2006. On complaint lodged with the Oil & Gas Regulatory Authority (OGRA) against excessive billing by SNGPL, the matter was decided in favour of the company. SNGPL has filed an appeal against the said decision of OGRA. The appeal has also been adjudicated by OGRA in favour of the company. However, the SNGPL has recovered the aforesaid amount as stated below.

SNGPL has charged mark up on late payment of the gas bills in the past at the rate which was in excess of the rate agreed in the Gas Sale Agreement (GSA). The company filed a complaint with the OGRA, who decided the matter and directed SNGPL to recomputed mark up on late payment as per original GSA. SNGPL recomputed mark up amounting to Rs. 10.312 million, as against Rs. 2.729 million computed by the company. The matter has again been referred to OGRA for their decision. However, company has charged amounting Rs. 2.729 million in the financial statements. However, the SNGPL has recovered the aforesaid amount as stated below.

In June 2008 Sui Northern Gas Pipelines Ltd., (SNGPL) has charged the excess gas bill amounting to Rs.18.536 million. The company has lodged complaint with the review committee of Sui Northern Gas Pipelines Ltd., (SNGPL) which gave its decision that the disputed bill is correct.
On January 23, 2009 the SNGPL encashed bank guarantee of Rs. 88.00 million against arrears of gas bills including as mentioned in previous paragraphs. Till June 30, 2009, after adjustment of bank guarantee total arrears amounting Rs. 35.380 million are outstanding against the company which have not been accounted for in the financial statements due to dispute with the SNGPL. Application was filed by SNGPL in Civil Court and the same has been dismissed due to non prosecution of case. SNGPL filed an application for restoration of case which is pending adjudication.

c) Competition Commission of Pakistan (the Commission), vide order dated August 27, 2009, has imposed penalty on 20 cement factories of Pakistan at the rate of 7.5% of the turnover value as disclosed in the last annual financial statements. The Commission has imposed penalty amounting Rs. 41.71 million on the company for alleged violation of section 4(1) of the Competition Commission Ordinance, 2007. The cement manufacturers including company challenged the commission order in the court and Honourable High Court granted stay to the companies against adverse action by the commission. Based on legal advice the company has not accounted for the liability of aforesaid amount.

d) The company has not accounted for Rs. 422.576 million (2016:Rs. 367.476 million) additional profit / liquidated damages on the loan payable to BankIslami Pakistan Limited (formerly: KASB Bank Ltd.) as the matter is subjudice with the honorable Lahore High Court referred to note no.11.1 in the financial statements.

e) The Deputy Commissioner Inland Revenue determined sales tax and federal excise duty liability of the company amounting Rs.2.290 million (2016: Rs 2.290 million) on account of inadmissible input tax and non payment of output sales tax along with surcharge and penalty. The company had filed appeal against the order of Deputy Commissioner Inland Revenue Appeals. The Commissioner (Appeals) had decided the case against the company. The company has filed appeal against the decision of the Commissioner (Appeals) with Appellate Tribunal Inland Revenue. Consequently, the company has not accounted for liability of aforesaid amount. The company has also filed a petition in the Lahore High Court against the recovery of aforesaid amount. The same has been accepted in the favour of the company.

f) The Additional Commissioner Inland Revenue, Zone-I, LTU, Lahore, initiated proceedings u/s 122(5A) of the Ordinance for amendment of assessment for the tax year 2010 and as a result thereof a tax demand of Rs. 4,342,892 was raised against the company. The company had filed an appeal before the CIR (Appeals) against the said demand. The CIR (Appeals) has annulled the order subsequent to balance sheet date.

g) A complain was moved by Aftab Ahmad Khan (MPA) on 29.03.2005 in Punjab Provisional Assembly regarding spreading pollution /smoke and noise in factory area. Environment Tribunal passed an order against company after inspection by Environment Protection Department. Company had filed an appeal bearing No.73/2010 in honorable Lahore High Court. However, matter is pending adjudication and a penalty of Rs. 50,000 may be imposed if said appeal is dismissed.

h) Writ petition has been filed by Collector Sale Tax, Islamabad regarding wrong adjustment on electricity, sui gas, purchase of store and machinery by company of amounting Rs. 14,382,086. The company is hopefully that decision will be decided in favor of the company.

	Note	**2017 Rupees**	2016 Rupees
14.2 Commitments			
Summit Bank Limited has issued Bank Guarantee in favour of Sui Northern Gas Pipelines Limited.	14.2.1	**1,500,000**	1,500,000
United Bank Limited has issued Bank Guarantee in favour of Department of Mines & Minerals Government of Punjab.	14.2.2	**139,165**	139,165

14.2.1 This guarantee was secured by lien in favour of Summit Bank Ltd on PLS TDR amounting Rs.1,500,000 (2016: Rs. 1,500,000).

14.2.2 This guarantee was secured by lien in favour of United Bank Ltd on PLS TDR amounting Rs.140,000 (2016: Rs.140,000).

14.2.3 The company has issued post dated cheques in favour of LTU's against rescheduling of Sales Tax and Excise duty payable amounting Rs.45,247,823 (2016: Rs.135,743,399).

15 OPERATING FIXED ASSETS

PARTICULARS	COST / REVALUATION As at July 01, 2016	Additions	Deletions	Adjustment	As at June 30, 2017	Rate %	DEPRECIATION As at July 01, 2016	For the period	On disposals	Adjustment	As at June 30, 2017	Book Value as at June 30, 2017
OWNED												
Free hold land	84,077,000	-	-	-	84,077,000	-	-	-	-	-	-	84,077,000
Quarry on lease hold land	1,330,978	-	-	-	1,330,978	20 Yrs.	1,300,658	30,320	-	-	1,330,978	-
Factory building on free hold land	378,739,310	-	-	-	378,739,310	-	245,975,310	13,276,400	-	-	259,251,710	119,487,600
Office building	31,731,942	-	-	-	31,731,942	-	21,801,942	496,500	-	-	22,298,443	9,433,499
Residential building	124,787,749	-	-	-	124,787,749	-	70,169,750	5,461,800	-	-	75,631,551	49,156,198
Machinery	5,108,725,575	-	-	-	5,108,725,575	-	1,868,725,575	97,200,000	-	-	1,965,925,575	3,142,800,000
Office Equipment	12,095,559	336,890	-	-	12,432,449	10	7,543,379	477,285	-	-	8,020,664	4,411,785
Furniture & Fixture	7,394,634	93,230	-	-	7,487,864	10	6,681,932	75,932	-	-	6,757,864	730,000
Heavy Vehicles	152,174,723	-	-	-	152,174,723	-	125,050,723	5,424,800	-	-	130,475,523	21,699,200
Light Vehicles	44,259,281	2,297,008	475,200	-	46,081,089	-	31,318,282	2,924,903	458,860	-	33,784,325	12,296,764
Railway Sidings	1,726,574	-	-	-	1,726,574	5	1,409,550	15,851	-	-	1,425,401	301,173
Electric Installation	38,676,612	-	-	-	38,676,612	10	36,820,758	185,585	-	-	37,006,343	1,670,269
Weighing Scales	80,958	-	-	-	80,958	10	77,072	389	-	-	77,461	3,497
Library Books	72,403	-	-	=	72,403	10	68,792	361	-	=	69,153	3,250
Rupees	**5,985,873,298**	**2,727,128**	**475,200**	-	**5,988,125,226**		**2,416,943,723**	**125,570,126**	**458,860**	-	**2,542,054,991**	**3,446,070,235**

Vehicles include a Shehzor Mazda of amounting Rs. 649,000 is not in the name of the company due to that bank is unable to trace the relevant record of aforesaid vehicle. Consequently bank did not issue no objection certificate(N.O.C) for transfer of vehicle in the name of company

15.1 OPERATING FIXED ASSETS

PARTICULARS	COST / REVALUATION As at July 01, 2015	Additions	Deletions	Adjustment	As at June 30, 2016	Rate %	DEPRECIATION As at July 01, 2015	For the period	On disposals	Adjustment	As at June 30, 2016	Book Value as at June 30, 2016
OWNED												
Free hold land	72,981,357	-	-	11,095,643	84,077,000	-	-	-	-	-	-	84,077,000
Quarry on lease hold land	1,330,978	-	-	-	1,330,978	20 Yrs.	1,234,109	66,549	-	-	1,300,658	30,320
Factory building on free hold land	285,269,156	619,873	-	92,850,281	378,739,310	-	241,570,644	4,404,666	-	-	245,975,310	132,764,000
Office building	32,421,982	-	-	(690,040)	31,731,942	-	21,242,993	558,949	-	-	21,801,942	9,930,000
Residential building	85,666,569	-	-	39,121,180	124,787,749	-	68,447,881	1,721,869	-	-	70,169,750	54,617,999
Machinery	3,613,605,631	5,887,001	-	1,489,232,943	5,108,725,575	-	1,814,659,357	54,066,218	-	-	1,868,725,575	3,240,000,000
Office Equipment	11,435,460	660,099	-	-	12,095,559	10	7,081,068	462,311	-	-	7,543,379	4,552,180
Furniture & Fixture	7,394,634	-	-	-	7,394,634	10	6,602,743	79,189	-	-	6,681,932	712,702
Heavy Vehicles	127,739,030	-	-	24,435,693	152,174,723	-	124,378,647	672,076	-	-	125,050,723	27,124,000
Light Vehicles	34,787,321	687,600	1,373,944	10,158,304	44,259,281	-	31,568,219	566,750	816,687	-	31,318,282	12,940,999
Railway Sidings	1,726,574	-	-	-	1,726,574	5	1,392,865	16,685	-	-	1,409,550	317,024
Electric Installation	38,676,612	-	-	-	38,676,612	10	36,614,552	206,206	-	-	36,820,758	1,855,854
Weighing Scales	80,958	-	-	-	80,958	10	76,640	432	-	-	77,072	3,886
Library Books	72,403	-	-	-	72,403	10	68,391	401	-	-	68,792	3,611
Rupees	**4,313,188,665**	**7,854,573**	**1,373,944**	**1,666,204,004**	**5,985,873,298**		**2,354,938,107**	**62,822,303**	**816,687**	-	**2,416,943,723**	**3,568,929,575**

Vehicles include a Shehzor Mazda of amounting Rs. 649,000 is not in the name of the company due to that bank is unable to trace the relevant record of aforesaid vehicle. Consequently bank did not issue no objection certificate(N.O.C) for transfer of vehicle in the name of company

15.2 Depreciation for the year has been allocated as under :-	Note	2017 Rupees	2016 Rupees
- Cost of sales	25	**118,747,793**	60,317,170
- Distribution cost	26	**126,495**	124,986
- Administrative expenses	27	**6,695,838**	2,380,147
		125,570,126	62,822,303

15.3 Land, Buildings, Plant & Machinery, and Vehicles of the Company were first revalued on April 01, 2002, resulting in surplus of Rs. 1,843.8 million. Thereafter, the company again revalued its Land, Buildings, Plant & Machinery, and Vehicles on June 30, 2007 and June 30, 2016 resulting a surplus of Rs. 685.61 million and 1,666.204 million respectively. The revaluation exercises have been carried out by an independent valuer M/s Surval, recognised valuation consultant, based on Depreciated Replacement Value.

15.4 Had there been no revaluation the book value of Buildings, Plant & Machinery and Vehicles at June 30, 2017 would have been Rs. 20,763,098 (2016: 22,888,904), Rs. 339,190,004 (2016: Rs. 349,680,417), and Rs. 4,442,094 (2016: Rs. 3,122,661) respectively.

15.5 Disposal of property, plant and equipment:

Description	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Profit	Mode of Disposal	Particulars
	------------------ R u p e e s ------------------						
Light Vehicles							
Suzuki Pothohar LOJ-163	185,000	184,348	652	260,000	259,348	Negotiation	Mr. Ghulam Hussain
Suzuki Mehran LRD-1765	290,200	274,512	15,688	150,000	134,312	Negotiation	Mr.Abdul Waheed
	475,200	458,860	16,340	410,000	393,660		
2016: Rupees	**290,200**	**274,512**	**15,688**	**150,000**	**134,312**		

Notes.....

	2017 Rupees	2016 Rupees
16 LONG TERM SECURITY DEPOSITS		
Islamabad Electric Supply Company	**9,486,000**	9,486,000
Others	**1,180,715**	1,180,715
	10,666,715	10,666,715
17 STORES, SPARES AND LOOSE TOOLS		
General stores	**100,246,544**	127,868,324
Spare parts	**99,420,568**	81,725,854
Loose tools	**1,137,131**	1,213,525
	200,804,243	210,807,703
18 STOCK IN TRADE		
Raw material	**13,621,477**	1,489,326
Work in process	**105,918,700**	13,948,284
Finished goods	**42,864,316**	11,778,427
	162,404,493	27,216,037

19 TRADE DEBTS

These are unsecured but considered good by the management.

	2017 Rupees	2016 Rupees
Gross trade debts	**167,912,001**	166,264,033
Less: Balances written off during the year	**365,599**	222,979
	167,546,402	166,041,054

	Total	Past due but not impaired		
		1-90 days	90-180 days	More than 180 days
2017	**167,546,402**	**123,450,744**	**14,856,288**	**29,239,370**
2016	166,041,054	147,785,232	8,352,935	9,902,887

20 LOANS AND ADVANCES

	Note	2017 Rupees	2016 Rupees
Loans			
Considered good:			
To past associated company			
- Gharibwal Cement Limited (GCL)		**250,000,000**	250,000,000
Loan to employees		**31,414,685**	27,004,179
		281,414,685	277,004,179
Considered doubtful:			
Loan to employees		**15,316**	1,063,396
		281,430,001	278,067,575
Advances			
Considered good:			
To employees		**1,764,376**	1,449,505
To suppliers / contractors		**42,894,412**	36,652,671
		44,658,788	38,102,176
Considered doubtful:			
To employees		**30,000**	30,000
		44,688,788	38,132,176
		326,118,789	316,199,751
Less: Provision for doubtful loans and advances	20.1	**45,316**	1,093,396
		326,073,473	315,106,355

20.1 Provision for doubtful loans and advances

	2017 Rupees	2016 Rupees
Balance as at July 01,	**1,093,396**	2,270,323
Provision for the year	**-**	-
	1,093,396	2,270,323
Reversal of provision for doubtful balances	**(1,048,080)**	(1,176,927)
	45,316	1,093,396

20.2 During the audit, balance confirmation requests were circulated to various parties for direct balance confirmation of loans and advances aggregating Rs. 213.591 million including long term security deposits, trade debts, and other receivable as referred to note no.20, 16, 19 and 23 respectively. Balance confirmed through alternative procedures amounting Rs. 61.804 million by the auditors and direct balance confirmations received upto date of issuance of financial statements amounting Rs. 133.450 million.

21 BALANCES WITH STATUTORY AUTHORITIES

	2017 Rupees	2016 Rupees
Income tax due from the Government	**128,385,779**	136,114,851

22 INTEREST ACCRUED

	2017 Rupees	2016 Rupees
Interest accrued on loan to Gharibwal Cement Limited	**9,388,556**	9,388,556

23 OTHER RECEIVABLES

	2017 Rupees	2016 Rupees
Other receivables:		
Considered good	**359,995**	360,095
Considered doubtful	**-**	-
	359,995	360,095

Notes.....

	Note	2017 Rupees	2016 Rupees
24 CASH AND BANK BALANCES			
Cash in hand		**1,960**	50,632
Cash at banks in:			
Current accounts		**17,599,265**	40,624,998
Saving accounts		**447,465**	2,420,179
Deposit accounts	24.1	**2,503,777**	2,446,700
		20,550,507	45,491,877
		20,552,467	45,542,509

24.1 It includes amounting Rs.1,640,000 (2016: Rs.1,640,000) deposited against guarantees as referred to note 14.2.

24.2 Profit and loss sharing accounts bear mark up at the rates ranging from 1.85% to 3.75% (2016: 7% to 10%) per annum.

25 COST OF SALES

	Note	2017 Rupees	2016 Rupees
Raw materials consumed	25.1	**173,139,377**	175,213,614
Salaries, wages and benefits	25.2	**245,704,078**	237,490,443
Fuel, gas and electricity		**1,373,546,126**	1,471,230,154
Stores and spares		**107,587,433**	147,373,439
Rent, rates and taxes		**124,268**	294,799
Vehicle running and maintenance		**9,329,757**	24,051,516
Packing material		**112,948,725**	142,445,328
Depreciation	15.2	**118,747,793**	60,317,170
Others		**62,471,066**	52,036,231
		2,203,598,623	2,310,452,694
Work in process			
Opening		**13,948,284**	36,857,832
Closing		**(105,918,700)**	(13,948,284)
		(91,970,416)	22,909,548
Cost of goods manufactured		**2,111,628,207**	2,333,362,242
Finished goods			
Opening		**11,778,427**	37,809,831
Closing		**(42,864,316)**	(11,778,427)
		(31,085,889)	26,031,404
		2,080,542,318	2,359,393,646

	Note	2017 Rupees	2016 Rupees
25.1 RAW MATERIALS CONSUMED			
Opening balance		**1,489,326**	10,330,478
Purchase of raw material		**89,977,002**	62,085,589
Salaries, wages and benefits	25.1.1	**32,005,903**	34,685,854
Gypsum		**4,746,576**	8,458,277
Electricity		**12,970,395**	13,915,366
Royalty and excise duty		**28,705,550**	30,339,592
Stores and spares		**16,180,861**	16,289,833
Breaking of Gypsum		**685,241**	597,951
		186,760,854	176,702,940
Closing balance		**(13,621,477)**	(1,489,326)
		173,139,377	175,213,614

25.1.1 Salaries, wages and other benefits include Rs. 1.18 million (2016: Rs.1.24 million) and Rs.2.66 million (2016: Rs. 3.50 million) in respect of contribution of Provident Fund and Gratuity Fund respectively by the company.

25.2 Salaries, wages and other benefits include Rs. 6.07 million (2016: Rs. 6.21 million) and Rs.14.60 million (2016: Rs. 18.43 million) in respect of contribution of Provident Fund and Gratuity Fund respectively by the company.

26 DISTRIBUTION COST

	Note	2017 Rupees	2016 Rupees
Salaries, wages and benefits		**3,336,000**	3,764,617
Travelling and daily allowances		**393,367**	61,417
Vehicles running and maintenance		**83,817**	189,369
Depreciation	15.2	**126,495**	124,986
Freight		**20,217,094**	14,149,400
Others		**-**	492,115
		24,156,773	18,781,904

27 ADMINISTRATIVE EXPENSES

	Note	2017 Rupees	2016 Rupees
Salaries, wages and benefits		**19,030,303**	16,921,217
Rent, rates and taxes		**3,489,668**	3,506,220
Travelling and daily allowances		**2,255,239**	2,174,390
Repairs and maintenance		**909,995**	5,123,535
Vehicle running and maintenance		**211,720**	212,434
Auditors' remuneration	27.1	**1,269,250**	1,080,000
Legal and professional		**8,123,481**	6,072,883
Postage, telephone and telegrams		**1,175,575**	1,417,281
Printing and stationery		**417,940**	433,116
Entertainment		**1,805,370**	1,727,971
Fee and subscriptions		**1,924,545**	617,989
Donation		**1,361,798**	198,990
Depreciation	15.2	**6,695,838**	2,380,147
Others	27.2	**7,147,024**	13,992,716
		55,817,746	55,858,889

Notes.....

	Note	2017 Rupees	2016 Rupees
27.1 Auditors' remuneration			
Amin, Mudassar & Co.			
Chartered Accountants			
Audit fee		**939,500**	800,000
Certification services		**20,000**	10,000
Half year review fee		**157,500**	130,000
Code of Corporate Governance review report fee		**152,250**	140,000
		1,269,250	1,080,000

27.2 This includes penalties/surcharge, inadmissible input of sales tax paid to FBR on account of various offences of amounting Rs. 4,887,224 (2016: Rs. 12,573,672).

28 OTHER INCOME

	Note	2017 Rupees	2016 Rupees
Income from financial assets			
Profit on deposit and PLS accounts		**173,570**	266,503
Balances written back		**230,276**	447,537
Reversal of provision for doubtful balances		**1,048,080**	1,176,927
Income from non financial assets			
Gain on disposal of fixed assets		**393,660**	645,243
		1,845,586	2,536,210

29 OTHER OPERATING EXPENSES

	Note	2017 Rupees	2016 Rupees
Balances written off		**365,599**	222,979
Exchange loss		**1,854,864**	-
		2,220,463	222,979

30 FINANCE COST

	Note	2017 Rupees	2016 Rupees
Interest / mark up on:			
Loans from financial institutions		**159,841,089**	150,562,987
Other loans - long term		**4,932,480**	4,932,480
Provident fund		**19,360,008**	15,266,886
Workers Profit Participation Fund (WPPF)		**323,060**	335,425
Bank charges		**303,932**	891,878
		184,760,569	171,989,656

31 TAXATION

	Note	2017 Rupees	2016 Rupees
Income tax			
- Current	13	**(18,068,355)**	(23,478,485.94)
- Deferred		**29,783,892**	-
		11,715,538	(23,478,486)

	2017 Rupees	2016 Rupees

32 EARNINGS PER SHARE - BASIC AND DILUTED

	2017 Rupees	2016 Rupees
Loss for the year - Rupees	**(527,684,851)**	(280,252,502)
Weighted average number of ordinary shares outstanding during the year - Number	**94,839,980**	94,839,980
Earnings per share - Rupees	**(5.56)**	(2.96)

33 TRANSACTIONS WITH RELATED PARTIES

Balances of related parties have been disclosed in the relevant notes to the financial statements.

34 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

	2017 Rupees	2016 Rupees
Financial assets		
Loans and receivables		
Long term security deposits	**10,666,715**	10,666,715
Trade debts	**167,546,402**	166,041,054
Loans and advances	**283,179,061**	278,453,684
Other receivables	**359,995**	360,095
Accrued interest	**9,388,556**	9,388,556
Cash and bank balances	**20,552,467**	45,542,509
	491,693,196	510,452,613
Financial liabilities		
Financial liabilities at amortized cost		
Long term loans and liabilities	**1,214,502,262**	1,130,477,427
Long term advances and deposits	**1,882,313**	1,882,313
Trade and other payables	**2,361,936,712**	2,027,244,480
Mark up accrued	**575,289,168**	554,741,680
Short term borrowings	**1,427,909,328**	1,427,909,328
	5,581,519,783	5,142,255,228

35 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors have the overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management.

Here are presented the 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.

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 react to changes in the market conditions and the Company's activities.

The company's exposure to financial risks, the way these risks affect revenues, expenses, assets, liabilities and forecast transactions of the company and the manner in which each of these risks are managed is as follows:

35.1 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, and arises principally from trade debts, advances and deposits, interest accrued, other receivables and margin on letter of guarantee. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2017 Rupees	2016 Rupees
Long term security deposits	**10,666,715**	10,666,715
Trade debts	**167,546,402**	166,041,054
Loans and advances	**283,179,061**	278,453,684
Interest accrued	**9,388,556**	9,388,556
Other receivables	**359,995**	360,095
Bank balances	**20,550,507**	45,491,877
	491,691,236	510,401,981

Geographically there is no concentration of credit risk.

Credit Quality of Financial Assets

The company has placed funds in financial institutions keeping in view credit ratings. The company assesses the credit quality of the counter parties as satisfactory. The company does not hold any collateral as security against any of its financial assets.

Cash at banks	**Rating Short Term**	**Rating Long Term**	**Rating Agency**		
Habib Bank Limited	A-1+	AAA	JCR-VIS	**3,743,314**	9,621,289
National Bank of Pakistan	A1+	AAA	PACRA	**1,868,550**	2,378,790
Bank Al Habib Limited	A1+	AA+	PACRA	**63,815**	286,633
Askari Bank Limited	A1+	AA+	PACRA	**3,254,905**	1,892,042
The Bank of Punjab	A1+	AA	PACRA	**655,812**	37,488
Bank Alflah Limited	A1+	AA+	PACRA	**298,228**	1,605,925
Summit Bank Limited	A-1	A-	JCR-VIS	**2,369,394**	2,312,317
United Bank Limited	A-1+	AAA	JCR-VIS	**8,296,489**	27,357,394
				20,550,507	45,491,877

Credit Risk Management

Due to the company long standing business relationship with counter parties and after giving due consideration to their strong financial standings, management does not expect non-performance by the counter parties on their obligation to the company. Accordingly, the credit risk is minimal.

35.2 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The following are the contractual maturities of financial liabilities, including expected interest payments and excluding the impact of netting agreements:

Contractual maturities of financial liabilities as at June 30, 2017

	2017			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year
	------------- R u p e e s -----------			
Loan from banking companies	1,141,904,000	1,810,508,000	40,023,000	1,101,881,000
Other loans and liabilities	72,598,262	72,598,262	64,846,732	7,751,530
Long term advances and deposits	1,882,313	1,882,313	-	1,882,313
Trade and other payables	2,140,788,186	2,140,788,186	2,140,788,186	-
Mark up accrued	575,289,168	575,289,168	575,289,168	-
Short term borrowings	1,427,909,328	1,427,909,328	1,427,909,328	-
Gratuity payable to trustees	221,148,526	221,148,526	221,148,526	-
	5,581,519,783	**6,250,123,783**	**4,470,004,940**	**1,111,514,843**

Contractual maturities of financial liabilities as at June 30, 2016

	2016			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year
	------------- R u p e e s -----------			
Loan from banking companies	1,051,829,911	1,833,535,000	24,533,000	1,027,296,911
Other loans and liabilities	78,647,516	78,647,516	64,895,986	13,751,530
Long term advances and deposits	1,882,313	1,882,313	-	1,882,313
Trade and other payables	1,812,488,711	1,812,488,711	1,812,488,711	-
Mark up accrued	554,741,680	554,741,680	554,741,680	-
Short term borrowings	1,427,909,328	1,427,909,328	1,427,909,328	-
Gratuity payable to trustees	214,755,769	214,755,769	214,755,769	-
	5,142,255,228	**5,923,960,317**	**4,099,324,474**	**1,042,930,754**

The contractual cash flows relating to above financial have been determined on the basis of mark-up rates effective as at 30 June 2017.

Liquidity Risk Management

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the company ensures that it has sufficient cash on demand to meet expected operational cash flows, including serving of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. Further, the company has the support of its sponsors in respect of any liquidity shortfalls.

35.3 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 net profit or the fair value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

35.3.1 Currency Risk

The company is exposed to currency risk in respect of export sales, imports and resulting balances that are denominated in a currency other than functional currency. The company's exposure to currency risk as at the reporting date is as follows:

	2017		2016	
	Rupees	Euro	**Rupees**	Euro
Trade creditors	**30,154,719**	**250,997**	-	-

The following significant exchange rates have been applied:

	Reporting Date Rate	
	2017	2016
Euro to Rupee	**120.14**	-

Sensitivity analysis

At June 30, 2017, if Rupee had strengthened / weakened by 10% against Euro with all other variables held constant, profit before taxation for the year would have been higher / (lower) by the amount shown below mainly as a result of foreign exchange gain / (loss) on translation of denominated financial liabilities and financial assets.

Effect on profit before taxation for the year:	**2017 Rupees**	2016 Rupees
Euro to Rupee	**3,015,471.90**	-

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets and liabilities of the Company.

35.3.2 Foreign Currency Risk Management

Foreign currency risk arises mainly due to fluctuation in foreign exchange rates. The company also has transactional currency exposure. Such exposure arises from sales and purchases of certain materials by the company in currencies other than rupees. In appropriate cases, the management takes out forward contacts to mitigate risk where it is necessary.

35.3.3 Interest Rate Risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

The effective interest / mark-up rates in respect of financial instruments are mentioned in respective notes to the financial statements.

Sensitivity Analysis

The company is exposed to interest rate risk in respect of its variable rate instruments. A 100 basis points increase in variable interest rates would have decreased profit by Rs. 14.221 million (2016: decreased profit by Rs.13.771 million). A 100 basis points decrease in variable interest rate would have had an equal but opposite impact on profit. This sensitivity analysis is based on assumption that all variables, with the exception of interest rates, remain unchanged.

35.3.4 Price Risk

The company is not exposed to any price risk as it does not hold any significant investments exposed to price risk.

35.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short - term in nature or periodically repriced.

International Financial Reporting Standard 13, 'Financial Instruments : Disclosure' 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 (level 1)

- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or directly (i.e. derived from prices) (level 2) ; and.

- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Currently there are no financial assets or financial liabilities which are measured at their fair value in the balance sheet.

35.5 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently financing majority of its operations through long-term and short-term financing in addition to its equity. The Company has a gearing ratio of (8.59)% (2016: 13.96%) as of the balance sheet date.

35.6 Default and breaches of loans payable

Particulars	Carrying value		Nature of default
	Principal amount	Markup due	
	----- R u p e e s -----		
Economic Affairs Division	35,232,000	47,536,650	Company failed to pay the half yearly installments along with markup due thereon.
Bank Islami Pakistan Limited (formerly KASB Bank Ltd.)	290,000,000	391,750,449	The company has not renewed the short term running finance facility

36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2017			
	Chief Executive	Directors		Executive
		Executive	Non-Executive	
	------------- R u p e e s -----------			
Managerial remuneration	3,000,000	-	-	14,803,562
House rent	-	-	-	-
Medical	-	-	-	-
Others	-	-	-	-
	3,000,000	**-**	**-**	**14,803,562**
Number of persons	1	-	-	15

	2016			
	Chief Executive	Directors		Executive
		Executive	Non-Executive	
	------------- R u p e e s -----------			
Managerial remuneration	3,000,000	-	-	10,787,125
House rent	-	-	-	-
Medical	-	-	-	-
Others	-	-	-	-
	3,000,000	**-**	**-**	**10787125**
Number of persons	1	-	-	9

36.1 The Chief Executive, Directors and executive are entitled to free use of cars according to company's policy.

36.2 No remuneration was paid to any executive and non executive directors of the company.

36.3 Executives are defined as employees with basic salary exceeding Rs. 500,000.

37 PROVIDENT FUND

The company has maintained an employees' provident fund trust (Trust). The company has to contribute the amount of provident fund (Fund) to the Trust. Due to severe financial crunch, the company was unable to pay outstanding amount fully. However, mark-up, as return of investment, has been accrued in the books of accounts of the company.

The following information is based on the latest un-audited financial statement of the provident fund trust.

	2017 Rupees	2016 Rupees
Size of the fund - total assets	**465,473,221**	431,779,348
Cost of investment made	**91,985,295**	103,276,954
Percentage of the fund made	**19.8%**	23.9%
Fair value of investment made	**91,985,295**	103,276,954

	2017		2016	
	Rupees	**Percentage**	Rupees	Percentage
Fair value of investment				
The break-up of fair value				
Unpaid contribution by the company	**90,043,752**	**98%**	101,855,165	99%
Bank balances	**1,941,543**	**2%**	1,421,789	1%

The management has the intention to contribute the outstanding amount of provident fund with related mark-up on attaining the profitable operations of the company. All the amount will be invested by the Trust as per the requirements of the section 218 of the Companies Act, 2017, once received from the company. Further, Rule 5 of the Employees Provident Fund (investment in listed securities) are applicable if the trust investing in any listed securities out of its funds

	2017	2016
	(-------Number-------)	

38 NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

	2017	2016
Average number of employees during the year	718	650
Number of employees as at June 30,	706	639

39 PLANT CAPACITY AND ACTUAL PRODUCTION

	2017 M. Tons	2016 M. Tons
Plant Capacity (Ordinary Portland cement)	504,000	504,000
Plant capacity (Clinker)	480,000	480,000
Actual production (Ordinary Portland cement)	270,305	332,937
%age of capacity utilized	54	66
Actual production (Clinker)	273,492	315,145
%age of capacity utilized	57	66

39.1 Shortfall in production is attibutable to collapse of conveyor belt line and other vital machinery fault occurred because of voltage fluctuation and load shading.

40 OPERATING SEGMENT

40.1 These financial statements have been prepared on the basis of a single reportable segment.

40.2 All non-current assets of the company as at June 30, 2017 are located in Pakistan.

41 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on November 06, 2017 by the Board of Directors of the company.

42 CORRESPONDING FIGURES

Previous year's figures have been rearranged and reclassified wherever necessary for the purposes of comparison and for better presentation. However, there is no material rearrangement to report.

43 GENERAL

Figures in these financial statements have been rounded off to the nearest of rupee.

MUHAMMAD AZHAR SHER	MUHAMMAD KAMRAN	MUHAMMAD AMJAD AZIZ
Chief Executive	Chief Financial Officer	Director

Summary of Last Ten Years' Financial Result

Rupees in Thousands

Description	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Trading Results:										
Net Sales	1,806,252	2,346,937	2,138,895	1,068,198	145,272	1,103,744	773,176	233,286	1,146,063	556,149
Gross Profit /(Loss)	(274,290)	(12,457)	(287,347)	(348,281)	(374,747)	(440,399)	(351,839)	(263,754)	(84,882)	(236,620)
Operating Profit /(Loss)	(354,640)	(84,784)	(335,396)	(417,955)	(444,371)	(489,369)	(384,520)	(295,450)	(192,595)	(328,986)
Profit /(Loss) Before Taxation	(539,400)	(256,774)	(497,258)	(52,027)	(463,639)	(506,774)	(392,030)	(556,982)	(457,657)	(556,402)
Profit /(loss) After Taxation	(527,685)	(280,252)	(497,258)	(52,027)	(466,807)	(506,774)	(339,163)	(436,126)	(310,177)	(419,168)
Balance Sheet:										
Shareholder's Equity	(3,947,608)	(3,491,559)	(3,257,739)	(3,254,924)	(2,768,590)	(2,366,059)	(1,896,526)	(1,596,274)	(1,202,189)	(934,958)
Operating Fixed Assets	3,446,070	3,568,929	1,958,251	2,022,858	2,016,895	2,085,626	2,155,354	2,230,649	2,313,958	2,382,119
Net Current Liabilities	(3,762,808)	(3,399,383)	(3,267,517)	(896,410)	(2,671,083)	(2,038,988)	(1,545,673)	(1,384,555)	(834,944)	(384,722)
Long term Liabilities	1,861,898	1,556,014	963,195	1,371,016	1,059,527	1,321,674	1,387,978	1,405,724	1,411,684	1,465,374
Significant Ratios										
Gross Profit Ratio %	(15.19)	(0.53)	(13.43)	(32.60)	(257.96)	(39.90)	(45.50)	(113.06)	(7.41)	(42.55)
Net Profit Ratio %	(29.21)	(11.94)	(23.25)	(4.87)	(321.33)	(45.91)	(43.87)	(186.95)	(27.06)	(75.37)
Fixed Assets Turnover Ratio	0.52	0.66	1.09	0.53	0.07	0.53	0.36	0.10	0.50	0.23
Current Ratio	0.21	0.21	0.19	0.22	0.19	0.25	0.32	0.30	0.41	0.58

بیرونی گوشوارہ جات کے حساب کتاب کی جانچ پڑتال کرنے والے افراد :

موجودہ گوشوارہ جات کی جانچ پڑتال کرنے والے افراد میسرز امین، مدثر اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس جو کہ محکمہ سے ریٹائرڈ اور موزوں اہلیت کے حامل ہیں کی جانب سے کمپنی ہذا میں دوبارہ حصول ملازمت برائے سال 2017-18 کی پیشکش کی گئی ہے اور آڈٹ کمیٹی کی جانب سے مذکورہ بالا افراد کی کمپنی ہذا میں دوبارہ ملازمت کی سفارش کی جاتی ہے۔

تسلیمات :

بورڈ آف ڈائریکٹر حضرات کی جانب سے کمپنی کے تمام شراکت داران، ان میں محدود، بینکرز حضرات، ملازمین، سپلائی کنندگان اس کے ساتھ شراکت داری حضرات جو کمپنی کی مسلسل امداد، معاونت اور اعتبار خاص کر زیر غور سال عرصہ کے دوران ہونے والے بحران میں کرتے رہے ہیں شامل ہیں کا شکریہ ادا کیا۔

محمد اظہر شیر

چیف ایگزیکٹو

لاہور: 06 نومبر 2017

زیر تجویز سال میں بورڈ آف ڈائریکٹر حضرات کے کتنے اجلاس منعقد ہوئے اور اجلاس ہائے میں کون سے بورڈ آف ڈائریکٹر حضرات نے شرکت کی اس کی تفصیل ذیل میں دی جاتی ہے:-

نام ڈائریکٹر	بورڈ آف ڈائریکٹر	آڈٹ کمیٹی	ہیومن ریسورس اخراجات کرنے والی کمیٹی
اجلاس ہائے میں حاضر ہونے والے ڈائریکٹر کی حاضری کا شمار			
جناب محمد اظہر شیر CEO	5	-	5
جناب محمد صابر شیخ	5	6	-
جناب عمران بشیر	5	-	-
جناب محمد عمران اقبال	5	-	-
سید عنصر رضا شاہ	5	6	5
جناب محمد امجد عزیز	5	-	-
جناب گل حسین	-	-	-

نوٹ:-

بورڈ آف ڈائریکٹر کے اجلاس میں حاضر نہ ہونے والے ڈائریکٹر کی جانب سے کمپنی کی جانب سے ترتیب دیئے گئے قانون کے مطابق باقاعدہ رخصت حاصل کی گئی۔

کمپنی کے حصص میں تجارت :

زیر تجویز سال کے دوران کمپنی حصص کی میں کسی بھی ڈائریکٹر، چیف فنانشل آفیسر، کمپنی سیکرٹری اور انکے بیوی بچوں کی جانب سے کسی قسم کی تجارتی سرگرمیوں میں حصہ نہیں لیا گیا۔

اداراہ (کمپنی) کی سماجی زمہ داری :

آپ کی کمپنی بحثیت ایک قومی ادارہ ہونے کے ناطے ہمیشہ ان افراد کے لیے جو دن رات کمپنی کے مفاد میں کام کرتے ہیں اپنی ذمہ داریوں سے احسن طریقہ سے عہدہ براہ ہوئی ہے بلاشبہ یہی لوگ کمپنی کے بہترین مفاد کے پیش نظر اپنی کام کی جگہ اور معاشرہ میں سرگرداں رہتے ہیں۔

شراکت داری کے ضابطہ کا نمونہ :

کمپنی میں شراکت داری کرنے اور بارے اضافی درکار شدہ معلومات کو حاصل کرنے کا طریقہ کار رپورٹ کے ساتھ منسلک کر دیا گیا ہے۔

2016-17 میں کمپنی کی جانب سے سابقہ اور موجودہ واجبات کی منافع کی رقم کے فنڈ سے ادائیگی بروقت کی گئی ہے۔ عرصہ نظر ثانی کے دوران چار ڈائریکٹران نے بذریعہ لازمی ڈائریکٹر پروگرام کے تحت کامیابی سے سرٹیفکیٹ حاصل کیے جس کا بندوبست ادارہ چارٹرا کاؤنٹنٹ آف پاکستان نے کیا۔

کمپنی کے وَضع کردہ ضابطہ اخلاق کی روشنی میں کارکردگی کی بجاآوری:

کمپنی کے منتظمین حضرات اس بات سے بخوبی آگاہ ہیں کہ جب سے کمپنی قائم ہوئی ہے اس میں بہتری لانے کے لیے کمپنی کے ضابطہ کے مطابق کن کن موثر اقدامات کی بجاآوری کی گئی۔

کمپنی میں مربوط اقدامات کی بجاآوری کو عملی جامہ پہنانے کے لیے درج ذیل امور میں بیان کیا جاتا ہے:-

- کمپنی کے مالی گوشوارہ جات کو کمپنی کے معاملات کو مدنظر رکھتے ہوئے منتظمین کی جانب سے شفاف انداز سے تیار کیا جائے تاکہ اس پر عمل کو کمپنی مزید احسن انداز میں رواں رکھنے، رقم کی ترسیل کے بہاؤ اور تبدیل کو غیر جانبدارانہ رکھا جاسکے۔
- کمپنی کے کھاتہ جات کو ایک مناسب طریقہ کار سے برقرار رکھا جائے۔
- موزوں کھاتہ جات کی پالیسیوں پر خرچ ہونے والے اخراجات کو مناسب اور مجرب انداز کے ساتھ بروئے کار لا جائے اور اس سلسلے میں مالی حساب کتاب اور تخمینہ شدہ کھاتہ جات کا انحصار قابل فہم وجوہات اور ہوشمندانہ فیصلہ جات پر ہونا چاہیے۔
- بین الاقوامی کھاتہ داری میعاد جیسا کہ اس کا اطلاق پاکستان میں ہو چکا ہے لہذا کمپنی کے مالی کھاتہ جات کے گوشوارہ جات کی تیاری میں بین الاقوامی میعار کو ملحوظ خاطر رکھا جائے۔
- کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی ہذا کے حساب کتاب کے گوشوارہ جات کی جانچ پڑتال کے لیے ایک بیرونی آڈٹ ادارہ پارکر رینڈل۔ ایس۔ جے۔ چارٹرا کاؤنٹس کے خدمات کو بروئے کار لایا گیا ہے اور اس آڈٹ ٹیم کے افراد کمپنی ہذا کے گوشوارہ جات کی جانچ پڑتال کرنے کے سلسلے میں موزوں اہلیت اور تجربہ کے حامل ہیں اور یہ افراد ہر طرح سے کمپنی کی جانب سے ترتیب دی گئیں پالیسیوں اور طریقہ کار کے حساب کتاب کے گوشوارہ جات کی جانچ پڑتال کرنے میں بخوبی آگاہی رکھتے ہیں۔
- کمپنی کے قواعد وضوابط کے بارے میں مہیا کی گئی تفصیل کی روشنی میں کمپنی کے کاروبار کو متحرک رکھنے کے سلسلے میں کیے گئے اقدامات کے متعلق قابل قدر مواد منظر عام پر نہ آیا ہے جس سے یہ رائے قائم کی جاسکے کہ زیر تجویز سال کے اختتام مورخہ 30 جون 2017 تک ان قواعد وضوابط کے اطلاق کی پاسداری کی گئی ہو۔
- کمپنی کے کاروبار کو فعال رکھنے کے سلسلے میں بنیادی کردار ادا کرنے والے پچھلے دس سال کی جمع شدہ معلومات کو اس رپورٹ کے ساتھ منسلک کیا گیا ہے۔
- کمپنی کے گوشوارہ میں درج شدہ قابل ذکر قانونی واجبات، ڈیوٹیز، عائدشدہ ٹیکسز اور جرمانہ کو رپورٹ کے ساتھ منسلک کی گئی نوٹ شیٹ پر بیان کیا گیا ہے۔
- کمپنی کے کاروبار میں لگائے گئے سرمایہ کی رقم اور اثاثہ جات کو کفایت شعاری فنڈ کی بابت تخمینہ کی رقم کو نوٹ 37 پر بیان کیا گیا ہے۔

کمپنی کے کاروبار میں نقصان ہونے کی بنیادی وجہ اخراجات میں زیادہ اضافہ ہے، بجلی کی ترسیل میں اتار چڑھاؤ، کمپنی میں چلنے والے آلات کی بہت زیادہ مرمت اور فیول کو چیک کرنے والے متبادل آلات پر آنے والے کثیر اخراجات ۔ تاہم موجودہ سال میں نفع ونقصان اور خالص آمدنی کے نقصان میں بالترتیب 262 ملین اور 235 ملین کی بڑھوتی ہوئی ۔ مزید برآں فی حصص میں نقصان کی شرح میں اضافہ مبلغ رقم 2.60 فی حصص ہوئی۔ موجودہ سال میں کمپنی ہونے والے نقصان کو بورڈ آف ڈائریکٹر حضرات کی میں تقسیم کرنے کی سفارش نہیں کی گئی۔

مستقبل کے حالات کی کیفیت :

انڈسٹری :

سی پیک (CPEC) پروجیکٹ کی سطح پر سیمنٹ کی بڑھتی ہوئی مانگ کے تقاضہ کو پورا کرنے متعلق معاملہ پر خصوصی توجہ مذکور کی گئی ہے اور مستقبل میں سیمنٹ کی موجودہ مانگ کی سپلائی کو جذب کرنے کے لیے تمام وسائل کو بروئے کار لاتے ہوئے یہ توقع کی جاتی ہے کہ سیمنٹ کی سپلائی کی موجودہ مانگ کو مقامی مارکیٹ میں بڑھایا جائیگا اور بہتری کے اس رجحان کو موجودہ مالی سال میں اس تخیل کے ساتھ جاری وساری رکھا جائیگا کہ حکومت کی جانب سے عوامی شعبہ جات کے لیے مختص کیے گئے منصوبہ جات میں بہتری کے لیے بجٹ کی مناسب انداز سے تقسیم کی جائیگی ، ان منصوبہ جات میں بجلی کے منصوبہ جات ، موٹروے ، اورینج ٹرین اور کم آمدنی والی سکیمیں، نقص امن کی صورت حال میں بہتری لائی جائیگی، کم قیمت والی منصوعات میں قیمتوں پر کنٹرول کیا جائیگا، معیشت کی صورت حال کو بہتر کرکے کوئلے کی قیمتوں میں کمی کی جائیگی جو کہ کمپنی ہذا کے مفاد میں منافع بخش ہوگی۔

کمپنی :

توانائی میں مستعدی ، مزدور پیشہ افراد محنت اور پیداواری حجم اور درست رقم کے استعمال، شفاف، پلانٹ محترک ، نظام ہی سیمنٹ پلانٹ کی کامیابی کی کنجی ہے۔ کمپنی کے بچے کُچے میزان وسائل کو بروئے کار لاتے ہوئے کمپنی کو ایک لمبے عرصے تک تمام کاروباری حضرات جن میں شامل مالی ادارہ جات قرضہ خواہ حضرات کمپنی کے ملازمین اور حصص اوران کے ساتھ چلانے کے لیے پوری لگن کے ساتھ اعادہ کیا ہے۔

کمپنی کا منصوبہ :

نیز کمپنی کی معاونت کرنے والے حضرات کی جانب سے کمپنی کے موجودہ ڈھانچے کو درست انداز میں چلانے / ترتیب دینے / مستقبل میں فنڈ کا انتظام کرنے تاکہ کمپنی میں موجود مشینری سسٹم کو مستعد انداز یں فعال رکھا جائے خاص طور پر انی نصب شدہ برقی تنصیبات کو نئے تنصیبات / آلات کے ساتھ تبدیل کردیا جائے جس سے ایندھن پر آنے والے اخراجات میں نمایاں کمی واقع ہوگی کیونکہ ماضی سالوں میں کمپنی میں بڑے نقصان کی یہ وجہ تھی۔

کمپنی کے حساب کتاب کرنے والا کا مشاہدہ :

یہ امر قابل ذکر ہے کہ 1.2 نوٹ میں جن گوشوارہ جات کو ذکر کیا گیا ہے ان حقائق کی بنیاد پر کمپنی کے منتظمین حضرات کو مکمل اعتماد ہے کہ کمپنی ہذا اپنے متعلقہ تمام معاملات کو آئندہ آنے والے وقت میں احسن انداز میں جاری رکھے گے۔ کمپنی کے بقایارہ جانے والے بیلنس کے متعلق مراسلہ جات کی ترسیل کردیگی اور ان مراسلہ جات میں کچھ مراسلہ جات متعلقہ حکام کو موصول بھی ہوچکے ہیں۔ تاہم گوشوارہ جات کا مشاہدہ کرنے والے افراد کی رپورٹ میں اس بات کا ذکر کیا گیا ہے کہ بقایارہ جانے والے اثاثہ جات کی تصدیق اس سے قبل بیرونی آڈٹ رپورٹ بذریعہ متبادل آڈٹ طریقہ کار سے ہوچکی ہے۔ کمپنی کے تمام حساب کتاب کے واجبات کے متعلق ذمہ داریوں کی بابت مارک اپ، ماسوائے بینک اسلامی پاکستان لمیٹڈ (سابقہ KASB بینک لمٹیڈ) کے واجبات کو گواشورہ بک سے جمع کیا گیا ہے اور اس بابت حقائق کا ذکر 11.1 نوٹ میں بیان کیا گیا ہے۔ سال

شراکت داروں کے متعلق ڈائریکٹر حضرات کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی 37 سالانہ رپورٹ مالی آڈٹ بیانات برائے کمپنی کے اختتام کاروبار بابت 30 جون 2017 کو پیش کیا گیا ہے۔

محترک کارکردگی:

کمپنی کی زیر تجویز محترک کارکردگی کا جائزہ پچھلے سال کی رپورٹ کے ساتھ موزانہ کیا گیا ہے جو کہ درج ذیل ہے:-

			2017	2016
-	دھاتی پیداوار	میٹرک ٹن	273,492	315,145
-	گنجائش کا استعمال	% سو فیصد	57	66
-	سمینٹ کی پیداوار	میٹرک ٹن	270,305	332,937
-	گنجائش کا استعمال	% سو فیصد	54	66
-	فروخت مال	میٹرک ٹن	266,097	336,165

زیر تجویز سال میں سمینٹ کی پیداوار اور فروخت میں بالترتیب 41,649 میٹرک ٹن اور 70,068 میٹرک ٹن کمی واقع ہوئی۔ پیداوار میں کمی کی وجوہات اس سالانہ رپورٹ کے نوٹ نمبر 39.1 میں ملاحظہ کریں۔

متحرک کارکردگی کے نتائج:

کمپنی کی مالی جائزہ کے نتائج کی رپورٹ کی تفصیل کو ذیل میں بیان کیا جاتا ہے:-

		2017	2016
		(پاکستانی کرنسی ہزاروں میں)	
-	کل آمدنی فروخت	2,493,918	2,985,891
-	کیش آمدن	1,806,252	2,346,937
-	خالص آمدن نقصان	274,290	12,457
-	خالص نقصان	527,685	280,252
-	اخراجات نفع (نقصان) فی حصص	(5.56)	(2.96)

ڈنڈوت سیمنٹ کمپنی لمیٹڈ

اطلاع سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ ڈنڈوٹ سیمنٹ کمپنی لمیٹڈ کے حصص داران کا 37 واں سالانہ اجلاس برائے 30 جون 2017 مختتمہ مالی سال کمپنی کے رجسٹرڈ دفتر 30 شیر شاہ بلاک نیو گارڈن ٹاؤن لاہور میں بروز پیر 27 نومبر 2017ء کو صبح 11:30 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

1۔ 30 نومبر 2016 کو منعقد ہونے والے گزشتہ سالا اجلاس کی کارروائی کی توثیق کرنا۔

2۔ 30 جون 2017 مختتمہ مالی سال کیلئے کمپنی کے نظر ثانی شدہ حسابات بمعہ ان پر ڈائریکٹران اور آڈیٹران کی رپورٹس پر غور وخوض، وصولی اور منظوری دینا۔

3۔ آڈیٹران کا تقرر اور ان کے صلہ خدمت کا تعین کرنا۔ موجودہ آڈیٹر میسرز امین، مدثر اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، سبکدوش ہوگئے ہیں اور اہل ہونے کی بناء پر دوبارہ تقرری کیلئے اپنے آپ کو پیش کرتے ہیں۔

4۔ صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی۔

لاہور

مورخہ **6** نومبر **2017**ء

حسب الحکم بورڈ

(محمد کامران) کمپنی سیکرٹری

نوٹ:......

1۔ رجسٹر ممبران اور کمپنی کی حصص منتقلی کی کتابیں 20 نومبر 2017 تا 27 نومبر 2017 (بشمول ہر دو ایام) سالانہ اجلاس عام میں شرکت کے استحقاق کے تعین کیلئے بند رہیں گی۔

2۔ اجلاس میں شرکت اور ووٹ دینے کا اہل ممبر کسی دوسرے ممبر کو اپنا پراکسی مقرر کرسکتا ہے پراکسیاں تا نکہ مئوثر ہوسکیں کمپنی کے رجسٹرڈ دفتر میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل تک لازماً وصول ہوجانی چاہیں۔

3۔ سی ڈی سی حصص یافتگان سے التماس ہے کہ اپنے قومی شناختی کارڈ، اکاؤنٹ اور پارٹیسپنٹ کے نمبرز شناخت کیلئے اجلاس کے وقت ہمراہ لائیں اور مزید برآں SECP کے سرکلر نمبر 1 مورخہ 26 جنوری 2000 میں دی گئی گائیڈ لائنز کی پیروی کرنا ہوگی۔

4۔ ممبران سے درخواست کی جاتی ہے کہ فوری طور پر کمپنی کا اشتراک رجسٹرار میسرز کارپ لنک پرائیویٹ لمیٹڈ ونگز آرکیڈ K-1 کمرشل ماڈل ٹاؤن لاہور فون نمبرز 042-35916714-35916719 مطلع کریں نیز اپنے رجسٹرڈ پتہ میں کسی تبدیلی، اگر کوئی ہو، فی الفور مطلع فرمائیں۔

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پراکسی فارم

دی کمپنی سیکرٹری

ڈنڈوت سیمنٹ کمپنی لمیٹڈ

لاہور۔

میں/ہم ____________________

آف ____________________

بحیثیت ممبر ڈنڈوت سیمنٹ کمپنی لمیٹڈ اور ہماری جانب سے ____________________ عارضی حصص کو برقرار

رکھا جیسا کہ فی حصص رجسٹر فولیو نمبر ____________________ یہاں پر مسٹر ____________________

____________________ آف ____________________ کو بحوالہ فولیو نمبر ____________________

کو بطور نمائندہ مقرر کیا جاتا ہے۔ نیز موصوف ڈنڈوت سیمنٹ کمپنی لمیٹڈ کے ایک ممبر بھی ہیں جو کہ موصوف میری یا ہماری جانب سے پراکسی میں شرکت کرے اور اپنے رائے کو میری یا ہمارے ایما پر 37ویں سالانہ عمومی میٹنگ میں شرکت کر کے جو کہ بروز پیر مورخہ 27 نومبر 2017 کو بوقت صبح 11:30 بجے منعقد یا التواہو میں اپنی رائے (ووٹ) کو استعمال کرے۔

میری/ہماری جانب سے بطور گواہ اس پر آج مورخہ ____________ نومبر 2017 دستخط کیے گئے ہیں۔

گواہ شدہ:	دستخط
دستخط ____________________	
نام ____________________	پانچ روپے کی ٹکٹ چسپاں کریں
ایڈریس ____________________	
____________________	

نوٹ:-

1- پراکسی فارم کی معیاد کو برقرار رکھنے کے لیے ضروری ہے کہ اس پر دستخط اور پانچ روپے کی ریونیو سٹیمپ کے ساتھ کمپنی کے رجسٹرڈ شدہ آفس میں جمع کروایا جائے اور اس فارم کو میٹنگ منعقد ہونے سے تقریباً 48 گھنٹے قبل جمع کروایا جانا ضروری ہے۔

2- کسی بھی فرد کے لیے پراکسی فارم کے استعمال کے فعل کا تحرک نہیں ہوسکتا تا آنکہ وہ فرد کمپنی کا ممبر نہ ہو۔

3- پراکسی فارم پر وہی دستخط کرنا ہونگے جن کا نمونہ دستخط کمپنی میں رجسٹرڈ ہے۔

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AFFIX
CORRECT
POSTAGE

The Company Secretary,

Dandot Cement Company Limited,
30-Sher Shah Block, New Garden Town,
Lahore - Pakistan.
Ph: +92-42-35911485

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Fold Here

Form of Proxy

The Company Secretary
Dandot Cement Company Limited
LAHORE.

I/We____

of ____

being a member of **Dandot Cement Company Limited** and holder of ___________________ Ordinary Shares as per Shares Register Folio No. ______________________ hereby appoint Mr. _________________________ of _________________ Folio No. ___________________ who is also a member of **Dandot Cement Company Limited** as my/our proxy to attend and vote for and on my / our behalf at the 37th Annual General Meeting of the Company to be held on **Monday, November 27, 2017 at 11:30 a.m.** and at any adjournment thereof.

As witnessed given under my / our hand (s) ________________ day of November 2017.

Signature

Witness:

Signature: ____________________________

Name: ____________________________

Address: ____________________________

On five
Rupees
Revenue
Stamp

Note:

1. The Proxy in order to be valid must be signed across a Five Rupees Revenue Stamp and should be deposited in the Registered Office of th Company not later than 48 hours before the time of holding the meeting.

2. No person shall be act as proxy unless he is a member of the Company.

3. Signature should agree with the specimen signature registered with the Company.

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