CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dewan Muhammad Yousuf Farooqui	Chairman Board of Directors
Syed Muhammad Anwar	Chief Executive Officer
Mr. Haroon Iqbal	

Non-Executive Directors

Mr. Waseem-ul-Haque Ansari
Mr. Ghazanfar Babar Siddiqui
Mr. Ishtiaq Ahmad

Independent Director

Mr. Aziz-ul-Haque

AUDIT COMMITTEE MEMBERS

Mr. Aziz-ul-Haque	Chairman
Mr. Ishtiaq Ahmed	Member
Mr. Ghazanfar Baber Siddiqi	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Aziz-ul-Haque	Chairman
Syed Muhammad Anwar	Member
Mr. Ishtiaq Ahmad	Member

CHIEF FINANCIAL OFFICER

Mr. Imran Ahmed Javed

COMPANY SECRETARY

Mr. Muhammad Hanif German

REGISTERED ADDRESS

Block-A, 7th Floor, Finance & Trade Centre,
Shahrah-e-Faisal, Karachi, Pakistan.

HEAD OFFICE

Block-A, 2nd Floor, Finance & Trade Centre,
Shahrah-e-Faisal, Karachi, Pakistan.

FACTORY

1. Deh Dhando, Dhabeji
   District, Malir, Karachi.
2. Kamilpur Near Hattar
   District, Haripur, Khyber Pakhtoonkhuwa.

AUDITORS

Faruq Ali & Co.
Chartered Accountants

COST AUDITORS

Rafaqat Mansha Mohsin Dossani Masoom & Co.
Chartered Accountants

SHARES REGISTRAR TRANSFER AGENT

BMF Consultants Pakistan (Pvt.) Limited
Anum Estate, Room No. 310 & 311, 3rd Floor,
49, Darul Aman Society, Main Shahrah-e-Faisal,
Adjacent to Baloch Colony Bridge, Karachi, Pakistan.

LEGAL ADVISOR

Muhammad Azhar Faridi (Advocate)

WEBSITE

www.yousufdewan.com

The Vision Statement

"The vision of Dewan Cement Limited is to become leading market player in the cement sector".

The Mission Statement

To assume leadership role in the technological advancement of the industry and to achieve the highest level of qualitative and quantitative indigenization.

To be the finest organization in its industry, and to conduct its business responsibly and in a straight forward manner.

To seek long-term and good relations with our suppliers and Sales Agents with fair, honest and mutually profitable dealings.

To achieve the basic aim of benefiting its customers, employees and shareholders and to fulfill its commitments to the society.

To create a work environment highlighting team work, which motivates, recognizes and rewards achievements at all levels of the organization, because "In ALLAH we believe, and in people we trust".

To be honest, initiative and be able to respond effectively to changes in all aspects of life, including technology, culture and environment.

To be a contributing corporate citizen for the betterment of society and to exhibit a socially responsible behaviour.

To conduct with integrity and strive to be the best.

NOTICE OF THE THIRTY SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty Seventh Annual General Meeting of Dewan Cement Limited ("DCL" or "the Company") will be held on Thursday, October 27, 2016, at 03:30 p.m. at Dewan Cement Limited Factory Site, at Deh Dhando, Dhabeji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur'aan and other religious recitals:

ORDINARY BUSINESS:

1. To confirm the minutes of the preceding Annual General Meeting of the Company held on Thursday, October 29, 2015;

2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2016, together with the Directors' and Auditors' Reports thereon;

3. To appoint the Statutory Auditors' of the Company for the ensuing year, and to fix their remuneration;

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

SPECIAL BUSINESS:

1. To consider and pass a Special Resolution to increase the Authorized Capital of the Company from Rs. 5,000,000,000/-, divided into 500,000,000 ordinary shares of Rs. 10/- each, to Rs. 8,500,000,000/-, divided into 850,000,000 ordinary shares of Rs. 10/- each, and to resolve consequent alterations in the Memorandum and Articles of Association of the Company.

2. To consider, approve and fix the remuneration of Chief Executive Officer and Directors of the Company.

By order of the Board

Muhammad Hanif German
Company Secretary

Karachi: October 1, 2016

"Statement under Section 160(1)(b) of the Companies Ordinance, 1984, concerning the Special Business, is attached along with the Notice circulated to the members of the Company, and is deemed an integral part hereof"

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 20, 2016 to October 27, 2016 (both days inclusive).

2. Members are requested to immediately notify change in their addresses, if any, at our Shares Registrar Transfer Agent BMF Consultants Pakistan (Private) Limited, located at Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, adjacent to Baloch Colony Bridge, Karachi, Pakistan.

3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the above-said address, not less than 48 hours before the meeting.

4. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and Exchange Commission of Pakistan:

   a) For Attending Meeting:

      i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (CNIC), or original passport at the time of attending the meeting.

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

   b) For Appointing Proxies:

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

      ii) Two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form, shall witness the proxy.

      iii) Attested copies of CNIC or passport of the beneficial owners and proxy shall be furnished along with the proxy form.

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

      v) In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) along with the proxy form to the Company.

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

This statement is annexed as an integral part of the Notice of the Annual General Meeting of Dewan Cement Limited ("the Company" or "DCL") to be held on Thursday, October 27, 2016, at 03:30 p.m., at Dewan Cement Limited, Plant Site, Deh Dhando, Dhabeji, District Malir, Karachi, Pakistan; and sets out the material facts concerning the Special Business to be transacted at the Meeting.

Special Business

1. To consider and pass a Special Resolution to increase the Authorized Capital of the Company from Rs. 5,000,000,000/-, divided into 500,000,000 ordinary shares of Rs. 10/- each, to Rs. 8,500,000,000/-, divided into 850,000,000 ordinary shares of Rs. 10/- each, and to resolve consequent alterations in the Memorandum and Articles of Association of the Company.

The Board of Directors of the Company ("the Board"), at its meeting held on Friday, September 21, 2016, has approved the raising of further Authorized Capital of the Company. Capital increase fee, as prescribed under the Sixth Schedule to the Ordinance, shall be payable by the Company; subject to the approval of the members of the Company, and the Securities and Exchange Commission of Pakistan ("SECP"). Therefore, the following special resolutions are proposed to be passed, with or without modification(s):

IT IS HEREBY RESOLVED:

"That the existing Clause IV of the Memorandum of Association of the Company be and is hereby substituted with the following: The Authorized Capital of the Company is Rs. 8,500,000,000 (Rupees Eight Billion Five Hundred Million Only) divided into 850,000,000 (Eight Hundred Fifty Million) shares of Rs. 10/- each, with the rights, privileges and conditions attaching thereto, as are provided by the regulations of the Company for the time being, with power to increase and reduce the Capital of the Company, and to divide the shares in the Capital for the time being, into several classes, and

"The existing Clause 7 of the Articles of Association of the Company be and is hereby substituted with the following; The authorized Share Capital of the Company is Rs. 8,500,000,000/- (Rupees Eight Billion Five Hundred Million Only) divided into 850,000,000 (Eight Hundred Fifty Million) Ordinary Shares of Rs.10/- each. The Company shall have powers to increase or reduce the Capital of the Company and to divide shares in the Capital for the time being into several classes. The rights as between various classes of shares as to profits, votes and other benefits shall be strictly in proportionate to the paid up value of the shares".

2. To consider, approve as recommended by the board of Directors of the Company to fix the remuneration of Chief Executive Officer and Directors of the Company.

The Board of Directors of the Company ("the Board"), at its meeting held on Friday, September 30, 2016, have considered, approved and fixed the remuneration of Dewan Muhammad Yousuf Farooqui, the Chairman Board of Directors of the Company of a sum of Rs. 5,000,000/- at a total gross monthly remuneration, the remuneration of Syed Muhammad Anwar, the Chief Executive Officer of the Company of a sum of Rs. 1,000,000/- at a total gross monthly remuneration and the remuneration of Mr. Haroon Iqbal, Director of the Company of a sum of Rs. 885,000/- at a total gross monthly remuneration. The above said remunerations are exclusive of all benefits.

Therefore, the following special resolutions are proposed to be passed, with or without modification(s) will be moved at the meeting:

IT IS HEREBY RESOLVED:

"That the Company be and hereby approves and authorizes the payment as remuneration to Dewan Muhammad Yousuf Farooqui, Chairman Board of Directors of the Company of a sum of Rs. 5,000,000/- at a total gross monthly remuneration, the remuneration of Syed Muhammad Anwar, Chief Executive Officer of the Company of a sum of Rs. 1,000,000/- at a total gross monthly remuneration and the remuneration of Mr. Haroon Iqbal Director of the Company of a sum of Rs. 885,000/- at a total gross monthly remuneration. The above said remunerations are exclusive of all benefits as per Company's policy.

DIRECTORS' REPORT

The management of your company takes pleasure in presenting to you the Thirty seventh Annual Report of the company together with the audited accounts for the financial year ended June 30, 2016. This is the 13th annual report since the management and controlling shares of the company were taken over by Yousuf Dewan Companies.

OVERVIEW

The Cement industry dispatches for the financial year 2015 - 2016 were 38.87 million metric tons which includes 33.00 million tons domestic and 5.87 million tons exports. There is an increase of 9.81% in total dispatches of industry as compared to the previous financial year, which were 35.40 million tons including 28.21 million domestic and 7.20 million tons exports. The increase in the domestic dispatches is 17.00% and the decrease in exports is 18.39%.

COMPANY'S PERFORMANCE:

The highlights of the financial results are tabulated below:

	2016	2015
	(Rupees in '000')	
Sales		
- Local - net	11,912,532	9,920,401
- Export	966,563	1,324,845
	12,879,095	11,245,246
Gross profit	2,646,690	1,588,649
Net Profit before tax	1,911,834	731,864
Net Profit after tax	1,499,941	709,668
Basic Earnings per share	Rs. 3.11	Rs. 1.81
Diluted Earnings per share	Rs. 3.10	Rs. 1.72

Dispatches	Qty in Tons 2016	Qty in tons 2015	% Increase/ (Decrease)
Local Dispatches - Cement	1,816,083	1,465,044	23.96
Local Dispatches - Clinker	4,984	-	100.00
Local Dispatches - GBFS	1,168	-	100.00
Export Dispatches	185,256	244,911	(24.36)

The 23% increase in Sales, resulted in increase of gross profit to the extent of 14.5%. The extensive repair and maintenance activity that the company carried out during the year, improved our production by 19%. The rate of coal reduced by 16.5% thus reducing the cost of fuel and power. The increase in production and reduction in coal cost resulted in improved margin. The continuous Quality improvement being part of our vision, your company invested in a new coal mill and cement grinding mill and Alhamdulliah they have started operations. To further improve the margins your company had planned to setup a Waste Heat recovery Plant, which is under installation and will be fully operational early next year Insha-Allah.

FUTURE OUTLOOK

Pakistan is on a positive path owing to improved law and order situation. The political certainty, constructive economic indicators, stability in interest and exchange rates, and lower coal and oil prices are all positive indicators for investment. Long term investments in China Pakistan Economic Corridor (CPEC), Public Sector Development Program (PSDP) and private housing projects will drastically increase the cement demand locally thus continuing double digit growth.

Exports will remain depressed due to currency devaluation across African region and lower commodity prices in the international markets but its affect will be offset by local sales.

ONGOING LITIGATIONS

As far as creditors mentioned in the financial statements are concerned, a number of recovery suits have been instituted by Banks / Financial Institutions. These suits are being successfully defended by our Counsels. Further the cases are not being persuade by the banks as restructuring is under process. The counsels have submitted their observations / opinion in respect of litigation being handled by them and all of them are of the view that these suits can be successfully defended.

OBSERVATIONS IN THE AUDITORS' REPORT

The auditors have qualified their report on the following basis, which are duly explained.

Advance for Pre-IPO Investment:

The auditors do not concur with the management assertion regarding the classification of advance for Pre-IPO investment amounting to Rs. 3,160 million as long term liability.

The management is of the view that since IPO was not closed by the arrangers so TFC's could not be issued. We have offered them revised terms of restructuring and are very much hopeful that it will be closed in near future. It is pertinent to mention here that almost 27% of the loan has been restructured.

Provision for markup:

The Company has not made provision of markup amounting to Rs. 556.787 million on its markup bearing liability.

The management has approached its bankers / financial institutions for restructuring of its long-term obligations. The management is confident that the Company's restructuring proposals given by the management will be accepted by the financial institutions / bankers. Therefore the Company has not made any provision for markup as the markup will not be paid.

Going Concern Assumption:

The auditors have added an emphasis of matter paragraph on the company's ability to continue as a going concern. However, the management is of the view that the Company's restructuring proposals will be accepted by the financial institutions / bankers and preparation of the financial statement on going concern assumption is justified.

STATEMENT OF CORPORATE GOVERNANCE AND FINANCIAL REPORTING FRAMEWORK

We are pleased to report that your Company is fully compliant to the provisions of the Code of Corporate Governance as incorporated in the listing regulations of Pakistan stock exchange.

a) The annexed financial statements prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flow and changes in equity;

b) Proper books of accounts of the company have been maintained;

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

d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements except for the departures disclosed in financial statements;

e) The system of internal control is sound in design and is effectively implemented and monitored. The process of review will continue and any weaknesses in control will be removed;

f) The doubts about the company's ability to continue as a going concern and its mitigating factors are disclosed in note 3 to the financial statements;

g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;

h) Key operating and financial data for last six years is summarized and annexed;

i) There are no outstanding taxes and levies other than those disclosed in the annexed financial statements;

j) The pattern of shareholding of the Company as at June 30, 2016 is annexed;

k) The value of investment of provident fund based on their respective latest accounts is Rs. 127.287 million.

DIVIDEND

The Board is not in a position to recommend dividend for the period under review.

TRADING IN COMPANY SHARES

None of the Directors, CFO, Company Secretary, their spouses and minor children have traded in the shares of the Company during the year other than that has already been disclosed in the pattern of shareholding.

BOARD MEETING

During the year four meetings of the Board of Directors were held, Directors' attendance in these meeting is as under:

Name of Directors	No. of meetings Attended
Dewan M. Yousuf Farooqui	3
Dewan Abdul Baqi Farooqui	-
Dewan Abdul Rehman Farooqui	4
Mr. Haroon Iqbal	4
Syed Muhammad Anwar	4
Mr. Aziz-ul-Haque	4
Mr. Ghazanfar Baber Siddiqui	4
Mr. Ishtiaq Ahmed	3

A casual vacancy occurring on the board on September 29, 2015 was filed by the Directors on the same day.

AUDIT COMMITTEE MEETING

During the year four meetings of the audit committee were held, members' attendance in these meeting is as under:

Name of Members	No. of meetings Attended
Mr. Aziz-ul-Haque	4
Dewan Abdul Rehman Farooqui	4
Mr. Ghazanfar Baber Siddiqui	4

HUMAN RESOURCES & REMUNERATION COMMITTEE MEETING

During the year one meeting of the HR Committee was held, Members' attendance in this meeting is as under:

Name of Members	No. of meetings Attended
Mr. Aziz-ul-Haque	1
Syed Muhammad Anwar	1
Mr. Ishtiaq Ahmed	1

AUDITORS APPOINTMENT

The present auditors M/s. Faruq Ali & Co., Chartered Accountants, retire and being eligible, have offered their services for re-appointment as auditors for the ensuing year ending June 30, 2017.

The audit committee and the Board of Directors have recommended appointment of M/s. Faruq Ali & Co., Chartered Accountants as auditors of the company for the coming year.

VOTE OF THANKS

The Board would like to place on record its gratitude to its valuable shareholders, Federal and Provincial government functionaries, banks, development financial institutions, and customers for their cooperation, continued support and patronage.

The Board also expresses its thanks to the executives, staff members and workers of the company and wishes to place on record its appreciation for the efforts they are making in turning around the company.

CONCLUSION

In conclusion, we bow, beg and pray to Almighty Allah, Rahman-o-Rahim, in the name of our beloved prophet, Muhammad, Peace be upon him for continued showering of His Blessings, Guidance, Strength, Health and Prosperity to us, our company, Country and Nation; and pray to Almighty Allah to bestow peace, harmony, brotherhood and unity in true Islamic spirit to whole of Muslim Ummah, amen, Summa-Ameen.

On behalf of the Board of Directors

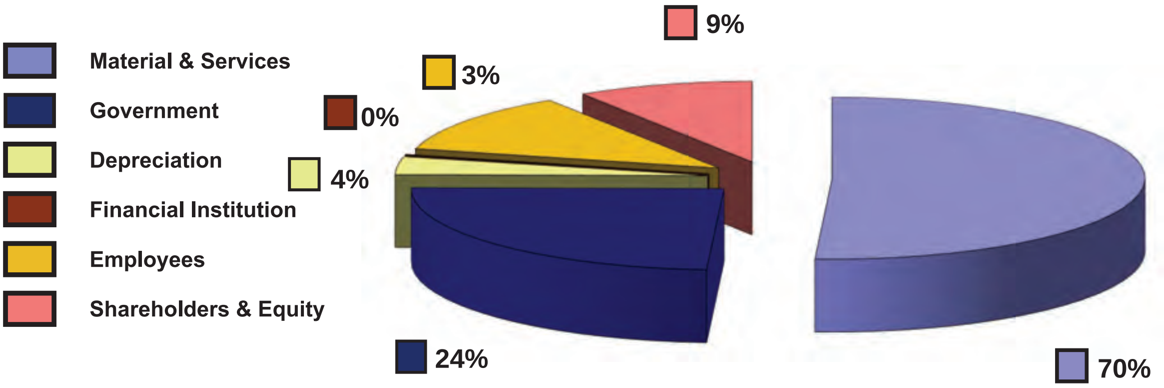
Syed Muhammad Anwar
Chief Executive Officer

Dated: September 30, 2016
Place: Karachi

KEY OPERATING AND FINANCIAL STATISTICS FOR LAST SIX YEARS

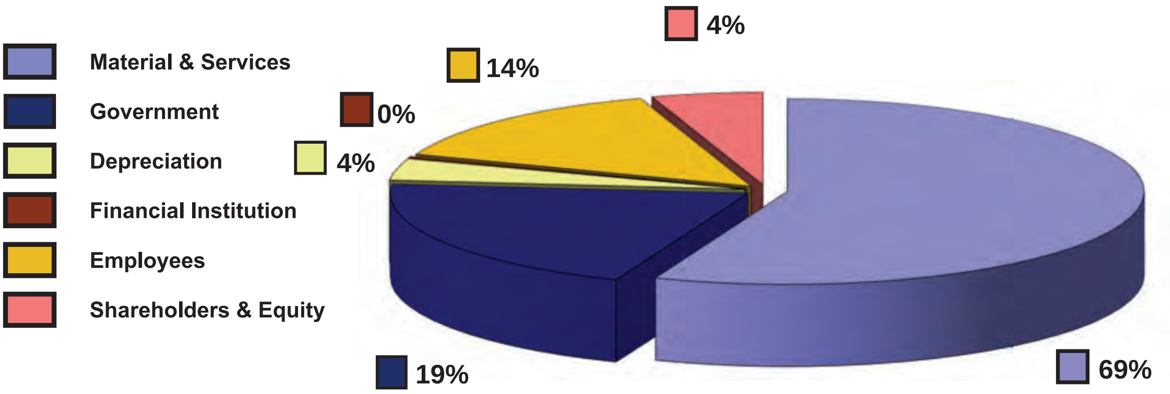
Particulars	2016	2015	2014	2013	2012	2011
	----------------(Tons. in thousands)-----------------					
QUANTITATIVE DATA						
Clinker Production	1,854	1,561	1,478	1,467	1,247	1,169
Cement Production	2,000	1,713	1,529	1,416	1,300	1,217
Cement Despatch	2,007	1,710	1,546	1,453	1,291	1,213
ASSETS EMPLOYED	--------------------(Rs. in million)--------------------					
Fixed Assets	22,121	21,292	20,654	19,448	19,503	19,312
"Investment & Long-term advances, deposits & Deferred costs"	120	110	105	46	46	54
Current Assets	3,194	3,237	2,611	2,103	1,493	1,226
Total Assets Employed	25,435	24,639	23,370	21,597	21,042	20,592
FINANCED BY						
Shareholder equity	8,420	6,808	5,041	4,543	4,030	3,590
Surplus on revaluation of fixed asset	4,703	4,836	4,731	3,709	3,837	3,975
Redeemable capital	3,160	3,460	3,460	3,560	3,850	3,850
"Long-term Loan & Long-term Liabilities/Disposits/Import bill"	2,308	2,492	2,411	2,438	1,198	1,189
Deferred Liabilities	2,073	1,702	2,026	1,775	1,667	1,615
Current Liabilities	4,771	5,341	5,700	5,572	6,460	6,373
Total Funds Invested	25,435	24,639	23,370	21,597	21,042	20,592
TURNOVER & PROFIT						
Turnover (Net)	12,879	11,245	9,963	8,658	7,047	5,089
Operating Profit / (Loss)	1,636	756	437	425	430	(345)
Profit / (Loss) Before Taxation	1,912	732	483	486	424	(338)
Profit / (Loss) After Taxation	1,500	710	437	450	383	(362)
Accumulated Profit / (Loss)	2,949	1,338	521	23	(491)	(931)

WEALTH GENERATED AND DISTRIBUTED DURING
2015-2016



Total Revenue Rs. 16,427.905 million

WEALTH GENERATED AND DISTRIBUTED DURING
2014-2015



Total Revenue Rs. 14,100.436 million

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2016

The statement is being presented to comply with the Code of Corporate Governance ("CCG") contained in the Listing Regulation No 5.19.23 of the Rule Book of Pakistan Stock Exchange Limited ("PSX") 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. As of June 30, 2016 the board included:

Category	Names
Independent Directors	Mr. Aziz-ul-Haque
Executive Directors	Dewan Muhammad Yousuf Farooqui Syed Muhammad Anwar Mr. Haroon Iqbal
Non-Executive Directors	Dewan Abdul Rehman Farooqui Mr. Ghazanfar Babar Siddiqui Mr. Ishtiaq Ahmad

2. Five Directors have confirmed that they are not serving as director in more than seven listed Companies including this Company, however, two directors are serving as director in more than seven listed Yousuf Dewan Companies.

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. A casual vacancy occurring on the board on September 29, 2015 was filed by the Directors on the same day.

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

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

7. All the powers of the board have been duly exercised and decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors have been taken by the board/shareholders.

8. The meetings of the board were presided over by the Chairman and, in his absence, by the 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. In accordance with the criteria specified on clause 5.19.7 of CCG, one director is exempted from the requirement of directors' training program and five of the Directors are qualified under the Directors Training Program.

10. The Board has approved appointments of CFO, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment.

11. The Directors report for this has prepared in compliance with the requirement 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 director, 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 CCG.

15. The board has formed an Audit Committee. It comprises of three members of whom one is an independent director, who is also the chairman and others are non-executive directors.

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 CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The board has formed Human Resource and Remuneration Committee. It comprises of three members, of whom one is executive, one is non-executive directors, and the chairman of the committee is an independent director.

18. The board has set up an effective internal audit function. The staffs are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review 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 Accountants (IFAC) guidelines on code of ethics are 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. We confirm that all the other material principles enshrined in the CCG have been complied with.

On behalf of the Board of Directors

Syed Muhammad Anwar
Chief Executive Officer

Dated: September 30, 2016
Place: Karachi

FARUQ ALI & CO
CHARTERED ACCOUNTANTS

C-88 Ground Floor, KDA Scheme No.1,
Main Karsaz Road Opp. Maritime
Museum, Karachi-75350
E-mail: info@fac.com.pk

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: (021 34301967)
: (021 34301968)
: (021 34301969)
Fax : (021 34301965)

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors (the Board) of Dewan Cement Limited ("the Company") for the year ended 30 June 2016 to comply with the requirements of Rule no 5.19 of the Rule Book of Pakistan Stock Exchange where the Company is listed.

The responsibility for compliance with the Code is that of the Board of 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's 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 for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board 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.

Following instances of non-compliance with the requirements of the Code were observed which are not stated in the Statement of Compliance:

a) The board includes one independent director, whereas in our view he does not meet the criteria of independence on account of his cross directorship in other associated companies;
b) Chairman of the Company has not been elected from non-executive directors;
c) The Chairman of the audit committee is not an independent director due to the reason referred in paragraph (a) above;
d) Executive directors are more than one third of the elected directors, including the Chief Executive.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2016.

Further, we highlight that two directors of the Company are serving as directors in more than seven listed companies as reflected in the note 2 in the Statement of Compliance.

Dated: September 30, 2016
KARACHI:

Faruq Ali & Co

Engagement partner: Fasih-uz-Zaman

CHARTERED ACCOUNTANTS

FARUQ ALI & CO
CHARTERED ACCOUNTANTS

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: (021 34301967)
: (021 34301968)
: (021 34301969)
Fax : (021 34301965)

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of DEWAN CEMENT LIMITED ('the Company) as at 30 June 2016 and the related profit and loss account, statement of comprehensive income, statement of cash flows 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 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 above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) The Company has classified 'advances for investment in term finance certificates' amounting to Rs.3,160 million (refer note 19 to the financial statements) as long term liability for the reason mentioned in said note. We do not concur with the management's assertion regarding its classification as long term liability. In our opinion the entire liability should be classified as current liability as per terms of agreement with the investors.

b) The Company has not made provision of markup for the year amounting to Rs.556.787 million (up to 30 June 2015: Rs.5,903.710 million) (refer note 33.1) on account of restructuring proposal offered to the lenders as described in note 2 to the financial statements. In our opinion, since the restructuring has not been finalized, therefore the provision of markup should be made in these financial statements. Had the provision of markup been made in the financial statements, the profit after taxation would have been lower by Rs.556.787 million and markup payable would have been higher and shareholders' equity would have been lower by Rs.6,460.497 million.

c) In our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

d) in our opinion, except for the matters discussed in preceding paragraphs:

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

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

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

e) in our opinion and to the best of our information and according to the explanations given to us, except for the matters discussed in paragraph (a) and (b) above, the balance sheet, profit and loss account, statement of cash flows and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of the Profit, comprehensive income, its cash flows and changes in equity for the year then ended; and

f) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

without further qualifying our opinion, we draw attention of the members to note 2 to the financial statements which indicates that as of 30 June 2016 the Company's current liabilities exceeded its current assets by Rs.1,576.566 million and majority of the lenders have gone into litigation for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties and certain lenders have also filed winding up petitions (refer note 26.1(b) to the financial statements). These conditions, along with other matters as set forth in note 2, indicate the existence of material uncertainty which may cast significant doubt about Company's ability to continue as going concern therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The amounts of current liabilities reported in said note do not include the effect of matters discussed in para (a) and (b) above. The going concern assumption used in preparation of these financial statements is largely dependent on the acceptance of restructuring proposal of liabilities as disclosed in note 2 and pending litigations as disclosed in note 26, the ultimate outcome of which cannot be ascertained.

Faruq Ali & Co.

Dated: September 30, 2016
Place: Karachi

Engagement partner: Fasih-uz-Zaman

CHARTERED ACCOUNTANTS

BALANCE SHEET
AS AT JUNE 30, 2016

ASSETS	Notes	2016	2015
		(Rupees in '000')	
NON CURRENT ASSETS			
Property, plant and equipment	5	22,121,310	21,291,521
Long term deposits	6	108,471	108,798
Long term loans	7	10,876	1,500
		22,240,657	21,401,819
CURRENT ASSETS			
Stores and spare parts	8	1,244,429	834,095
Stock in trade	9	593,925	765,142
Trade debts - Unsecured	10	523,420	575,669
Loans and advances - Unsecured	11	109,720	286,317
Trade deposits and short term prepayments	12	14,521	91,932
Other receivables - Considered good	13	102,784	114,757
Short term investments	14	32,307	23,620
Taxation - Net		370,005	216,381
Cash and bank balances	15	203,001	328,880
		3,194,112	3,236,793
		25,434,769	24,638,612
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
500,000,000 (2015: 500,000,000) Ordinary shares of Rs. 10/- each		5,000,000	5,000,000
Issued, subscribed and paid-up share capital	16	4,841,133	4,341,133
Advance against issue of share capital		--	500,000
Reserves - Net		3,578,723	1,967,321
		8,419,856	6,808,454
SURPLUS ON REVALUATION OF FIXED ASSETS - Net of tax	17	4,703,354	4,836,301
NON CURRENT LIABILITIES			
Long term financings	18	475,427	1,162,892
Advances for investment in term finance certificates	19	3,160,000	3,460,000
Long term deposits and payables	20	1,832,512	1,328,544
Deferred tax liability - Net	21	2,072,942	1,701,998
		7,540,881	7,653,434
CURRENT LIABILITES			
Trade and other payables	22	1,054,928	1,522,683
Short term borrowings	23	560,875	560,875
Markup payable	24	978,021	1,037,300
Current and overdue portion of long term borrowings	25	2,039,497	2,120,083
Sales tax payable		137,357	99,482
		4,770,678	5,340,423
CONTINGENCIES AND COMMITMENTS	26	--	--
		25,434,769	24,638,612

The annexed notes form an integral part of these financial statements.

Syed Muhammad Anwar
Chief Executive Officer

Haroon Iqbal
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

		Notes	2016	2015
			(Rupees in '000')	
Turnover - Net		27	12,879,095	11,245,246
Cost of sales		28	(10,232,405)	(9,656,597)
Gross profit			2,646,690	1,588,649
Operating expenses				
Distribution cost		29	(301,217)	(324,000)
Administrative expenses		30	(546,594)	(437,743)
Other operating expenses		31	(162,800)	(70,636)
			(1,010,611)	(832,379)
Operating profit			1,636,079	756,270
Other income		32	297,432	19,458
Finance cost		33	(21,677)	(43,864)
Profit before taxation			1,911,834	731,864
Taxation - Net		34	(411,893)	(22,196)
Profit after taxation			1,499,941	709,668
Earnings per share - Basic	(Rupees)	35.1	3.11	1.81
Earnings per share - Diluted	(Rupees)	35.2	3.10	1.72

The annexed notes form an integral part of these financial statements.

Syed Muhammad Anwar
Chief Executive Officer

Haroon Iqbal
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

	Notes	2016	2015
		(Rupees in '000')	
Profit for the year		1,499,941	709,668
Other comprehensive income:			
Items that will not be subsequently reclassified to profit or loss:			
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	17	160,350	158,872
Related deferred tax	17	(48,889)	(51,546)
		111,461	107,326
Total comprehensive income for the year		1,611,402	816,994

The annexed notes form an integral part of these financial statements.

Syed Muhammad Anwar
Chief Executive Officer

Haroon Iqbal
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

	Notes	2016	2015
		(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,911,834	731,864
Adjustments for non-cash and other items:			
Depreciation	5.3	584,340	530,419
Gain on disposal of operating fixed assets	32	(91)	(582)
Workers' profit participation fund	31	102,676	39,305
Liabilities no longer payable written back	32	(271,779)	--
Unwinding of discount	33	13,418	29,058
Dividend income	32	(6,578)	(320)
Workers' welfare fund	31	39,017	14,936
Gain on remeasurement of short term investments	32	(8,687)	(10,359)
Finance cost		8,259	14,806
Excise duty recoverable written off	31	2,705	--
Exchange loss	31	14,602	12,580
Cash inflow before working capital changes		2,389,716	1,361,707
Movement in working capital			
(increase) / decrease in current assets			
Stores and spare parts		(410,334)	(182,014)
Stock in trade		171,217	(111,993)
Trade debts - Unsecured		52,249	25,251
Loans and advances - Unsecured		176,597	(108,284)
Trade deposits and short term prepayments		273	8,034
Other receivables - Considered good		9,268	(11,365)
		(730)	(380,371)
Increase / (decrease) in current liabilities			
Trade and other payables		(569,232)	(341,816)
Sales tax payable		37,875	36,294
		(531,357)	(305,522)
Cash generated from operations		1,857,629	675,814
Payment for:			
Taxes		(216,059)	(187,054)
Workers' profit participation fund	22.2	(41,863)	(28,846)
Workers' welfare fund	22.3	(14,031)	(10,094)
Finance cost		(7,181)	(15,140)
Net cash inflows from operating activities		1,578,495	434,680
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(1,415,181)	(1,169,943)
Sale proceeds on disposal of operating fixed assets	5.4	1,141	2,241
Net change in long term loans		(9,376)	2,791
Dividend received		6,578	320
Short term investments		--	(2,710)
Net change in long term deposits		327	(8,570)
Net cash outflows from investing activities		(1,416,511)	(1,175,871)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net change in long term financings		(121,259)	(135,716)
Issuance of share capital		--	450,000
Advance against issue of share capital		--	500,000
Payment against advances for investment in term finance certificates		(87,500)	--
Net change in long term deposits and payables		(79,104)	108,279
Liabilities against assets subject to finance lease - Net		--	(2,214)
Net cash (outflow) / inflow from financing activities		(287,863)	920,349
Net (decrease) / increase in cash and cash equivalents		(125,879)	179,158
Cash and cash equivalents at the beginning of the year		328,880	149,722
Cash and cash equivalents at the end of the year		203,001	328,880

The annexed notes form an integral part of these financial statements.

Syed Muhammad Anwar
Chief Executive Officer

Haroon Iqbal
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

	Issued, subscribed & paid-up share capital	Advance against issue of share capital	RESERVES CAPITAL Merger reserve	RESERVES REVENUE Un-appropriated profit	Total reserves	Total Equity
	------------------------(Rupees in '000')------------------------					
Balance as on 1 July 2014	3,891,133	--	629,444	520,883	1,150,327	5,041,460
Total comprehensive income for the year:						
Profit for the year ended 30 June 2015	--	--	--	709,668	709,668	709,668
Received during the year	--	500,000	--	--	--	500,000
Issuance of shares	450,000	--	--	--	--	450,000
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	--	107,326	107,326	107,326
	450,000	500,000	--	816,994	816,994	1,766,994
Balance as at 30 June 2015	4,341,133	500,000	629,444	1,337,877	1,967,321	6,808,454
Total comprehensive income for the year						
Profit for the year ended 30 June 2016	--	--	--	1,499,941	1,499,941	1,499,941
Issuance of shares	500,000	(500,000)	--	--	--	--
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	--	111,461	111,461	111,461
	500,000	(500,000)	--	1,611,402	1,611,402	1,611,402
Balance as at 30 June 2016	4,841,133	--	629,444	2,949,279	3,578,723	8,419,856

The annexed notes form an integral part of these financial statements.

Syed Muhammad Anwar
Chief Executive Officer

Haroon Iqbal
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1 STATUS AND NATURE OF BUSINESS

Dewan Cement Limited (the Company / DCL) was incorporated in Pakistan as a public limited company in March, 1980. Its shares are quoted on the Karachi and Lahore Stock Exchanges since June, 1989. The registered office of the Company is situated at 7th Floor, Block A, Finance and Trade Centre, Shahrah-e-Faisal, Karachi.

The principal activity of the Company is manufacturing and selling of cement. The Company has two production facilities at Deh Dhando, Dhabeji Karachi, Sindh and Kamilpur Hattar Industrial Estate, district Khyber Pakhtunkhwa.

2 GOING CONCERN ASSUMPTION

The financial statements for the year ended 30 June 2016 reflect as of that date Company's current liabilities exceeded its current assets by Rs.1,576.566 million (2015: Rs.2,103.630 million). The Company's short term borrowing facilities have expired and not been renewed and the Company has been unable to ensure scheduled payments of long term borrowings due to the liquidity problems. Following course, majority of the lenders have gone into litigation for repayment of liabilities through attachment and sale of Company's hypothecated / mortgaged properties and certain lenders have also filed winding up petitions. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The liquidity crunch faced by the Company was due to the fact that the banks / financial institutions did not give due committed support to the Company for completion of its line II project in south.

However, the management is of the view that operating cash flows of the Company are and will remain positive on account of expected increase in demand of cement and positive margins on account of increasing trend in cement prices, the Company as a going concern would be a viable unit. The Company was able to reach at settlement with certain lenders (as detailed in note 18 and 19) and the restructuring of remaining debt of the Company is in advanced stage as the draft of standstill agreement, provided by the steering committee of the bank, has been approved by the board in the meeting held on date the financial statements are authorised for issue and is expected to be executed, with or without modifications, in near future. The terms and conditions of restructuring will be disclosed upon finalization of restructuring, thereafter the court cases will be withdrawn by lenders. Accordingly, these financial statements have been prepared on a going concern basis.

3 BASIS OF PREPARATION

3.1 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 ("IASB") as are notified under the Companies Ordinance, 1984, and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions and directives of the Companies Ordinance, 1984 shall prevail.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except that certain fixed assets and certain investments which are carried at fair values in accordance with the relevant International Financial Reporting Standards (IFRSs).

3.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency and have been rounded off to the nearest rupee.

3.4 Use of estimates and judgements

The preparation of the financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognised in the financial statements are as follows:

3.4.1 Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making the estimates, Company uses the technical resources available with the Company. Any change in the estimates in future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on depreciation charge and impairment.

3.4.2 Stores and spare parts

The Company reviews the net realizable value (NRV) of stores and spare parts to assess any diminution in the respective carrying values. Net realizable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

3.4.3 Stock in trade

The Company reviews the NRV of stock in trade to asses any diminution in the respective carrying value. NRV is estimated with reference to the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to make the sale.

3.4.4 Trade debts

The Company reviews its doubtful trade debts at each reporting date to assess whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

3.4.5 Income tax

In making the estimates for income tax currently payable by the Company, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

3.4.6 Future estimation of export sales

Provision for deferred tax has been calculated based on an estimate that the future ratio of export sales to total sales will remain at the same level as average of last three years including the current financial year. Any change in the estimate in future years will affect the provision in this regard in those years.

3.5 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	"Effective date (annual periods beginning on or after)"
IFRS 2 Share-based Payments - Classification and Measurement of Share- based Payments Transactions (Amendments)	1 January 2018
IFRS 10 Consolidated Financial Statements, FRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates - Investment Entities: Applying the Consolidation Exception (Amendment)	1 January 2016
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	1 January 2016
IAS 1 Presentation of Financial Statements - Disclosure Initiative (Amendment)	1 January 2016

IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	1 January 2017
IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	1January 2017
IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	1 January 2016
IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment) |	1 January 2016
IAS 27 - Separate Financial Statements - Equity Method in "Separate Financial Statements"	1 January 2016

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after 1 January 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

	"Effective date (annual periods beginning on or after)"
IFRS 9 - Financial Instruments: Classification and Measurement	1 January 2018
IFRS 14 - Regulatory Deferral Accounts	1 January 2016
IFRS 15 - Revenue from Contracts with Customers	1 January 2018
IFRS 16 - Leases	1 January 2019

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied.

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

Property, plant and equipment are stated at cost or revalued amounts less accumulated depreciation or accumulated impairment, if any, except capital work-in-progress which is stated at historical cost.

The value of leasehold land is being amortised over the lease period in equal installments. Quarry development cost is amortised over its estimated useful life.

Depreciation on additions is charged from the month in which the asset is available for use, whereas on disposals, no depreciation is charged in the month of disposal. Depreciation on all tangible fixed assets, except plant and machinery, is charged to profit and loss account using the reducing balance method at the rates mentioned in note 5.1 to the financial statements. Depreciation on plant and machinery is charged using units of production method.

For revalued assets, valuations are conducted frequently enough to ensure that the fair value of revalued assets do not differ materially from its carrying amount. Surplus arising on revaluation is credited to surplus on revaluation of fixed assets account. The surplus on revaluation of fixed assets to the extent of incremental depreciation charged on the related assets is transferred to unappropriated profit, net of the related deferred tax.

The carrying values of property, plant and equipment are reviewed for impairment on periodic basis. If any indication exists that the carrying value exceeds the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements which increases the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount of the relevant assets. The are included in the profit and loss account. When revalued assets are sold, the relevant undepreciated surplus is transferred directly by the Company to its unappropriated profit account.

4.1.2 Capital work-in-progress

All expenditure connected with specific assets incurred during development, installation and construction period are carried as capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

4.2 Surplus on revaluation of fixed assets

The surplus arising on revaluation of fixed assets is credited to the "Surplus on Revaluation of Fixed Assets account" shown below equity in the balance sheet in accordance with the requirements of section 235 of the Companies Ordinance 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002 and accordingly the Company has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the Securities and Exchange Commission of Pakistan's (SECP) SRO 45(1)/2003 dated 13 January 2003:

- depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and

- an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Fixed Assets account" to accumulated profit through other comprehensive income to record realization of surplus to the extent of the incremental depreciation charge for the year.

4.3 Assets subject to finance lease

The Company accounts for fixed assets acquired under finance lease by recording the assets and the related liability at the amounts which are determined on the basis of discounted value of minimum lease payments. Financial charges are allocated to accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged to profit and loss account applying the same basis as for owned assets.

4.4 Borrowing costs

The Company capitalizes borrowing costs relating to qualifying assets, during the period in which these are acquired and developed for the intended use. Other borrowing costs are charged to profit and loss account.

4.5 Intangible assets

Computer software costs that are directly associated with computer and computer controlled machines which cannot operate without the related specific software, are included in the costs of the respective assets. Software which are not an integral part of the related hardware are classified as intangible assets.

4.6 Investments

All investments are initially recognised at cost, being the fair value of the consideration given including the transaction costs associated with the investment. After initial recognition these are categorised and accounted for as follows:

At fair value through profit and loss

These investments are initially recognized at fair value. Subsequent to initial recognition, these are measured at fair value (generally the quoted market price). All realized and unrealized gains and losses arising from changes in fair value of investments are taken to profit and loss account in the period in which such gains and losses arise.

4.7 Stores and spare parts

These are valued at lower of average cost and net realisable value (NRV). Stores and spare parts in-transit are valued at invoice value plus other charges incurred thereon.

Provision / write off, if required, is made in the accounts for slow moving, obsolete and unusable items to bring their carrying value down to NRV.

4.8 Stock in trade

These are valued at lower of cost and net realisable value (NRV). Cost is determined as follows:

- Raw and packing material	-	at average cost
- Work-in-process	-	at average cost of goods produced
- Finished goods	-	at average cost of goods produced

NRV is the estimated selling price in the ordinary course of business less the estimated cost of completion and costs necessarily to be incurred to make the sale.

4.9 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortized cost using the effective interest rate method, if applicable, less provision for impairment, if any. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Trade debts and receivables are written off when considered irrecoverable.

4.10 Provisions

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

4.11 Taxation

4.11.1 Current

Provision for current taxation is based on taxable income at the current rates of taxation or based on turnover at the specified rates, whichever is higher, after taking into account tax credits and rebates available.

4.11.2 Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the amounts used for financial reporting purpose and amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets may be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the balance sheet date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement of Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan, if considered material.

4.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cheques in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

4.13 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

4.14 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, excluding discount, commission sand sales tax or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent. The Company has concluded that it is acting as a principal in all its revenue arrangements. The following are the specific recognition criteria that must be met before revenue is recognised.

- Sales are recorded on passage of title to the customers which generally coincides with dispatch of goods to customers.

- Dividend income is recognized when right to receive the dividend is established.

- Profit on bank deposits, interest income and other revenues are accounted for on accrual basis.

4.15 Staff retirement benefits

4.15.1 Provident fund

The Company operates separate defined contributory provident funds for all its employees who are eligible for the plan. Equal contributions are made by the Company and employees to the funds at the rate of 8.33% of basic salary.

4.15.2 Compensated absences

The Company accounts for compensated absences on the basis of unavailed earned leaves balance of each employee at the end of the year using current salary levels.

4.16 Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Government grants related to assets, including non-monetary grants at fair value, are deducted from the cost of respective assets.

4.17 Financial instruments

The Company recognises financial asset or a financial liability when it becomes a party to the contractual provision of the instrument. Financial assets and liabilities are recognised initially at cost, which respectively is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost, as the case may be.

Financial assets are derecognised when the contractual right to cash flows from the asset expire, or when substantially all the risks and reward of ownership of the financial asset are transferred. Financial liability is derecognised when its contractual obligations are discharged, cancelled or expired.

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of the asset.

4.18 Impairment

Financial assets

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that the financial asset is impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on the terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated cash flows discounted at the original effective interest rate. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit and loss account.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is assessed through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.19 Offsetting of financial assets and financial liabilities

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

4.20 Foreign currency translations

Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation are taken to profit and loss account.

4.21 Related party transactions

All transactions with related parties are priced using the methods prescribed under the Companies Ordinance, 1984 as approved by the Board of Directors of the Company.

5	PROPERTY, PLANT AND EQUIPMENT	Notes	2016	2015
			(Rupees in '000')	
	Operating fixed assets - At cost less accumulated depreciation	5.1	21,169,837	18,668,622
	Assets subject to finance lease	5.2	831	1,039
	Capital work in progress - At cost	5.5	950,642	2,621,860
			22,121,310	21,291,521

5.1 Operating fixed assets - At cost less accumulated depreciation

	2016									
	COST / REVALUATION				ACCUMULATED DEPRECIATION					
	As at 1 July 2015	Additions / transfer	(Disposal)	As at 30 June 2016	As at 1 July 2015	(On disposal)	For the year	As at 30 June 2016	Book value as at 30 June 2016	Rate %
	(Rupees in '000')									
Leasehold land	129,480	--	--	129,480	10,775	--	1,295	12,070	117,410	1
Freehold land	214,201	1,254	--	215,455	--	--	--	--	215,455	-
Quarry	915	--	--	915	915	--	--	915	--	-
Buildings on leasehold land and quarry development	1,082,121	36,530	--	1,118,651	574,349	--	39,237	613,586	505,065	5 to 10
Buildings and civil works on Freehold land	1,167,112	54,329	--	1,221,441	733,178	--	43,161	776,339	445,102	5 to 10
Roads	321,202	68,071	--	389,273	80,288	--	12,046	92,334	296,939	5
Plant and machinery	20,256,855	2,896,512	--	23,153,367	3,216,799	--	468,902	3,685,701	19,467,666	UOP
Electric installation	52,046	460	--	52,506	29,883	--	1,076	30,959	21,547	5
Furniture and fixture	104,954	5,613	--	110,567	77,551	--	3,288	80,839	29,728	10 to 20
Equipment	22,007	--	--	22,007	14,310	--	519	14,829	7,178	10 to 20
Computers	59,694	6,734	--	66,428	50,540	--	3,741	54,281	12,147	33
Vehicles	162,895	16,896	(2,275)	177,516	116,272	(1,223)	10,867	125,916	51,600	20
	23,573,482	3,086,399	(2,275)	26,657,606	4,904,860	(1,223)	584,132	5,487,769	21,169,837	

	2015									
	COST / REVALUATION				ACCUMULATED DEPRECIATION					
	As at 1 July 2014	Additions	(Disposal)	As at 30 June 2015	As at 1 July 2014	(On disposal)	For the year	As at 30 June 2015	Book value as at 30 June 2015	Rate %
	(Rupees in '000')									
Leasehold land	129,480	--	--	129,480	9,480	--	1,295	10,775	118,705	1
Freehold land	209,374	4,827	--	214,201	--	--	--	--	214,201	-
Quarry	915	--	--	915	915	--	--	915	--	-
Buildings on leasehold land and quarry development	1,082,121	--	--	1,082,121	531,732	--	42,617	574,349	507,772	5 to 10
Buildings and civil works on Freehold land	1,167,112	--	--	1,167,112	685,235	--	47,943	733,178	433,934	5 to 10
Roads	124,966	196,236	--	321,202	77,936	--	2,352	80,288	240,914	5
Plant and machinery	20,256,855	--	--	20,256,855	2,800,751	--	416,048	3,216,799	17,040,056	UOP
Electric installation	51,158	888	--	52,046	28,717	--	1,166	29,883	22,163	5
Furniture and fixture	102,209	2,745	--	104,954	74,452	--	3,099	77,551	27,403	10 to 20
Equipment	20,632	1,375	--	22,007	13,722	--	588	14,310	7,697	10 to 20
Computers	56,163	3,531	--	59,694	46,888	--	3,652	50,540	9,154	33
Vehicles	143,707	21,430	(2,242)	162,895	105,456	(583)	11,399	116,272	46,623	20
	23,344,692	231,032	(2,242)	23,573,482	4,375,284	(583)	530,159	4,904,860	18,668,622	

	2016	2015
	(Rupees in '000')	
Leasehold land	1,185	1,306
Freehold land	69,794	67,069
Buildings on leasehold land and quarry development	368,720	356,279
Buildings and civil works on freehold land	432,382	419,801
Plant and machinery	13,488,512	10,919,759
	14,360,593	11,764,214

5.2 Assets subject to finance lease

Particulars	COST			ACCUMULATED DEPRECIATION			Book value as at 30 June 2016	Rate %
	As at 1 July 2015	Additions	As at 30 June 2016	As at 1 July 2015	For the year	As at 30 June 2016		
	(Rupees in '000')							
Vehicles	7,413	--	7,413	6,374	208	6,582	831	20
2016	7,413	--	7,413	6,374	208	6,582	831	

Particulars	COST			ACCUMULATED DEPRECIATION			Book value as at 30 June 2015	Rate %
	As at 1 July 2014	Additions	As at 30 June 2015	As at 1 July 2014	For the year	As at 30 June 2015		
	(Rupees in '000')							
Vehicles	7,413	--	7,413	6,114	260	6,374	1,039	20
2015	7,413	--	7,413	6,114	260	6,374	1,039	

5.3 The depreciation charge for the year has been allocated as follows:

	Notes	2016	2015
		(Rupees in '000')	
Cost of sales	5.1	574,660	520,240
Distribution cost		453	516
Administrative expenses	5.2	9,227	9,663
		584,340	530,419

5.4 Detail of assets disposed off during the year:

Particulars	Cost	Accumulated depreciation	Book Value	Sale proceeds/ disposal value	Gain on disposal	Mode of Disposal	Particulars of Buyer
	(Rupees in '000')						
Vehicles:							
Hyundai Santro	1,059	281	778	847	69	Company policy	Khursheed Anwar Jamal
Santro Club	519	467	52	52	--	Company policy	Muhammad Akram
KIA Spectra	500	429	71	71	--	Company policy	Wahih Ullah Baig
Motocycle CD-70	64	15	49	57	9	Insurance claim	Premier Insurance Company Ltd.
Motocycle CD-70	70	17	53	57	4	Insurance claim	Premier Insurance Company Ltd.
Motocycle CD-70	63	14	49	57	9	Insurance claim	Premier Insurance Company Ltd.
30 June 2016	2,275	1,223	1,052	1,141	91		
30 June 2015	2,242	583	1,659	2,241	582		

		Notes	2016	2015
			(Rupees in '000')	
5.5	Capital work in progress - at cost			
	Opening balance		2,621,860	1,682,949
	Additions during the year		1,437,555	1,135,147
			4,059,415	2,818,096
	Less: Capitalized during the year		3,108,773	196,236
		5.5.1	950,642	2,621,860

5.5.1 Breakup is as follows:

	2016	2015
Owned		
Plant and machinery	950,642	2,544,365
Buildings on leasehold land and quarry development	--	77,495
	950,642	2,621,860

		2016	2015
		(Rupees in '000')	
6	LONG TERM DEPOSITS		
	Electricity deposits	106,800	106,800
	Others	1,671	1,998
		108,471	108,798

		Notes	2016	2015
			(Rupees in '000')	
7	LONG TERM LOANS			
	Considered good			
	Executives	7.1&7.2	11,324	2,600
	Employees	7.2	513	505
			11,837	3,105
	Less: Due within one year, shown under current loans and advances	11	961	1,605
			10,876	1,500

7.1 Reconciliation of carrying amount of loans to executives

	Opening Balance	Disbursement	Repayment	Closing Balance
	(Rupees in '000')			
2016	2,600	11,502	(2,778)	11,324
2015	5,383	2,421	(5,204)	2,600

7.2 Represents interest free unsecured loans to executives and employees for purchase of vehicles and house building purposes. These are repayable in lump sum or by way of monthly installments within a period of 5 years or retirement date whichever is earlier. Maximum aggregate amount due from executives at the end of any month during the year was Rs.11.837 million (2015: Rs.8.240 million).

		Notes	2016	2015
			(Rupees in '000')	
8	STORES AND SPARE PARTS			
	Stores and spare parts - In hand		847,183	787,827
	Stores and spare parts - In transit		403,115	52,137
			1,250,298	839,964
	Less: Provision for obsolescence and slow moving stocks		5,869	5,869
			1,244,429	834,095
9	STOCK IN TRADE			
	Raw and packing material		193,609	120,104
	Work-in-process		297,824	536,938
	Finished goods		102,492	108,100
			593,925	765,142
10	TRADE DEBTS - Unsecured			
	Considered good		523,420	575,669
	Considered doubtful		--	54,952
			523,420	630,621
	Less: Provision for doubtful debts	10.1	--	54,952
			523,420	575,669
	10.1 Movement in provision for doubtful debts			
	Opening balance		54,952	54,952
	Write off during the year		(54,952)	--
	Closing balance		--	54,952

		Notes	2016	2015
			(Rupees in '000')	
11	LOANS AND ADVANCES - Unsecured			
	Current portion of loans due from:			
	Executives	7	961	1,605
	Advances - Unsecured			
	Considered good			
	Employees - against salaries		--	3,514
	Employees - against expenses		826	3,706
			826	7,220
	Suppliers and contractors		107,933	277,492
	Considered doubtful			
	Suppliers and contractors		--	91,434
	Less: Provision for doubtful advances		--	91,434
			--	--
			109,720	286,317

		2016	2015
11.1	Movement in provision for doubtful advances	(Rupees in '000')	
	Opening balance	91,434	91,434
	Write off during the year	(91,434)	--
	Closing balance	--	91,434

12 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Notes	2016	2015
		(Rupees in '000')	
Trade deposits - Considered good			
Short term deposits		544	6,580
Margin against bank guarantees		10,470	8,813
Margin against letter of credits	12.1	--	72,138
		11,014	87,531
Short term prepayments		3,507	4,401
		14,521	91,932

12.1 During the year under consideration, margin against letter of credits has been adjusted with long term liability of commercial bank.

13 OTHER RECEIVABLES - Considered good

	Notes	2016	2015
Excise duty recoverable	13.1	--	2,705
Sales tax claim		13,502	13,502
Export rebate receivable	13.2	14,364	18,849
Other receivable		74,918	79,701
		102,784	114,757

13.1 Represents claims of sales tax filed before the collector of sales tax and large tax payer unit for the different periods.

13.2 This represent amount paid under protest by the Company on the basis of decision of the Custom Tribunal. However the Company has filed reference before the Honorable High Court against the decision of the Tribunal. In the reference numerous legal issues has been raised on the basis of which the Company anticipate that the order of the Tribunal will be vacated and amount will be refunded.

14 SHORT TERM INVESTMENTS

At fair value through profit and loss

2016	2015		2016	2015
Number of Share			(Rupees in '000')	
267,805	267,805	Cherat Cement Limited	32,022	23,307
17,717	17,717	BankIslami Pakistan Limited	187	181
6,930	6,930	Samba Bank Limited	53	37
2,603	2,603	Faysal Bank Limited	34	41
475	475	Standard Chartered Bank Limited	11	11
92,500	92,500	Zeal Pak Cement Limited	--	43
388,030	388,030		32,307	23,620

15 CASH AND BANK BALANCES

	Notes	2016	2015
		(Rupees in '000')	
Cash in hand		2,623	992
Cash at banks:			
- Current accounts	15.1	184,650	322,945
- Deposit / PLS saving accounts		15,728	4,943
		200,378	327,888
		203,001	328,880

15.1 These represent term deposit accounts and PLS saving accounts with commercial banks carrying profit ranging from 3% to 4.68% (2015: 3.23% to 5.38%) per annum. Deposits have a maturity of less than three months.

16 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2016	2015		2016	2015
Number of Share			(Rupees in '000')	
431,125,000	381,125,000	Ordinary Shares of Rs. 10/- each issued as fully paid in cash	4,311,250	3,811,250
21,250,000	21,250,000	Ordinary Shares of Rs. 10/- each issued as fully paid Bonus shares	212,500	212,500
31,738,343	31,738,343	Ordinary Shares of Rs. 10/- each issued on conversion of loan from sponsors	317,383	317,383
484,113,343	434,113,343		4,841,133	4,341,133

16.1 Reconciliation of shares

	2016	2015
At the beginning of the year	434,113,343	389,113,343
Ordinary shares issued during the year	50,000,000	45,000,000
At the end of the year	484,113,343	434,113,343

16.2 At reporting date, 131,625,455 shares (2015: 131,625,455 shares) are held by associated companies.

17 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	2016	2015
	(Rupees in '000')	
Gross surplus		
Opening balance	6,550,456	6,709,328
Transfer to unappropriated profit in respect of incremental depreciation charged during the current year	(160,350)	(158,872)
	6,390,106	6,550,456
Less: Deferred tax liability		
Opening balance	1,714,155	1,977,895
On incremental depreciation for the year	(48,889)	(51,546)
Effect of reduction in effective tax rate on account of a portion of the income of the Company being assessed under Final Tax Regime	21,486	(212,194)
	1,686,752	1,714,155
	4,703,354	4,836,301

17.1 Leasehold land, freehold land, buildings on leasehold land and quarry development, buildings and civil works on freehold land and plant and machinery owned by the Company was revalued at 30 June 2014 by an independent revaluer M/s ISOTEC using prevailing market value being the basis of revaluation. The surplus arising from revaluation is Rs.1,392.542 million. The entire closing balance of surplus on revaluation of property, plant and equipment is not available for distribution to shareholders.

	Carrying Amounts	Revalued Amount	Increase in surplus
	--------	(Rupees in '000')	--------
Leasehold land	115,020	120,000	4,980
Freehold land	141,082	209,375	68,293
Buildings on leasehold land & quarry development	547,378	550,390	3,012
Buildings and civil works on Freehold land	346,116	481,875	135,759
Plant and machinery	16,275,609	17,456,107	1,180,498
	17,425,205	18,817,747	1,392,542

17.2 Net effect amounting to Rs.111.461 million (2015: Rs.107.326 million) has been transferred to equity.

18 LONG TERM FINANCING

	Notes	2016	2015
		(Rupees in '000')	
Long-term loan financial institution - Secured			
Long term loan - I	18.1	93,333	93,333
Long term loan - II	18.2	200,000	200,000
Long term loan - III	18.3	300,000	300,000
Long term loan - IV	18.4	75,000	75,000
Long term loan - V	18.5	500,000	500,000
Long term loan - VI	18.6	350,000	350,000
Long term loan - VII	18.7	92,861	164,999
Long term loan - VIII	18.8	250,000	250,000
Restructured long term financing - I	18.9	443,246	543,246
Restructured long term financing - II	18.10	--	583,072
Restructured long term financing - III	18.11	129,852	140,000
Restructured long term financing - IV	18.12	80,556	91,667
		2,514,848	3,291,317
Less: Present value adjustment		(60,259)	(87,492)
		2,454,589	3,203,825
Add: Total interest charged to profit and loss account		9,898	23,713
		2,464,487	3,227,538
Less: Current maturity of long term financing		(127,866)	(122,456)
Less: Overdue portion of long term financing		(1,861,194)	(1,942,190)
	25	(1,989,060)	(2,064,646)
		475,427	1,162,892

18.1 Represents loan obtained from a Development Financial Institution (DFI) carrying mark up at the rate of KIBOR plus 2.5% per annum with sales price of Rs.120 million and purchase price of Rs.234.4 million. The loan is repayable in 9 equal semi-annual installments commencing one year after the date of disbursement of loan i.e. April 26, 2006. The loan is secured by way of hypothecation ranking charge over fixed assets to be converted in to first pari passu charge within 90 days from the date of disbursement.

18.2 Represents loan obtained from a DFI carrying mark up at the rate of KIBOR plus 3.25% per annum with sales price of Rs.200 million and purchase price of Rs.289.375 million. The loan is repayable in 8 equal semi-annual installments starting two years after the date of disbursement of loan i.e. November 1, 2006. The loan is secured by way of ranking charge convertible to a first pari-passu charge within ninety days of the disbursement of the facility over all present and future fixed assets of the Company with a margin of 25 percent.

18.3 Represents loan obtained from a DFI carrying mark up at the rate of KIBOR plus 4.5% per annum with sales price of Rs.300 million and purchase price of Rs.637.685 million. The loan is repayable in 6 equal semi-annual installments commencing thirty months after the date of disbursement of loan i.e. November 7, 2006. The loan is secured by way of first pari-passu charge over all present and future fixed assets of the Company and corporate guarantees provided by certain group companies.

18.4 Represents loan obtained from a DFI carrying mark up at the rate of KIBOR plus 3% per annum with sales price of Rs.75 million and purchase price of Rs.117.729 million. The loan is repayable in 8 equal semi-annual installments commencing two years after the date of disbursement of loan i.e. July 28, 2006. The loan is secured by way of hypothecation ranking charge over all present and future fixed assets of the Company with 25% margin to be converted in to first pari-passu charge in favour of the DFI within 120 days from the date of first drawdown of the facility.

18.5 Represents loan obtained from a commercial bank carrying mark up at the rate of KIBOR plus 2.5% per annum with sales price of Rs.500 million and purchase price of Rs.975.562 million. The loan is repayable in 10 equal semi-annual installments commencing 30 months after the date of disbursement of loan i.e. October 31, 2006. The loan is secured by creating first pari-passu charge by way of hypothecation over the hypothecated assets in the sum of Rs.666.667 million in favour of the bank and creation of first pari-passu charge by way of mortgage by deposit of title deeds in respect of the mortgaged properties in the sum of Rs. 666.667 million in favour of the bank.

18.6 Represents loan obtained from a commercial bank carrying mark up at the rate of KIBOR plus 2.5% per annum with sales price of Rs.500 million and purchase price of Rs.700 million. The loan is repayable in 10 equal semi-annual installments commenced from December 2006. The loan is secured by creating first pari passu hypothecation charge over present and future plant and machinery and creation of first pari passu equitable mortgage charge over all land and building.

18.7 Represents loan obtained from a commercial bank carrying mark up at the rate of 3 months KIBOR plus 2% per annum with sales price of Rs.165 million and purchase price of Rs.239.309 million. The loan is repayable in 13 equal quarterly installments beginning one year after the date of restructuring of terms of loan i.e. June 28, 2008. The loan is secured by creating first pari-passu charge by way of hypothecation over the hypothecated assets in the sum of Rs.240 million in favour of the bank. Initially a ranking charge is created which will be upgraded to 1st pari passu charge with in 120 days of draw down.

18.8 Represents loan obtained from a commercial bank carrying markup at the rate of 3 months KIBOR plus 2% per annum with sales price of Rs.250 million and purchase price of Rs.353.136 million. The loan is repayable in eight equal quarterly installments commencing from the fifth quarter from date of disbursement. The financing is secured by ranking hypothecation charge and equitable mortgage over fixed assets of the company valuing 333.33 million with 25% margin. The charge was to be converted into first pari passu within 180 days from date of disbursement.

18.9 A settlement has been reached on 18 October 2012 with a lender by way of compromise agreement executed between the Company and bank, and consequently a compromise decree has been passed by Honorable High Court. The entire principle amounts of demand finance, export re-finance, advance against TFCs and liability against letter of credits aggregating Rs.843.246 million are now repayable in 33 equal installments of Rs.25 million each and last installment of Rs.18.246 million. The settlement of markup will be subject to the over all restructuring proposal offered to other lenders.

The loan is secured against joint pari-passu charge in the sum of Rs.426.667 million and Rs.186.66 million over present and future fixed assets of the Company and ranking charges of Rs.345 million and Rs.134 million over present and future current assets of the Company.

18.10 A compromise agreement was executed on 30 January 2013 with the lender in respect of liability of Old Series (A & B) of TFCs (note 25.2), thereby the liability has been acknowledged by the Company to the extent of Rs.583.072 million, representing the principal outstanding which was repayable in 36 equal installments of Rs.16.196 million each commencing after grace period of two years, however, during the year under consideration, an agreement has been executed with the lender thereby the liability of Rs.583.072 million is to be treated as security deposit from dealer and the same has been transferred to Security Deposits (note 20). The settlement of markup will be subject to the over all restructuring proposal offered to other lenders.

18.11 Advance for investment in term finance certificates from a lender has been restructured for which a compromise agreement has been executed dated 15 January 2013 thereby the liability has been acknowledged at principal outstanding amount of Rs.150 million which was repayable in 35 equal installments of Rs.4.160 million each and last installment of Rs.4.4 million commencing after grace period of one year. The liability is secured by first pari passu charge over plant and machinery and land and buildings.

During the year under consideration, a supplemental compromise agreement has been executed dated 9 May 2016 thereby the liability has been further rescheduled at principal outstanding amount of Rs.150 million (Rs.20.148 million has been paid at the time of signing of supplemental compromise agreement) and Rs.129.852 was repayable in 31 equal quarterly installments of Rs.4.189 million each commencing from 30 July 2016. The other terms and conditions will remain same as per the master agreement dated 15 January 2013.

18.12 Advance for investment in term finance certificates from a lender has been restructured for which a compromise agreement has been executed dated 13 September 2013 thereby the liability has been acknowledged at principal outstanding amount of Rs.100 million which is now repayable in 36 equal quarterly installments of Rs.2.777 million each commencing after grace period of one year. The liability is secured by first pari passu charge over plant and machinery and land and buildings.

18.13 The loans disclosed in 18.11 and 18.12 is interest free and have been measured at amortized cost in accordance with International Accounting Standard 39, Financial Instruments: Recognition and Measurement, and have been discounted using the weighted average interest rate ranging from 7% to 8% per annum.

18.14 The lenders listed in 18.1 to 18.8 are in litigation with the Company as more fully explained in note 26.1(b) to the financial statements.

	Notes	2016	2015
19 ADVANCES FOR INVESTMENT IN TERM FINANCE CERTIFICATES		(Rupees in '000')	
Secured	19.1	3,160,000	3,460,000

19.1 It represents private placement (Pre-IPO) investment of Rs.3,160 million received as advanced against issue of rated, listed and secured term finance certificates out of total issue of Rs.5,000 million for a tenure of six years. The company was required to complete the public offering on or before 270 days of signing of the respective agreements. i.e. 5 October 2008. The Company was unable to complete the requisite formalities of public offering due to the factors beyond its control (Force Majure) i.e. global recession and unforeseen shut down of stock exchanges. Following course, certain investors have filed suits and winding up petitions in Hon'able High Court of Sindh as more fully explained in note 26.1(b). Till the matter is resolved suitably with investors, management has decided to classify the same as long term liability which is a departure with the requirements of IAS-1 "presentation of financial statements".

The principal terms and conditions for the proposed issue of rated, listed and secured Term Finance Certificates (TFCs) were as follows:

a) The tenor was six years inclusive of a grace period of 18 months.

b) Profit payments payable semiannually in arrears on the outstanding principal amount and calculated on a 365-days year basis. The first profit payment will fall due six months from the issue date and subsequently every six months thereafter.

c) Carries a floating rate of return of KIBOR plus 2 percent per annum.

d) Will be redeemed in nine equal semi annual installments starting from the twenty-fourth month of the issue.

e) Secured by first pari passu charge over plant and machinery and land and buildings.

19.2 During the year under consideration, settlements have been reached and agreements have been executed with certain lenders for liabilities to the extent of Rs.300 million. The liabilities have been settled at Rs.87.50 million which have been paid. Upon successful settlement the cases have been withdrawn by the lenders and the excess of settlement amount over the recorded liabilities has been taken to profit and loss account.

			2016	2015
20	LONG TERM DEPOSITS AND PAYABLES	Notes	(Rupees in '000')	
	Security deposits		1,572,784	1,077,138
	Retention money		71,268	68,346
	Provision in respect of supplier's credit	20.1	188,460	183,060
			1,832,512	1,328,544

20.1 Represents bills payable in respect of plant and machinery imported. In respect of such liability, in prior years, a memorandum of understanding was signed alongwith a repayment plan. However, in view of certain disputes, this amount is still appearing as payable. The matter is currently under litigation and the amount that would actually be payable and its timing are now considered to be uncertain. In view of litigation and dispute in respect of amount involved, as well as, the expected time that litigation would entail, the management is confident that this provision is not payable within the next twelve months and has, accordingly, been included in non current liabilities.

			2016	2015
21	DEFERRED TAXATION	Notes	(Rupees in '000')	
	Deferred taxation comprises temporary difference relating to:			
	Accelerated tax depreciation		3,120,079	3,009,649
	Surplus on revaluation of fixed assets		1,899,748	1,948,636
	Provisions and others		(50,205)	(53,336)
			4,969,622	4,904,949
	Effect of reduction in effective tax rate on account of transfer of income of the company being assessed under Final Tax Regime		(557,183)	(590,217)
			4,412,439	4,314,732
	Accumulated tax losses and available tax credits		(2,339,497)	(2,612,734)
			2,072,942	1,701,998

			2016	2015
22	TRADE AND OTHER PAYABLES			
	Creditors	22.1	570,785	611,075
	Accrued liabilities		185,669	169,311
	Advance from customers		18,297	537,985
	Custom duty payable		22,848	15,495
	Creditors for capital expenditure		18,569	18,992
	Excise duty and royalty payable		64,069	65,432
	Workers' profits participation fund	22.2	102,676	40,785
	Dividend payable		12,927	12,927
	Tax deducted at source		6,251	11,067
	Workers' welfare fund	22.3	45,831	20,845
	Provident fund payable		--	3,670
	Unpaid and unclaimed dividend		1,780	1,780
	Security deposits		--	1,288
	Compensated absences		--	19
	Others		5,226	12,012
			1,054,928	1,522,683

22.1 This includes an amount of Rs.54.289 million (2015: Rs.54.289 million) representing overdue letters of credit which carry markup at the rate of 1 month KIBOR + 2% per annum (2015: 1 month KIBOR + 2% per annum).

22.2 Workers' profits participation fund	Notes	2016	2015
		(Rupees in '000')	
Opening balance		40,785	28,997
Provision for the year	31	102,676	39,305
Interest on fund utilised in the Company's business	33	1,078	1,329
		144,539	69,631
Payments made during the year		(41,863)	(28,846)
		102,676	40,785

22.3 Workers' welfare fund	Notes	2016	2015
Opening balance		20,845	16,003
Provision for the year	31	39,017	14,936
		59,862	30,939
Payments made during the year (adjustment against tax refundable)		(14,031)	(10,094)
		45,831	20,845

23 SHORT TERM BORROWINGS

From financial institutions:	Notes	2016	2015
Running finance	23.1	189,875	189,875
Export refinance	23.2	121,000	121,000
Bridge finance - from syndicate	23.3	250,000	250,000
		560,875	560,875

23.1 Represents utilized portion of facility of Rs.200 million (2015: Rs.200 million). The running finance carries mark up at 6 months KIBOR plus 3% (2015: 6 months KIBOR plus 3%) per annum, payable quarterly in arrears. The facility is secured by way of first pari passu charge of Rs.234 million on the Company's stocks / book debts. This facility was valid upto 30 June 2009. The facility has expired and not been renewed by the bank.

23.2 The export refinance carries mark up at 7.5% per annum, payable quarterly. The facility is secured by way of pari passu charge of Rs. 237 million on stocks and book debts of the Company. These financing arrangement has expired and not been renewed by the bank.

23.3 The syndicated finance facility was obtained from two banks having share of Rs.150 million and Rs.100 million respectively. The syndicated loan carries mark up at 6 months KIBOR plus 2% per annum payable after 6 months. The facility is secured by way of first pari passu of Rs. 333.33 million on the Company's fixed assets. The facility was valid upto 12 September 2008 and has not been renewed by the banks.

23.4 The Company is in litigations with all of the above lenders as more fully explained in note 26.1(b) to the financial statements.

			2016	2015
24	MARKUP PAYABLE	Notes	(Rupees in '000')	
	Markup payable on:			
	- advances for investment in term finance certificates		405,212	464,491
	- debentures - Term Finance Certificates		178,636	178,636
	- long term financings		342,519	342,519
	- short term borrowings		51,654	51,654
			978,021	1,037,300

25 CURRENT AND OVERDUE PORTION OF NON-CURRENT LIABILITIES

		2016	2015
Long term financings	18	1,989,060	2,064,646
Liabilities against assets subject to finance lease	25.1	41,210	46,210
Term Finance Certificates (Old TFCs - Series B)	25.2	9,227	9,227
		2,039,497	2,120,083

25.1 The Company has entered into lease agreements with certain leasing companies for lease of vehicles and machinery. Total lease rentals due under various lease agreements aggregate Rs.41.210 million (2015: Rs.46.210 million) payable in monthly/quarterly installments latest by January 2012. Overdue rental payments are subject to an additional charge upto 3% per month. Taxes, repairs, replacement and insurance costs are to be borne by the lessee. In case of termination of agreement, the lessee has to pay the entire rent for unexpired period. Financing rates ranging from 17.76% to 20.57% per annum have been used as discounting factor. Purchase options can be exercised by the lessee, paying 10% of the leased amount.

25.2 During the financial year 30 June 2008, a meeting of the old TFCs holders was held in which it was resolved that prepayment by the Company of entire outstanding principal amount with respect to series "A" and series "C" TFCs along with markup for the period starting from 15 July 2007 to the date of prepayment and present value of series "B" TFCs calculated by using discount rate of 12.43% be made. Accordingly, on 13 March 2008 the Company made early repayment of Rs.3,806.531 million in respect of old TFCs out of total prepayment amount of Rs.4,404.772 million and Rs.5.942 million were paid during the financial year ended 30 June 2009.

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

(a) The Company is a party to legal proceedings pending in various courts and agencies in which it appears as defendant and plaintiff aggregating to Rs.271.625 million, the outcome of which cannot be established at this stage. The management, based on the strength of its cases and the advice of its lawyers, believes that no additional liability will arise out of these proceedings; hence no provision has been made in these financial statements.

(b) In respect of liabilities towards banks / financial institutions disclosed in note 18, 19, 20.1, 22.1, 23 and 24 to the financial statements, certain banks / financial institutions have filed suits in Honorable High Court of Sind at Karachi for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties. The aggregate suits amount is Rs.7,419.205 million, out of total suits amount certain banks / financial institutions having suits to the extent of Rs.956.519 million have also filed winding up petitions u/s 305 of the Companies Ordinance, 1984. Since the Company is in dispute with banks / financial institutions therefore the estimated financial effect of litigations is not being disclosed, as it may have adverse affect on Company's position in the suits.

The default of the Company is attributable to the Arrangers of the proposed Term Finance Certificates [TFCs] as they took the Company towards engineered default. The Company withdrew the foreign currency Convertible Bond issue which was completed with regard to the investors and approvals from SECP and SBP were also in place in all respect; and converted this into local TFCs under the firm commitment of major banks of the Company that it would be closed within a few weeks. Unfortunately, the TFC issue has so far not been closed.

The management has disputed the claim and is strongly contesting the case. The management has filed counter claims alleging that the banks claims are highly exaggerated as they have charged markup on markup and other levies higher than the rate of markup agreed and other charges in violation of State Bank of Pakistan rules and all other applicable laws of Pakistan. The management is hopeful that the decision will be in favor of the Company and the base less suits shall be rejected by the concerned courts. Since all the cases are pending before Honorable Courts therefore the ultimate outcome cannot be established at this stage.

(c) On 27 August 2009, The Competition Commission of Pakistan imposed a penalty of Rs.6,312 million on the cement industry including a penalty of Rs.345 million on the Company. The Company has filed a petition against the order in the Honorable Lahore High Court on legal and factual grounds . Further, the Competition Ordinance, 2007 will require reconsideration and approval of National Assembly in line with the judgment of Honorable Supreme Court of Pakistan dated 31 July 2009. In view of above, management is hopeful that there will be no adverse outcome for the Company. Accordingly, no liability has been accounted for in the books of the Company.

(d) On 3 January 2008, the Company filed a refund claim for the period from 17 June 1994 to 18 April 1999, amounting to Rs.608.015 million before Collector of Sales Tax and Federal Excise (the department) in view of Supreme Court judgment regarding the value of goods for the purpose of imposition of excise duty, under section 4(2) of the Central Excise Act, 1944 (the "1944 Act"). In the Supreme Court judgment it has been categorically held that no excise duty could be added to the retail price for levying excise duty under section 4(2) of the 1944 Act.

The department in similar cases had filed petition for review of the judgment of the Supreme Court of Pakistan. Our refund application was returned with the comments that since the cases are subjudiced in review, the decision on refund will be taken after fate of review petitions. On 20 January 2009, these petitions were dismissed by the Honorable Supreme Court of Pakistan. The Company then immediately approached the Department for processing of refund. After a lapse of years we then approached the Islamabad High court and on 30th June 2016 the honorable high court asked the FBR to hear us and the date be given for hearing. We were then called by the Accountant Chief FBR and decision is awaited. As a matter of prudence the Company has not accounted for the above refund in the books of account of the Company.

(e) During the year June 2015, the Company filed a suit in High Court of Sind at Karachi against orders passed by Deputy Commission Inland Revenue wherein the department unlawfully demanded extra sales tax and excise duty amounting to Rs.1,599.932 million on alleged suppressed sales. The said demand has been created by comparing the cost of fuel and power with the other cement companies, thereby determined the figures of sales based on additional power consumption. The Company has also filed an appeal before appellate tribunal against these orders. The honorable High court ordered remand back for rehearing at the collector appeals level. In our rehearing the collector Appeals decided the case in our favor. The Department has moved to the Tribunal against the decision of the C.I.P. As the case is pending and on the basis of the decision by Collector Apples the management is hopeful that the case will be decided in favor of the Company as the same is based on hypothetical assumptions, hence no provision is made in these financial statements.

(f) Guarantees issued by commercial banks on behalf of the Company amounting to Rs.105.525 million (2015: Rs.105.525 millions).

(g) A Constitutional Petition was filed by the Company against the Customs Department to recover a sum of Rs.56 million representing the sale proceeds of certain goods of the Company auctioned by Customs Department and adjusted against unlawful demand / claim of Rs.89 million. The said Petition is pending and is at the stage of arguments and Company expects the same will be decided in its favor and the amount will be refunded.

		Notes	2016	2015
27	**TURNOVER - Net**		(Rupees in '000')	
	Turnover - Local		15,461,342	12,775,591
	Less: Federal excise duty		791,219	631,207
	Sales tax		2,632,520	2,146,080
	Sales incentives		125,071	77,903
			3,548,810	2,855,190
			11,912,532	9,920,401
	Turnover - Export		966,563	1,324,845
			12,879,095	11,245,246
28	**COST OF SALES**			
	Opening stock		120,104	114,043
	Purchases during the year		1,246,938	1,167,819
	Raw and packing materials available for consumption		1,367,042	1,281,862
	Closing stock		(193,609)	(120,104)
	Raw and packing materials consumed		1,173,433	1,161,758
	Manufacturing expenses			
	Fuel and power		6,052,303	6,409,092
	Repairs and maintenance		626,896	418,602
	Salaries, wages and benefits	28.1	582,332	469,357
	Stores and spares consumed		540,646	542,590
	Depreciation	5.3	574,660	520,240
	Handling charges		304,969	108,823
	Transportation charges		38,002	30,240
	Vehicle running expense		11,112	11,865
	Insurance expenses		29,527	12,665
	Consultancy charges		5,508	2,586
	Printing and stationery		4,871	2,861
	Travelling and conveyance		4,792	1,730
	Laboratory chemicals and quality control		3,417	2,236
	Communication charges		2,435	1,282
	Rates and taxes		1,528	944
	Others		31,252	65,658
			8,814,250	8,600,771
	Manufacturing cost		9,987,683	9,762,529
	Work in process - Opening		536,938	446,908
	Work in process - Closing		(297,824)	(536,938)
			239,114	(90,030)
	Cost of goods manufactured		10,226,797	9,672,499
	Finished goods - Opening		108,100	92,198
	Finished goods - Closing		(102,492)	(108,100)
			5,608	(15,902)
			10,232,405	9,656,597

28.1 This includes Rs.13.387 million (2015: Rs.10.454 million) in respect of the Company's contribution for provident funds and Rs.3.071 million (2015: Rs.3.301 million) recognised against contribution to Employees Old Age Benefits Institution (EOBI).

29 DISTRIBUTION COST

Export expenses	29.1	206,367	232,131
Salaries, allowances and benefits	29.2	38,002	33,349
Repairs and maintenance		23,477	21,704
Rent, rates and taxes		6,312	6,485
Advertisement expenses		2,986	7,047
Traveling and conveyance		7,756	5,672
Communication charges		1,298	1,128
Insurance expenses		458	120
Depreciation	5.3	453	516
Others		14,108	15,848
		301,217	324,000

29.1 Export expenses represent freight and handling charges and commission on export of cement during the year. The export expenses are net off with export rebates of Rs.5.808 million (2015: 7.678 million).

29.2 These include Rs.1.399 million (2015: Rs.1.217 million) in respect of the Company's contribution for provident funds and Rs.0.212 million (2015: Rs.0.189 million) recognized against contribution to EOBI.

30 ADMINISTRATIVE EXPENSES

	Notes	2016	2015
		(Rupees in '000')	
Salaries, allowances and benefits	30.1	172,005	150,562
Repairs and maintenance		164,355	107,643
Travelling, conveyance and cartage		39,692	28,002
Legal and professional charges		37,906	41,003
Rent, rates and taxes		17,210	22,204
Vehicle running expenses		16,798	19,843
Utilities		16,459	11,039
Security service charges		14,462	11,550
Fee and subscription		23,737	13,132
Insurance expenses		11,345	1,561
Communication charges		9,802	10,079
Entertainment expenses		9,557	5,622
Depreciation	5.3	9,227	9,663
Printing and stationery		2,834	4,871
Newspaper and periodicals		100	255
Other expenses		1,105	714
		546,594	437,743

30.1 This includes Rs.5.429 million (2015: Rs.4.631 million) in respect of the Company's contribution for provident funds and Rs.0.280 million (2015: Rs. 0.460 million) recognized against contribution to EOBI.

31 OTHER OPERATING EXPENSES

Workers' profit participation fund	22.2	102,676	39,305
Workers' welfare fund	22.3	39,017	14,936
Auditor's remuneration	31.1	3,800	3,815
Excise duty recoverable written off		2,705	--
Exchange loss		14,602	12,580
		162,800	70,636

31.1 Auditor's remuneration

Audit fee	2,600	2,600
Review of half-yearly interim condensed financial statements	900	900
Review of Code of Corporate Governance	300	300
Out of pocket expenses	--	15
	3,800	3,815

	Notes	2016	2015
		(Rupees in '000')	
32 OTHER INCOME			
Income from financial assets			
Profit on bank deposits		5,365	6,178
Gain on remeasurement of short term investments		8,687	10,359
Dividend income		6,578	320
Income from non financial assets			
Liabilities no longer payable written back	5.4	271,779	1,215
Gain on disposal of operating fixed assets		91	582
Scrap sales		4,932	804
		297,432	19,458
33 FINANCE COST			
		13,418	29,058
Unwinding of discount	22.2	1,078	1,329
Interest on workers' profits participation fund		1,678	1,618
Commission on bank guarantees		5,503	11,859
Bank charges		21,677	43,864

33.1 Company has not made the provision of markup for the year amounting to Rs.556.787 million (Up to 30 June 2015: Rs.5,903.710 million) keeping in view of the financial restructuring proposed to the lenders as disclosed in note 2. Management is hopeful that the restructuring proposal will be accepted by the lenders. Had the provision been made the profit for the year would have been lower by Rs.556.787 million and accrued markup would have been higher and shareholders' equity would have been lower by Rs.6,460.497 million. The said non provisioning is a departure from the requirements of IAS-23 'Borrowing Costs'.

34 TAXATION

Current		
- for the year	61,412	134,205
- for prior years	1,023	--
	62,435	134,205
Deferred tax	349,458	(112,009)
Total tax charge	411,893	22,196

34.1 Effective tax rate reconciliation

Numerical reconciliation between the average tax rate and the applicable tax rate has not been given as the Company is subject to the provisions of minimum tax under Section 113 of the Income Tax Ordinance, 2001 ('Ordinance') and alternate corporate tax under section 113 C of the Ordinance.

34.2 The assessments of the Company deemed to have been finalized upto and including tax year 2015.

35 EARNING PER SHARE - Basic and Diluted

35.1 Earnings per share - Basic

	2016	2015
	(Rupees in '000')	
Profit after taxation attributable to ordinary shareholders	1,499,941	709,668
	-- (Number of shares '000) --	
Weighted average number of ordinary shares outstanding		
Opening shares	434,113	389,113
Ordinary shares issued during the year	48,082	3,329
Closing shares	482,196	392,442
Earnings per share - Basic (Rupees)	3.11	1.81

35.2 Earnings per share - Diluted

	2016	2015
	-------- (Rupees in '000') --------	
Profit after taxation attributable to ordinary shareholders	1,499,941	709,668
Diluted effect - Net of tax	--	--
	1,499,941	709,668
	-- (Number of shares '000) --	
Weighted average number of ordinary share outstanding during the year	482,196	392,442
Diluted effect	1,918	20,579
	484,113	413,021
Earnings per share - Diluted (Rupees)	3.10	1.72

36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	---(Rupees in '000')---							
Remuneration	4,062	3,869	17,722	17,379	105,009	79,862	126,793	101,109
House rent	1,828	1,741	7,975	7,821	47,254	35,938	57,057	45,499
LFA	169	152	255	219	4,375	1,985	4,799	2,356
Medical	339	213	509	26	8,751	1,353	9,599	1,592
Retirement benefits	338	213	509	26	8,747	1,353	9,594	1,592
Utilities	406	387	1,772	1,738	10,501	7,986	12,679	10,111
Others	4	56	7	22	487	779	498	858
	7,146	6,631	28,749	27,231	185,124	129,256	221,019	163,117
Number of persons	1	1	2	2	108	81	111	84

The directors and certain executives are also provided with free use of Company owned and maintained cars and other benefits in accordance with their entitlements as per rules of the Company.

37 RELATED PARTY DISCLOSURES

Related parties comprise related group companies, associate, directors and executives and staff provident fund. The Company in the normal course of business carries out transactions with various related parties. Material transactions and balances with related parties are given below:

	2016	2015
	(Rupees in '000')	
Associated companies		
Purchase of vehicles	--	18,000
Employee benefit fund		
Company's and employees contributions during the year	40,429	32,604

38 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

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

The Company's objective in managing risk is the creation and protection of shareholders value. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

38.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

Long term loans	10,876	1,500
Long term deposit	108,471	108,798
Trade debts	523,420	575,669
Loans and advances	109,720	286,317
Trade deposits and other receivable	11,014	86,576
Other receivable	102,784	114,757
Short term investments	32,307	23,620
Cash and bank balances (excluding cash in hand)	200,378	327,888
	1,098,970	1,525,125

The company manages credit risk of receivables through the monitoring of credit exposures and continuous assessment of credit worthiness of its customers.

The provision for debts considered doubtful has already been made and management believes that no further provision is necessary. Further credit risk in respect of trade debts is mitigated by the security deposits amounting to Rs.1,572.784 million (2015: Rs.1,077.138 million). The credit quality of the Company's receivable can be assessed with their past performance of nominal defaults.

Cash and cash equivalents

The cash and cash equivalents are held with banks, which are rated as follows:

Name of Bank	Rating Agency	Rating	
		Short term	Long term
Habib Bank Limited	JCR-VIS	A-1+	AAA
United Bank Limited	JCR-VIS	A-1+	AAA
Allied Bank Limited	PACRA	A1+	AA+
BankIslami Pakistan Limited	PACRA	A1	A+
Bank Alfalah Limited	PACRA	A1+	AA
National Bank of Pakistan	JCR-VIS	A-1+	AAA
The Bank of Punjab	PACRA	A1+	AA-
Faysal Bank Limited	PACRA	A1+	AA
Meezan Bank Limited	JCR-VIS	A-1+	AA
MCB Bank Limited	PACRA	A1+	AAA

38.2 Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commit ments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. At present the Company is facing liquidity problems and have been unable to make timely repayment of its liabilities resulting in overdues, further, the short term finance facilities have expired and not been renewed by the lenders. However, the Company has offered a restructuring proposal to its lenders as explained in note 2 to the financial statements, which the management expects that the same will be accepted by lenders in the proposed manner.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments.

2016	Carrying Amounts	Contractual Cash flows	Six months or less	Six to twelve months	One to two years	Two to five years	More than five years
	-------------------------------------			Rupees in '000'			-------------------------------------
Non-derivative financial liabilities							
Long term financings	2,464,487	2,514,849	1,925,128	63,933	127,866	326,845	71,077
Term finance certificates and advances	3,169,227	3,169,227	3,169,227	--	--	--	--
Short term borrowings	560,875	585,145	585,145	--	--	--	--
Lease liabilities	41,210	41,210	41,210	--	--	--	--
Long term deposits and payables	1,832,512	1,832,512	--	--	--	1,832,512	--
Trade and other payables	1,054,928	1,054,928	1,054,928	--	--	--	--
Mark up payable	978,021	978,021	978,021	--	--	--	--
	10,101,260	10,175,892	7,753,659	63,933	127,866	2,159,357	71,077

2015	Carrying Amounts	Contractual Cash flows	Six months or less	Six to twelve months	One to two years	Two to five years	More than five years
	-------------------------------------			Rupees in '000'			-------------------------------------
Non-derivative financial liabilities							
Long term financings	3,227,538	3,291,318	2,003,641	61,006	120,744	547,568	558,359
Term finance certificates and advances	3,469,227	3,469,227	3,469,227	--	--	--	--
Short term borrowings	560,875	586,702	586,702	--	--	--	--
Lease liabilities	46,210	46,210	46,210	--	--	--	--
Long term deposits and payables	1,328,544	1,328,544	--	--	--	1,328,544	--
Trade and other payables	1,522,683	1,522,683	1,522,683	--	--	--	--
Mark up payable	1,037,300	1,037,300	1,037,300	--	--	--	--
	11,192,377	11,281,984	8,665,763	61,006	120,744	1,876,112	558,359

All the financial liabilities of the company are non derivative financial liabilities. The contractual cash flows relating to the above financial liabilities have been determined on the basis of markup rates effective as at 30 June, however the Company's restructuring proposal offered to the lenders have not been taken into account in determination of contractual cash flows.

38.3 Market risk

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

38.3.1 Currency risk

Foreign currency risk arises mainly where receivables and payables exists due to transactions in foreign currencies. The financial instruments of the Company exposed to currency risk were as follows:

Assets / (liabilities)	2016 Rupee	2016 US Dollar	2015 Rupee	2015 US Dollar
	-------------------(in '000')-------------------			
Supplier credit	(188,460)	(1,800)	(183,060)	(1,800)
Advances from customers	(18,297)	(175)	(537,985)	(5,290)
	(206,757)	(1,975)	(721,045)	(7,090)

The following significant exchange rate applied during the year:

	Average rate		Balance sheet date	
	2016	2015	2016	2015
US Dollar	103.64	100.60	104.70	101.70

Sensitivity analysis

At reporting date, if PKR had strengthened by 5% against the US Dollar with all other variables held constant profit for the year would have been lower / higher by the amounts shown below, mainly as a result of foreign exchange difference on translation of foreign currency liabilities.

	2016		2015	
	Profit or loss		Profit or loss	
	Gross exposure	Net of tax exposure	Gross exposure	Net of tax exposure
	-------------------(in '000')-------------------			
Supplier credit	(9,423)	(6,219)	(9,153)	(6,041)
Advances from customers	(915)	(604)	(26,899)	(17,754)
	(10,338)	(6,823)	(36,052)	(23,794)

The 5% weakening of the PKR against US Dollar would have had an equal but opposite impact on the profit for the year on the basis that all other variables remain constant.

38.3.2 Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. The company's exposure to the risk of changes in interest rates relates primarily to the following:

Variable rate instruments	2016	2015
	(Rupees in '000')	
Financial assets		
Cash at bank - Saving accounts	15,728	4,943
Variable rate instruments		
Financial liabilities		
Advances for investment in term finance certificates	3,160,000	3,460,000
Long term financings	2,514,848	3,291,317
Liabilities against assets subject to finance lease	41,210	46,210
Short term borrowings	560,875	560,875
	6,276,933	7,358,402

Fair value sensitivity analysis for fixed rate instruments:

The impact of change in fair value due to a change in interest rate is not considered to be material to these financial statements.

Cash flow sensitivity analysis for variable rate instruments:

Since the Company has not made provision of markup on its borrowings on account of restructuring proposal offered to lenders, therefore sensitivity analysis cannot be given.

38.4 Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, trade and other payables, less cash and bank balances and investments. Capital signifies equity as shown in the balance sheet plus net debt.

38.5 Fair value of financial assets and liabilities

The carrying amounts of financial assets and financial liabilities approximate their fair value as assets and liabilities are either short term or are repriced frequently. The fair value is determined on the basis of non observable market data. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms' length transaction.

Fair value hierarchy

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

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

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

	Level 1	Level 2	Level 3
	------------(Rupees in '000)------------		
2016			
Short term investments			
At fair value through profit and loss	32,307	--	--
2015			
Short term investments			
At fair value through profit and loss	23,620	--	--

39 CAPACITY - Clinker

	2016	2015
	---- (In Metric Tonnes) ----	
Annual installed capacity		
- South unit (Line I)	900,000	900,000
- South unit (Line II)	960,000	960,000
- North unit (Line I)	540,000	540,000
- North unit (Line II)	540,000	540,000
	2,940,000	2,940,000
Actual production for the year		
- South unit (Line I)	390,642	322,749
- South unit (Line II)	738,706	705,592
- North unit (Line I)	357,144	143,636
- North unit (Line II)	367,100	437,278
	1,853,592	1,609,255

The under utilization of capacity was due to maintenance of plant and downfall in demand of cement.

40 PROVIDENT FUND RELATED DISCLOSURES

The following information is based on financial statements of the Fund:

	2016 Un-audited	2015 Audited
	(Rupees in '000')	
Size of the fund - Total assets	198,947	160,609
Percentage of investments made	84.32%	84.36%
Fair value of investments	167,758	135,491

40.1 The cost of above investments amounted to Rs.127.287 million (2015: Rs.103.269 million).

40.2 "The break-up of fair value of investments is:"

	2016	2015	2016	2015
	(Percentage)		(Rupees in '000')	
Defence saving certificates	31.53%	35.48%	52,891	48,071
Short term saving certificates	52.57%	62.41%	88,185	84,558
Saving account	15.91%	2.11%	26,682	2,862
	100%	100%	167,758	135,491

41 NUMBER OF EMPLOYEES

	2016	2015
	Number	
Number of employees at June 30		
Regular	745	693
Contractual	728	552
Average number of employees during the year		
Regular	713	713
Contractual	692	541

42 OPERATING SEGMENTS

These financial statements have been prepared on the basis of single reportable segments.

42.1 Revenue from sales of cement represents 100% of the gross sales of the Company.

42.2 5.88% (2015: 9.40%) of the gross sales of the Company are made to customers located outside Pakistan.

42.3 All non-current assets of the Company at 30 June 2016 are located in Pakistan.

42.4 Revenues of Rs.1,742.629 million and Rs.1,804.110 million are derived from two customers.

43 CORRESPONDING FIGURES

The corresponding figures have been reclassified, restated and rearranged wherever necessary to facilitate comparison, however there were no significant reclassification.

44 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorised for issue on September 30, 2016 by the Board of Directors of the Company.

45 GENERAL

Figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

Syed Muhammad Anwar	Haroon Iqbal
Chief Executive Officer	Director

Pattern of Shareholding under Regulation 37(xx)(i) of the Code of Corporate Governance As at June 30, 2016

	Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1.	Associated Companies	4	131,625,455	27.19%
2.	NIT and ICP	7	468,456	0.10%
3.	Directors, CEO, their Spouses & Minor Children	8	190,205,481	39.29%
4.	Executives	-	-	0.00%
5.	Public Sector Companies & Corporations	58	7,919,855	1.64%
6.	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	47	19,974,629	4.13%
7.	Individuals	7,561	133,919,467	27.66%
	TOTAL	7,685	484,113,343	100.00%

DETAILS OF CATAGORIES OF SHAREHOLDERS

	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1.	Associated Companies			
1.1	Dewan Motors (Pvt.) Limited	1	18,125,000	3.74%
1.2	Dewan Mushtaq Motors Company (Pvt) Ltd.	1	18,125,000	3.74%
1.3	Dewan Development (Private) Limited	1	30,000,000	6.20%
1.4	Dewan Farooque Motors Limited	1	65,375,455	13.50%
		4	131,625,455	27.19%
2.	NIT and ICP			
2.1	INVESTMENT CORPORATION OF PAKISTAN	2	2,150	0.00%
2.2	IDBP (ICP UNIT)	1	1,000	0.00%
2.3	National Bank of Pakistan	1	2,695	0.00%
2.4	National Bank Of Pakistan Employees Pension Fund	1	438,813	0.09%
2.5	National Bank Of Pakistan Emp Benevolent Fund Trust	1	15,398	0.00%
2.6	National Bank of Pakistan, Trustee Deptt.	1	8,400	0.00%
		7	468,456	0.10%
3.	Directors, CEO, their Spouses & Minor Children			
	Directors and CEO			
3.1	Dewan Muhammad Yousuf Farooqui	1	190,000,606	39.25%
3.2	Dewan Abdul Rehman Farooqui	1	1,375	0.00%
3.3	Mr. Haroon Iqbal	1	1,375	0.00%
3.4	Mr. Aziz-ul-Haque	1	1,375	0.00%
3.5	Syed Muhammad Anwar	1	1,375	0.00%
3.6	Mr. Ghazanfar Babar Siddiqi	1	1,375	0.00%
3.7	Mr. Ishtiaq Ahmad	1	500	0.00%
		7	190,007,981	39.25%
	Spouses of Directors and CEO			
3.8	Mrs. Heena Yousuf	1	197,500	0.04%
	Minor Children of Directors and CEO	-	-	-
		8	190,205,481	39.29%

	SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY			
	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1	Dewan Development (Private) Limited	1	30,000,000	6.20%
2	Dewan Farooque Motors Limited	1	65,375,455	13.50%
3	Dewan Muhammad Yousuf Farooqui	1	190,000,606	39.25%

DETAILS OF TRADING IN THE SHARES OF THE COMPANY BY DIRECTORS, CEO, CFO, COMPANY SECRETARY, THEIR SPOUSES AND MINOR CHILDREN

Name	Date of conversion of loan	No. of Shares
Dewan Muhammad Yousuf Farooqui (Conversion of loan)	15-July-2015	50,000,000

THE COMPANIES ORDINANCE, 1984 FORM 34
(Section 236(1) and 464)
PATTERN OF SHAREHOLDING

1. Incorporation Number: 0007605

2. Name of the Company: DEWAN CEMENT LIMITED

3. Pattern of holding of the shares held by the Shareholders as at: 30 06 2016

4.

Number of Shareholders	Shareholdings				Total Shares held
758	1	-	100	Shares	36,075
1807	101	-	500	Shares	718,912
1183	501	-	1,000	Shares	1,125,528
2199	1,001	-	5,000	Shares	6,388,639
711	5,001	-	10,000	Shares	5,906,950
397	10,001	-	20,000	Shares	6,157,521
182	20,001	-	30,000	Shares	4,691,534
70	30,001	-	40,000	Shares	2,521,502
97	40,001	-	50,000	Shares	4,688,567
26	50,001	-	60,000	Shares	1,473,765
28	60,001	-	70,000	Shares	1,849,050
23	70,001	-	80,000	Shares	1,741,800
12	80,001	-	90,000	Shares	1,039,050
38	90,001	-	100,000	Shares	3,782,500
11	100,001	-	120,000	Shares	1,179,626
14	120,001	-	140,000	Shares	1,774,500
14	140,001	-	160,000	Shares	2,103,545
5	160,001	-	180,000	Shares	850,000
18	180,001	-	200,000	Shares	3,577,000
5	200,001	-	220,000	Shares	1,062,500
6	220,001	-	240,000	Shares	1,364,679
6	240,001	-	260,000	Shares	1,498,500
4	260,001	-	280,000	Shares	1,093,490
2	280,001	-	300,000	Shares	600,000
1	300,001	-	320,000	Shares	314,750
1	320,001	-	340,000	Shares	330,500
1	340,001	-	360,000	Shares	348,000
2	360,001	-	380,000	Shares	741,500
2	380,001	-	400,000	Shares	795,000
1	400,001	-	430,000	Shares	428,500
2	430,001	-	440,000	Shares	869,313
2	440,001	-	460,000	Shares	908,000
1	460,001	-	480,000	Shares	478,500
5	480,001	-	500,000	Shares	2,487,500
1	500,001	-	520,000	Shares	510,400
2	520,001	-	540,000	Shares	1,058,000
1	540,001	-	600,000	Shares	600,000
2	600,001	-	650,000	Shares	1,265,500
2	650,001	-	700,000	Shares	1,351,589
1	700,001	-	760,000	Shares	750,750
2	760,001	-	800,000	Shares	1,590,000
1	800,001	-	850,000	Shares	828,000
2	850,001	-	900,000	Shares	1,735,000

Number of Shareholders	Shareholdings				Total Shares held
3	900,001	-	1,000,000	Shares	2,857,000
4	1,000,001	-	1,100,000	Shares	4,162,790
1	1,100,001	-	1,400,000	Shares	1,331,500
3	1,400,001	-	1,600,000	Shares	4,625,500
1	1,600,001	-	1,700,000	Shares	1,663,000
1	1,700,001	-	1,800,000	Shares	1,793,000
5	1,800,001	-	2,000,000	Shares	9,767,500
2	2,000,001	-	2,100,000	Shares	4,038,500
1	2,100,001	-	2,200,000	Shares	2,154,500
1	2,200,001	-	2,500,000	Shares	2,500,000
1	2,500,001	-	2,700,000	Shares	2,645,720
1	2,700,001	-	2,800,000	Shares	2,743,500
1	2,800,001	-	2,900,000	Shares	2,880,139
1	2,900,001	-	3,000,000	Shares	2,968,880
3	3,000,001	-	3,400,000	Shares	10,001,375
2	3,400,001	-	10,000,000	Shares	20,000,000
1	10,000,001	-	12,000,000	Shares	11,738,343
2	12,000,001	-	18,125,000	Shares	36,250,000
1	18,125,001	-	30,000,000	Shares	30,000,000
1	30,000,001	-	70,000,000	Shares	65,375,455
1	70,000,001	-	191,000,000	Shares	190,000,606
7685			TOTAL		484,113,343

5. Categories of Shareholders	Shares held	Percentage
5.1 Directors, Chief Executive Officer, their spouses and minor children	190,205,481	39.29%
5.2 Associated Companies, undertakings and related parties	131,625,455	27.19%
5.3 NIT and ICP	468,456	0.10%
5.4 Banks, Development Financial Institutions, Non-Banking Finance Companies	2,272,414	0.47%
5.5 Insurance Companies	-	0.00%
5.6 Modarabas and Mutual Funds	17,702,215	3.66%
5.7 Shareholders holding 5%	285,376,061	58.95%
5.8 General Public		
a. Local	133,840,402	27.65%
b. Foreign	79,065	0.02%
5.9 Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	7,919,855	1.64%

FORM OF PROXY

I/We--------------------------------of-------------------------------- being member(s) of Dewan Cement Limited and holder of------- -----------Ordinary Shares as per Share Register Folio No.---------- and/or CDS Participant I.D. No. -------------------------------------and Sub Account No.______________ hereby appoint--of-------------------------- or failing him/her---of------------------------as my proxy to vote for me and on my behalf at the 37th Annual General Meeting of the company to be held on Thursday, October 27, 2016 at 03:30 p.m. and / or any adjournment there of.

Signed this-------------------day of----------------------2016

1. **Signature:----------------------------------**

   Witness: ------------------------------------

   Name: --------------------------------------

   Address: ----------------------------------

   --

   C.N.I.C. No: -------------------------------

   Passport No.: -----------------------------

2. **Signautre:--------------------------------**

   Witness: ------------------------------------

   Name: --------------------------------------

   Address: ----------------------------------

   --

   C.N.I.C. /Passport No.:-----------------

Signature on Five Rupees Revenue Stamp

The Signature should agree with the specimen registered with the company

NOTES:

A member of the Company entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company, duly completed at our shares registrar transfer agent BMF Consultants Pakistan (Pvt.) Ltd. Anum Estate, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, Adjacent to Baloch Colony Bridge, Karachi, Pakistan. not less than 48 hours before the meeting. CDC account holders will further have the following guidelines as laid down by the Securities & Exchange Commission of Pakistan.

a. For Attending Meeting:
   i. In case of individual, the account holder of sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (CNIC) or original passport at the time or attending the meeting.
   ii. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

b. For Appointing Proxies.
   i. In case of individual, the account holder of sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
   ii. Two persons, whose names, addresses and CNIC numbers shall be mentioned on the form to witness the proxy.
   iii. Attested copies of CNIC or passport of the benefical owners and proxy shall be furnished with the proxy form.
   iv. The proxy shall produce his/her original CNIC or original passport at the time of meeting.
   v. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) alongwith the proxy form of the Company.