ANNUAL REPORT 2016

Dandot Cement Company Limited

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Company Information

Board of Directors

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

Audit Committee

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

Human Resouces & Remuneration Committee

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

Chief Financial Officer
Mr. Muhammad Kamran

Company Secretary
Mr. Muhammad Kamran

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

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

Legal Advisor
International Legal Services

Bankers
The Bank of Punjab
United Bank Limited
National Bank of Pakistan
Habib Bank Limited
Bank Alfalah Limited
KASB Bank Limited
Bank Al-Habib Limited
Askari Bank Limited

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

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

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

Website
www.dandotcement.com

Notice of Annual General Meeting

NOTICE is hereby given that 36th Annual General Meeting of the shareholders of Dandot Cement Company Limited for the financial year ended June 30, 2016 will be held on Wednesday, November 30, 2016 at the registered office of the Company, 30 Sher Shah Block, New Garden Town , Lahore at 11:30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the last Annual General Meeting held on November 28, 2015.

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

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

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

(By Order of the Board)

LAHORE: **(MUHAMMAD KAMRAN)**
November 07, 2016. COMPANY SECRETARY

NOTES:

1. The Register of Members and the Share Transfer Books of the Company will remain closed from November 24, 2016 to November 30, 2016 (both days inclusive) for determining entitlement to attend the Annual General Meeting.

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

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

4. Members are requested to notify immediately changes, if any, in their registered addresses.

Vision

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

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

Mission

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

Directors' Report to the Shareholders

The Board of Directors presents the 36th annual report along with the audited financial statements of the company for the year ended June 30, 2016.

Operational Performance

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

		2016	2015
Clinker production	M.Ton	**315,141**	264,850
Capacity utilization	%age	**66**	55
Cement production	M.Ton	**332,937**	299,108
Capacity utilization	%age	**66**	59
Sales	M. Ton	**336,165**	299,647

During the year under review, cement production and sales have been increased by 33,829 M. Tons and 36,518 M. Tons respectively.

Operating Results

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

	2016	2015
	(Rupees in Thousands)	
Gross Sales	**2,985,891**	2,710,592
Net Sales	**2,346,937**	2,138,895
Gross Loss	**12,457**	287,347
Net Loss	**280,252**	497,258
Earnings / (Loss) per Share	**(2.96)**	(5.24)

The reason of loss sustained by the company is mainly attributable to high input costs, power shutdowns with voltage fluctuations, frequent repair and maintenance and alternative fuel testing cost. However in current year, Gross Loss and Net Loss have been decreased by 274 million and 217 million respectively. Further, Loss per share has also been decreased by Rs. 2.28 per share.

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

Future Prospects

Industry:

Demand of cement in local market has been improving year by year and it is expected that this trend will continue in the current financial year by considering the fact that substantial budget is allocated for public sector development projects by the Government, improved law and order situation, controlled inflation and low interest rates, stable economic outlook and reduced coal price will benefit the industry. The Government, however, has to overcome energy crises, hampering overall industrial growth. Proper and efficient utilization of allocated development budget and initiation of projects under Pak China Economic Corridor would help cement sector to grow.

Company

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

Company's Plan

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

Auditors' Observations

On the basis of the facts mentioned in note 1.2 of these financial statements, the management of the company is fully confident that the company will continue its operations as going concern. Letters for the balance confirmations have already been circulated and many of them have been received subsequently. However, as mentioned in auditors' report these balances have already been confirmed by external auditors' through alternative audit procedures. Mark-up on all dues of interest bearing liabilities has been accounted for in the books of accounts except KASB Bank Limited, due to the facts mentioned in note 11.1. In the year 2016-17, company is making timely payments of old & current dues of provident fund. During the year, Directors of the company have intention to get certification of directors' training program as required under Code of Corporate Governance (CCG) to meet the criteria specified by the SECP.

Compliance with Code of Corporate Governance

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

Statements as required by the Code of Corporate Governance are given below:

The financial statements prepared by the management present fairly the company's state of affairs, the results of its operations, cash flows and changes in equity.

Proper books of account have been maintained.

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

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

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

There has been no material departure from the Best Practices of Corporate Governance, as detailed in the listing regulations wherever applicable to the company for the year ended June 30, 2016.

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

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

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

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

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

Note:

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

Trading in Company's Shares

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

CORPORATE SOCIAL RESPONSIBILITY

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

Pattern of Shareholding

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

External Auditors

The present auditors, M/s Amin, Mudassar & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year 2016-17. The Audit Committee has recommended their re-appointment.

Acknowledgement

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

MUHAMMAD AZHAR SHER
Chief Executive
Lahore: November 07, 2016

Pattern of Shareholding

As at June 30, 2016

No. of Shareholders	Shareholdings From	Shareholdings To	Total Shares Held
180	1	100	5,096
204	101	500	75,227
102	501	1,000	89,528
166	1,001	5,000	434,335
40	5,001	10,000	292,642
14	10,001	15,000	178,643
4	15,001	20,000	80,000
4	20,001	25,000	93,412
5	25,001	30,000	142,500
2	30,001	35,000	65,804
1	35,001	40,000	40,000
2	40,001	45,000	84,902
1	45,001	50,000	47,500
2	70,001	75,000	142,293
1	85,001	90,000	90,000
3	95,001	100,000	291,712
1	100,001	105,000	105,000
1	120,001	125,000	124,440
1	135,001	140,000	137,063
1	140,001	145,000	143,000
1	180,001	185,000	182,625
1	190,001	195,000	191,500
2	195,001	200,000	400,000
1	210,001	215,000	211,862
1	230,001	235,000	231,379
1	295,001	300,000	296,000
1	385,001	390,000	387,524
1	425,001	430,000	425,500
2	495,001	500,000	998,250
1	515,001	520,000	519,581
1	520,001	525,000	523,500
1	670,001	675,000	674,377
1	730,001	735,000	731,500
1	1,540,001	1,545,000	1,543,839
1	1,640,001	1,645,000	1,643,000
1	1,840,001	1,845,000	1,843,060
1	2,250,001	2,255,000	2,254,719
1	2,765,001	2,770,000	2,769,499
1	3,245,001	3,250,000	3,250,000
1	11,150,001	11,155,000	11,150,500
1	14,995,001	15,000,000	14,995,737
1	46,950,001	46,955,000	46,952,931
759			**94,839,980**

5. Categories Of Shareholders	Shares held	Percentage
5.1 Directors, Chief Executive Officers, and their spouse and minor children	203,500	0.2146%
5.2 Associated Companies, undertakings and related parties. (Parent Company)	46,953,431	49.5081%
5.3 NIT and ICP	1,100	0.0012%
5.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	1,843,260	1.9435%
5.5 Insurance Companies	182,625	0.1926%
5.6 Modarabas and Mutual Funds	0	0.0000%
5.7 Share holders holding 10% or more	76,898,226	81.0821%
5.8 General Public		
a. Local	41,854,312	44.1315%
b. Foreign	4,543	0.0048%
5.9 Others (to be specified)		
1- Joint Stock Companies	1,320,453	1.3923%
2- Foreign Companies	328,531	0.3464%
3- Trusts	2,143,225	2.2598%
4- Other Companies	5,000	0.0053%

Catagories of Shareholding required under Code of Coprorate Governance (CCG)
As on June 30, 2016

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	THREE STARS CEMENT (PVT) LTD (CDC)	46,953,431	49.5081
Mutual Funds (Name Wise Detail)		-	0.0000
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. MUHAMMAD AZHAR SHER (CDC)	500	0.0005
2	MR. MUHAMMAD SABIR SHEIKH (CDC)	500	0.0005
3	MR. IMRAN BASHIR (CDC)	500	0.0005
4	MR. MUHAMMAD IMRAN IQBAL	500	0.0005
5	MR. MUHAMMAD AMJAD AZIZ (CDC)	200,500	0.2114
6	MR. ANSAR RAZA (CDC)	500	0.0005
7	MR. GUL HUSSAIN (CDC)	500	0.0005
Executives:		-	0.0000
Public Sector Companies & Corporations:		-	0.0000
Banks, Development Finance Institutions, Non Banking Finance		2,025,885	2.1361
Companies, Insurance Companies, Takaful, Modarabas and Pension Funds: Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)			
1	THREE STARS CEMENT (PVT) LTD (CDC)	46,953,431	49.5081
2	MR. MANSOOR RASHEED (CDC)	14,995,737	15.8116
3	MR. SAUD RASHEED (CDC)	14,949,058	15.7624

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

MUHAMMAD AZHAR SHER
Chief Executive
Lahore: November 07, 2015

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

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

The company has applied the principles contained in the CCG in the following manner.

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

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

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

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

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

4- No casual vacancy occurred in the Board of Directors during the year ended June 30, 2016.

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

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

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

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

9- All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. The directors were apprised of their duties and responsibilities through orientation courses.

10- No new appointment of CFO, Company Secretary and head of Internal Audit has been approved by the board. The remuneration of CFO, Head of Internal Audit and Company Secretary has been revised during the year after due approval of the board.

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

12- The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

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

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

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

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

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

18- The board of directors had outsourced the internal audit department to Parker Randall A.J.S. Chartered Accountants who are suitably qualified and experienced for this purpose and are conversant with the policies and procedures of the company.

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

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

21- The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).

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

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

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

MUHAMMAD AZHAR SHER
Chief Executive
Lahore: November 07, 2016

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of **DANDOT CEMENT COMPANY LIMITED** ("the Company") for the year ended June 30, 2016 to comply with the Code contained in the Regulations of Pakistan Stock Exchange Limited, where the company is listed.

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

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

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

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

Further, we highlight below an instance of non-compliance with the requirements of the Code as reflected in the paragraph reference where this is stated in the Statement of Compliance:

The company has not arranged training course for its directors during the year as required under clause (xi) of the Code.

AMIN, MUDASSAR & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: MUHAMMAD AMIN
Lahore: November 07, 2016

Auditors' Report to the Members

We have audited the annexed balance sheet of the **Dandot Cement Company Limited** as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

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

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

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

(b) in our opinion:

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

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

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

(c) (1) These financial statements have been prepared on going concern basis despite the fact that the company has accumulated losses of Rs. 4,472 million, while its current liabilities exceed the current assets by Rs. 3,399.383 million and non-payment of some overdue contractual obligations. Due to these factors and equivocal disclosure in note 1.2 of these financial statements, a material uncertainty arises that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

(2) We have not received reply of direct balance confirmation circulated in respect of loans from Economic Affairs Division (EAD), KASB Bank Limited, ex-sponsors, loan to ex-associate and accrued interest from ex-associate as referred to note nos. 6.1, 11.1, 11.2, 21 and 23 respectively. However, carrying amount of aforesaid loans and balances has been confirmed through alternative procedures. Further, we have not received reply of direct balance confirmation circulated amounting Rs. 35.436 million and Rs. 19.162 million as referred to note no. 9.5 and 21.2 respectively. Had these balances been written off/ written back the loss for the year would have been lower by net amount Rs. 16.274 million.

(3) The company did not pay current dues of provident fund within stipulated time period as required under section 227 of the Companies Ordinance, 1984 as referred in note no. 37 to the financial statements.

(4) The company has not provided markup in the financial statements on loan obtained from KASB Bank as referred to note no. 11.1 aggregate Rs. 61.41 million including Rs. 27.42 for the year. Had there been provision made for markup in the financial statements the accrued markup and accumulated loss and loss for the year would have been higher by the Rs. 61.41 million and Rs. 27.42 respectively.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matters described in Para (1), (3) and (4) and possible effects of matter discussed in Para (2) above, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2016 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and

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

AMIN, MUDASSAR & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: MUHAMMAD AMIN
Lahore: November 07, 2016

Balance Sheet

	Note	2016 Rupees	2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 100,000,000 (2015: 100,000,000) ordinary shares of Rs.10 each		**1,000,000,000**	1,000,000,000
Issued, subscribed and paid up share capital	3	**948,399,800**	948,399,800
Share premium reserve		**31,800,740**	31,800,740
Accumulated loss		**(4,471,759,146)**	(4,237,939,635)
		(3,491,558,606)	(3,257,739,095)
SURPLUS ON REVALUATION OF FIXED ASSETS	4	**2,115,757,386**	995,952,154
		(1,375,801,220)	(2,261,786,941)
NON CURRENT LIABILITIES			
Loan from banking companies	5	**1,027,296,911**	945,769,924
Other loans and liabilities	6	**13,751,530**	15,542,798
Deferred liabilities	7	**513,083,592**	-
Long term advances and deposits	8	**1,882,313**	1,882,313
		1,556,014,346	963,195,035
CURRENT LIABILITIES			
Trade and other payables	9	**2,237,880,330**	2,007,216,326
Mark up accrued	10	**554,741,680**	534,598,314
Short term borrowings	11	**1,427,909,328**	1,427,909,328
Current portion of long term loans and liabilities	12	**89,428,986**	87,514,823
Provision for taxation	13	**-**	-
		4,309,960,324	4,057,238,791
CONTINGENCIES AND COMMITMENTS	14	**-**	-
		4,490,173,450	2,758,646,885

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

MUHAMMAD AZHAR SHER
Chief Executive

As at June 30, 2016

	Note	**2016 Rupees**	2015 Rupees
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	15	**3,568,929,575**	1,958,250,558
LONG TERM LOANS	16	**-**	-
LONG TERM SECURITY DEPOSITS	17	**10,666,715**	10,674,715
		3,579,596,290	1,968,925,273
CURRENT ASSETS			
Stores, spares and loose tools	18	**210,807,703**	130,655,513
Stock in trade	19	**27,216,037**	84,998,141
Trade debts	20	**166,041,054**	137,401,993
Loans and advances	21	**315,106,355**	294,239,925
Balance with statutory authorities	22	**136,114,851**	111,575,781
Interest accrued	23	**9,388,556**	9,388,556
Other receivables	24	**360,095**	359,995
Cash and bank balances	25	**45,542,509**	21,101,708
		910,577,160	789,721,612
		4,490,173,450	2,758,646,885

MUHAMMAD AMJAD AZIZ
Director

Profit and Loss Account
For the Year Ended June 30, 2016

	Note	2016 Rupees	2015 Rupees
Sales			
Local sales		2,985,890,623	2,710,592,262
Less: Excise duty		139,487,515	121,508,164
Sales tax		478,202,652	433,810,884
Commission / discount		21,263,608	16,378,273
		638,953,775	571,697,321
Net sales		2,346,936,848	2,138,894,941
Cost of sales	26	2,359,393,646	2,426,241,483
Gross loss		(12,456,798)	(287,346,542)
Distribution cost	27	18,781,904	6,175,295
Administrative expenses	28	55,858,889	42,438,125
		74,640,793	48,613,420
		(87,097,591)	(335,959,962)
Other income	29	2,536,210	564,018
Other operating expenses	30	222,979	-
		(84,784,360)	(335,395,944)
Finance cost	31	171,989,656	161,861,741
Loss before taxation		(256,774,016)	(497,257,685)
Taxation	32	23,478,486	-
Loss after taxation		(280,252,502)	(497,257,685)
Earning per share - Basic and Diluted - Rupees	33	(2.96)	(5.24)

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

MUHAMMAD AZHAR SHER
Chief Executive

MUHAMMAD AMJAD AZIZ
Director

Statement of Comprehensive Income
For the Year Ended June 30, 2016

	2016 Rupees	2015 Rupees
Loss after taxation	**(280,252,502)**	(497,257,685)
Items that will not be reclassified to profit or loss		
Gain / (loss) on staff retirement benefit obligation - net of deferred tax	**13,117,811**	(14,322,022)
	13,117,811	(14,322,022)
Items that will be reclassified to profit or loss	**-**	-
	-	-
Other comprehensive income / (loss) - net of tax	**13,117,811**	(14,322,022)
Total comprehensive loss for the year	**(267,134,691)**	(511,579,707)

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

MUHAMMAD AZHAR SHER
Chief Executive

MUHAMMAD AMJAD AZIZ
Director

Cash Flow Statement

For the Year Ended June 30, 2016

	Note	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		**(256,774,016)**	(497,257,685)
Adjustments of items not involving movement of cash:			
Depreciation	15	**62,822,302**	65,484,615
Gain on disposal of fixed assets	29	**(645,243)**	(176,270)
Gratuity	9.1	**21,931,830**	22,989,889
Profit on deposit and PLS accounts	29	**(266,503)**	(386,406)
Balances written back	29	**(1,624,464)**	1,342
Balances written off	30	**222,979**	-
Finance cost	31	**171,989,656**	161,861,741
		254,430,557	249,774,911
Net cash used before working capital changes		**(2,343,459)**	(247,482,774)
(Increase) / Decrease in operating assets:			
Stores, spares and loose tools		**(80,152,190)**	18,385,160
Stock in trade		**57,782,104**	131,119,052
Trade debts		**(28,639,061)**	(80,657,075)
Loans and advances		**(21,089,409)**	(2,021,012)
Other receivables		**(100)**	26,972
Increase / (decrease) in current liabilities			
Trade and other payables		**234,280,526**	29,856,942
		162,181,870	96,710,039
Cash generated / (used in) from operations		**159,838,411**	(150,772,735)
Long term security deposits		**8,000**	-
Gratuity paid		**(11,141,502)**	(812,750)
Finance cost paid		**(46,953,878)**	(46,661,860)
Interest received		**266,503**	386,406
Income tax paid		**(48,017,555)**	(41,680,842)
Net cash (used in) / flows from operating activities		**53,999,979**	(239,541,781)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(7,854,573)**	(900,460)
Sale proceeds of fixed assets		**1,202,500**	200,000
Long term loans		**-**	2,800
Net cash used in investing activities		**(6,652,073)**	(697,660)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans		**(22,907,105)**	(21,332,139)
Long term advances and deposits		**-**	-
Short term borrowings		**-**	242,210,500
Net cash (used in) / flows from financing activities		**(22,907,105)**	220,878,361
Net increase / (decrease) in cash and cash equivalents		**24,440,801**	(19,361,080)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**21,101,708**	40,462,788
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	25	**45,542,509**	21,101,708

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

MUHAMMAD AZHAR SHER
Chief Executive

MUHAMMAD AMJAD AZIZ
Director

Statement of Changes in Equity
For the Year Ended June 30, 2016

	Share Capital	Share premium reserve	Accumulated loss	Total share capital & reserves	Surplus on revaluation of fixed assets	Total
			(R U P E E S)			
Balance as at June 30, 2014 - restated	948,399,800	31,800,740	(3,760,517,671)	(2,780,317,131)	1,030,109,897	(1,750,207,234)
Loss after taxation	-	-	(497,257,685)	(497,257,685)	-	(497,257,685)
Other comprehensive income	-	-	(14,322,022)	(14,322,022)	-	(14,322,022)
Total comprehensive loss for the year	-	-	(511,579,707)	(511,579,707)	-	(511,579,707)
Transferred from surplus on revaluation account: - Incremental depreciation due to revaluation charged to surplus - net of deferred tax	-	-	34,157,743	34,157,743	(34,157,743)	-
Balance as at June 30, 2015	**948,399,800**	**31,800,740**	**(4,237,939,635)**	**(3,257,739,095)**	**995,952,154**	**(2,261,786,941)**
Loss after taxation	-	-	(280,252,502)	(280,252,502)	-	(280,252,502)
Other comprehensive income	-	-	13,117,811	13,117,811	-	13,117,811
Total comprehensive loss for the year	-	-	(267,134,691)	(267,134,691)	-	(267,134,691)
Revaluation surplus during the year - net of deferred tax	-	-	-	-	1,153,120,412	1,153,120,412
Transferred from surplus on revaluation account: - Incremental depreciation due to revaluation charged to surplus - net of deferred tax	-	-	33,315,180	33,315,180	(33,315,180)	-
Balance as at June 30, 2016	**948,399,800**	**31,800,740**	**(4,471,759,146)**	**(3,491,558,606)**	**2,115,757,386**	**(1,375,801,220)**

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

MUHAMMAD AZHAR SHER
Chief Executive

MUHAMMAD AMJAD AZIZ
Director

Notes to the Financial Statements
For the Year Ended June 30, 2016

1. THE COMPANY AND ITS OPERATIONS

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

1.2 The company had managed to reschedule the liability of The Bank of Punjab (BOP) amounting Rs. 1,857 million, dues of Large Taxpayer Units (LTU) amounting Rs. 460 million and Islamabad Electric Supply Company (IESCO) amounting Rs. 167 million. Upto June 30, 2016 the company has not defaulted even in a single installment of these dues and paid a sum of Rs. 687 million in aggregate against the said rescheduled liabilities. Further, after resumption of operations in 2013-14, the company is also complying the order passed by Securities and Exchange Commission of Pakistan (SECP) in 2009 related to old dues of provident fund.

Furthermore, sponsors of the company are also considering various options to arrange / inject further funds to make the machinery efficient especially by replacement of old electric installations / equipments to reduce the power and fuel cost which is the major cause of loss sustained by the company in past years. On the basis of these facts the management of the company is fully confident that the company will continue its operations as a going concern, inspite of the fact of accumulated loss of Rs. 4,471.759 million and current liabilities exceed its current assets by Rs. 3,399.383 million as at June 30, 2016.

Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary for the company to continue as a going concern.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the 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 notified under the provisions of the Companies Ordinance 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these IFRSs, the requirements of Companies Ordinance, 1984 or the requirements of the said directives issued by the SECP take precedence.

2.2 ACCOUNTING CONVENTION

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

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

2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

a) staff retirement benefits;

b) taxation; and

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

2.5 CHANGES IN ACCOUNTING STANDARDS AND INTERPRETATIONS

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

There are amendments to published standards that are mandatory for accounting periods beginning on or after July 01, 2015 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

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

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after July 01, 2016:

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

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after January 01, 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate and can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.

- Amendment to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after January 01, 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after January 01, 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after January 01, 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

- Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after January 01, 2016). The new cycle of improvements contain amendments to the following standards:

- o IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

- o IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
- o IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

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

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

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

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.6.1 Share capital

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

2.6.2 Taxation

Current

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

Notes.....

Deferred

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

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

2.6.3 Employees Retirement Benefits

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

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

Actuarial valuation was conducted on June 30, 2016 on the projected unit credit method using the following significant assumptions.

	2016	**2015**
Discount rate p.a.	7.25%	9.75%
Expected p.a. rate of salary increase in future year	6.25%	9.75%

The Company's policy with regard to actuarial gains / losses is to follow minimum recommended approach under IAS 19.

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

2.6.4 Borrowings

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

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

2.6.5 Trade and Other Payables

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

2.6.6 Dividend

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

2.6.7 Provisions

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

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

2.6.8 Contingencies and Commitments

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

2.6.9 Property, Plant and Equipment

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

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

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

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

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

2.6.10 Assets Subject to Finance Lease

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

2.6.11 Capital Work in Progress

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

2.6.12 Stores, Spares and Loose Tools

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

2.6.13 Stock in Trade

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

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

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

2.6.14 Trade Debts

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

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

2.6.15 Loans, Advances and Deposits

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

2.6.16 Cash and Cash Equivalents

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

2.6.17 Foreign Currency Transactions

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

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

2.6.18 Financial Instruments

Recognition and Measurements

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

Offsetting of Financial Assets and Financial Liabilities

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

Notes.....

2.6.19 Revenue Recognition

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

- Sales are recorded on dispatch of goods to customers.
- Interest income is accounted for on 'accrual basis'.

2.6.20 Borrowing Cost

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

2.6.21 Impairment

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

2.6.22 Related Party Transactions

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

2.6.23 Basic and Diluted Earnings Per Share (EPS)

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

	2016 Rupees	2015 Rupees
3 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
86,089,980 (2015: 86,089,980) ordinary shares of Rs. 10 each fully paid in cash	**860,899,800**	860,899,800
8,750,000 (2015: 8,750,000) ordinary shares of Rs. 10 each issued as fully paid bonus shares	**87,500,000**	87,500,000
	948,399,800	948,399,800
4 SURPLUS ON REVALUATION OF FIXED ASSETS		
Balance as at July 01,	**995,952,154**	1,030,109,897
Add: revaluation surplus during the year - net of deferred tax	**1,153,120,412**	-
	2,149,072,566	1,030,109,897
Less:		
- Incremental depreciation due to revaluation of fixed assets	**(33,315,180)**	(34,157,743)
Balance as at June 30,	**2,115,757,386**	995,952,154

Revaluations of freehold land, buildings, plant and machinery and vehicles were carried out in year 2002, 2007 and 2016, as referred in note 14.2 to these financial statements resulting a surplus of Rs. 1,843.8 million, 685.61 million and 1,666.204 million respectively. These amounts were credited to surplus on revaluation of fixed assets account to comply with the requirements of Section 235 of the Companies Ordinance, 1984. Further, the deferred tax liability related to surplus on revaluation of fixed assets amounting Rs. 516.523 million arose during the year has not been accounted for due to carry forward of taxable losses. Consequently, the company has not recognised the deferred tax asset in these financial statements as referred in note no. 7 to the financial statements.

	Note	2016 Rupees	2015 Rupees
5 LOAN FROM BANKING COMPANIES- Secured			
Bank of Punjab Limited (BOP)			
Demand finance facility - 1	5.1	**797,798,990**	744,011,820
Demand finance facility - 2	5.2	**254,030,921**	218,761,104
		1,051,829,911	962,772,924
Less current portion:			
Payable within next 12 months		**(23,027,000)**	(17,003,000)
Overdue		**(1,506,000)**	-
		(24,533,000)	(17,003,000)
		1,027,296,911	945,769,924
5.1 Demand finance facility - 1 (DF - 1)			
Balance as at July 01,	5.3	**744,011,820**	682,487,617
Markup on DF - 1		**69,287,170**	63,976,203
Rescheduling of Demand Finance Facility and Bridge Finance Facility		**-**	-
		813,298,990	746,463,820
Less : payments made during the year		**(15,500,000)**	(2,452,000)
		797,798,990	744,011,820

	Note	2016 Rupees	2015 Rupees
5.2 Demand finance facility - 2 (DF - 2)			
Balance as at July 01,	5.4	**218,761,104**	188,464,710
Markup on DF - 2		**35,269,817**	30,296,394
		254,030,921	218,761,104

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

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

Further, litigation with the bank as referred to note 5.5 in respect of recovery of loan and finance cost has been adjourned temporarily and finally withdrawn after completion of necessary formalities and fulfillment of settlement terms for one year.

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

5.5 The company has filed a suit in the Honorable Lahore High Court, Lahore against BOP for declaration, permanent injunction, discharge, cancellation of documents, redemption of property and damages to the tune of Rs. 1,926.00 million on account of various breaches of its obligation committed by BOP. BOP has also filed its PLA in the same and the matter is pending adjudication before the Honorable Lahore High Court. BOP has instituted a suit against the company for recovery of Rs. 1,626.625 million along with markup / Cost of funds in the Lahore High Court, Lahore. PLA on behalf of the company has been filed against the same and the matter is pending adjudication. The company has accounted for mark up on the above loans.

	Note	2016 Rupees	2015 Rupees
6 OTHER LOANS AND LIABILITIES- Unsecured			
LOANS			
Economic Affairs Division, Government of Pakistan (EAD)	6.1	**35,232,000**	35,232,000
OTHER LIABILITIES			
Provident Fund Trust	6.2	**43,030,316**	49,030,316
Peace agreement arrears	6.3	**385,200**	1,792,305
		43,415,516	50,822,621
		78,647,516	86,054,621
Less current portion:			
Payable within next 12 months		**6,000,000**	6,000,000
Overdue		**58,895,986**	64,511,823
	12	**64,895,986**	70,511,823
		13,751,530	15,542,798

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

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

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

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

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

	Note	2016 Rupees	2015 Rupees
7. DEFERRED LIABILITIES			
Deferred taxation	7.1	**-**	-
		-	-
7.1 Deferred taxation			
This is composed of the following:			
Deferred tax liability on taxable temporary differences arising in respect of:			
Accelerated tax depreciation		**544,488,666**	581,965,080
Surplus on revaluation of assets		**513,083,592**	-
		1,057,572,258	581,965,080
Deferred tax asset on deductible temporary differences arising in respect of:			
Unused tax losses carried forward		**(520,671,227)**	(1,188,205,013)
Provision for doubtful balances		**(338,953)**	(726,503)
Minimum tax recoverable against normal tax charges in future years		**(23,478,486)**	-
		(544,488,666)	(1,188,931,516)
Deferred tax liability / (asset)	7.2	**513,083,592**	(606,966,436)

7.2 Deferred tax asset amounting to Rs. 589.549 (Rs. 606.966 on the basis of net-deductible temporary difference) million, on unused tax losses, has not been recognized in these financial statements being prudent. Management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2017.

8. LONG TERM ADVANCES AND DEPOSITS

	Note	2016 Rupees	2015 Rupees
Un-secured - Interest free			
Security deposits	8.1	**1,852,334**	1,852,334
Retention money		**29,979**	29,979
		1,882,313	1,882,313

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

9. TRADE AND OTHER PAYABLES

	Note	2016 Rupees	2015 Rupees
Trade creditors		**1,021,967,127**	714,205,181
Accrued expenses		**439,057,668**	482,732,150
Due to Gratuity Fund Trust	9.1	**214,755,769**	217,083,252
Due to Provident Fund Trust	9.2	**58,824,849**	52,808,853
Past Dues - CBA	9.3	**1,103,011**	1,146,593
Excise duty		**90,500,010**	138,880,050
Royalty		**11,976,127**	8,268,451
Sales tax		**66,413,588**	120,352,486
Workers' profit participation fund	9.4	**31,565,414**	31,229,989
Unclaimed dividend		**1,081,940**	1,081,940
Income tax withheld		**33,143,547**	33,111,418
Advances from customers		**210,635,850**	120,777,474
Others		**56,855,430**	85,538,489
		2,237,880,330	2,007,216,326

	2016 Rupees	2015 Rupees
9.1 Gratuity		
Net liability as on July 01	**217,083,252**	180,584,091
Charge to profit and loss account	**21,931,830**	22,989,889
Remeasurement chargeable in other comprehensive income	**(13,117,811)**	14,322,022
Payment to fund during the year	**(11,141,502)**	(812,750)
Net liability as on June 30,	**214,755,769**	217,083,252
The amount recognized in the balance sheet is as follows		
Fair value of plan assets	**(185,846)**	(185,678)
Present value of defined benefit obligation	**158,835,030**	163,256,359
Deficit	**158,649,184**	163,070,681
Payable to outgoing members	**56,106,585**	54,012,571
Net liability as on June 30,	**214,755,769**	217,083,252
The amount recognized in profit and loss account is as follows		
Current service cost	**6,677,670**	5,688,373
Interest cost	**15,272,264**	17,325,632
Expected return on plan assets	**(18,104)**	(24,116)
Actuarial (gain) / loss recognized	**-**	-
Total amount chargeable to profit and loss account	**21,931,830**	22,989,889
The movement in the present value of defined benefit obligation is as follows:		
Present value of defined benefit obligation	**163,256,359**	135,578,196
Current Service cost	**6,677,670**	5,688,373
Interest cost	**15,272,264**	17,325,632
Benefits paid	**-**	(812,750)
Benefits due but not paid	**(13,235,517)**	(8,824,669)
Actuarial (gain) / loss	**(13,135,746)**	14,301,577
Present value of defined benefit obligations as on June 30,	**158,835,030**	163,256,359
The movement in the fair value of plan assets is as follows		
Fair value of plan assets as on July 01,	**185,678**	182,007
Expected return on plan assets	**18,104**	24,116
Contributions	**11,359,094**	812,750
Benefits paid	**(11,359,094)**	(812,750)
Actuarial (loss) / gain	**(17,936)**	(20,445)
Fair value of plan assets as on June 30,	**185,846**	185,678

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

	Present value of defined Benefit	Fair value of plan assets	Surplus / (Deficit)
	------------------R	u p e e	s------------------
Year ended June 30, 2016	(158,835,030)	185,846	(158,649,184)
Year ended June 30, 2015	(163,256,359)	(185,678)	(163,442,037)
Year ended June 30, 2014	(135,578,196)	(182,007)	(135,760,203)
Year ended June 30, 2013	(134,346,485)	(178,921)	(134,525,406)
Year ended June 30, 2012	(139,839,578)	(216,742)	(140,056,320)

9.2 This includes short term loan obtained from Provident Fund Trust of amounting Rs.6,000,000. This carries markup 21.05%. Subsequent to the balance sheet date, aforesaid loan amount has been repaid.

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

		2016 Rupees	2015 Rupees
9.3	Workers' profit participation fund		
	Balance as at July 01,	**3,780,109**	3,780,109
	Less: payments during the year	**-**	-
		3,780,109	3,780,109
	Interest on unpaid contribution	**27,785,305**	27,449,880
		31,565,414	31,229,989

9.5 During the audit, balance confirmation requests were circulated to various parties for direct balance confirmation of loans and advances aggregating Rs.2,306.724 million including long term advances and deposits as referred to note no. 8. Balance confirmed through alternative procedures amounting Rs.164.238 million by the auditors and direct balance confirmations received upto date of issuance of financial statements amounting Rs.2,107.030 million.

10. MARKUP ACCRUED

		2016	2015
Markup accrued on:			
Secured loan	10.1	**395,495,449**	395,551,449
Unsecured loan	10.2	**159,246,231**	139,046,865
		554,741,680	534,598,314

10.1 This represents the mark up payable on loans obtained from Bank Of Punjab Limited and KASB Bank Limited of amounting Rs. 3,746,000 (2015: 3,801,000) and Rs. 391,750,449 (2015: 391,750,449) respectively.

10.2 This represents the mark up payable on loans or balances payable to the Economic Affairs Division (EAD), Three Star Cement (PVT) Limited and Provident Fund Fund Trust of amounting Rs. 42,604,173 (2015: Rs. 37,671,691), Rs. 22,564,684 (2015: Rs. 22,564,684) and Rs. 94,077,377 (2015: Rs. 78,810,490) respectively.

11. SHORT TERM BORROWINGS

	Note	2015 Rupees	2014 Rupees
FINANCIAL INSTITUTION:			
Running finances - secured			
KASB Bank Limited	11.1	**290,000,000**	290,000,000
INTEREST FREE AND UNSECURED LOANS:			
Ex-Sponsors' Loan	11.2	**250,000,000**	250,000,000
Loan from Related Parties - unsecured			
Holding Company	11.3	**37,804,256**	37,804,256
Ex-Director-interest free	11.4	**37,065,450**	37,065,450
Others-interest free	11.5	**25,516,375**	25,516,375
		100,386,081	100,386,081
OTHERS	11.6	**787,523,247**	787,523,247
		1,427,909,328	1,427,909,328

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

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

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

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

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

11.5 This represents loan from Three Star Hosiery (Private) Limited and Active Apparel International (Private) Limited amounting of Rs. 13,721,332 and Rs. 11,795,043 (2015: Rs. 13,721,332 and Rs. 11,795,043) respectively. Repayment of such loans is subject to availability of cash.

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

	Note	2016 Rupees	2015 Rupees
12. CURRENT PORTION OF LONG TERM LOANS AND LIABILITIES			
Loan from banking companies		**24,533,000**	17,003,000
Other loans	6	**64,895,986**	70,511,823
		89,428,986	87,514,823

		2016 Rupees	2015 Rupees
13 PROVISION FOR TAXATION			
Balance as at 1st July,		**-**	-
Less: Adjusted during the year		**-**	-
		-	-
Add: Provision for the taxation-current		**23,478,486**	-
		23,478,486	-
Less: Tax deducted at source / advance tax		**(23,478,486)**	-
		-	-

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

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

14 CONTINGENCIES AND COMMITMENTS

Contingencies

a) Company is in litigation with some suppliers / workers and their relatives. The matter is pending for decision in Court. Company's exposure in respect of these cases could be Rs. 22.505 million (2015: Rs. 23.315 million).

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

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

In June 2008 Sui Northern Gas Pipelines Ltd., (SNGPL) has charged the excess gas bill amounting to Rs.18.536 million. Company has lodged complaint with the review committee of Sui Northern Gas Pipelines Ltd., (SNGPL) which gave its decision that the disputed bill is correct.

On January 23, 2009 the SNGPL encashed bank guarantee of Rs. 88 million against arrears of gas bills including as mentioned in 14(b), 14(c) in previous paragraphs. Till June 30, 2009 total arrears amounting Rs. 35.380 million are outstanding against the company which have not been accounted for in the financial statements due to dispute with the SNGPL. Application filed by SNGPL in Civil Court and the same has been dismissed due to non prosecution of case. SNGPL filed an application for restoration of case which is pending adjudication.

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

d) The company has not accounted for Rs. 367.476 million (2015:Rs. 312.376 million) additional profit / liquidated damages on the loan payable to KASB Bank Limited as the matter is subjudice with the honorable Lahore High Court referred to note no.11.1 in the financial statements.

e) The Deputy Commissioner Inland Revenue determined sales tax and federal excise duty liability of the company amounting Rs. 2.290 million (2015: Rs 2.29 million) on account of inadmissible input tax and non payment of output sales tax along with surcharge and penalty. The company had filed appeal against the order of Deputy Commissioner Inland Revenue Appeals. Subsequent to the balance sheet the Commissioner (Appeals) decided the case against the company. The company has filed appeal against the decision of the Commissioner (Appeals) with Appellate Tribunal Inland Revenue. Consequently, the company has not accounted for liability of aforesaid amount. The company has also filed a petition subsequent to the balance sheet date in the Lahore High Court against the recovery of aforesaid amount. The same has been accepted in the favour of the company.

f) The Additional Commissioner Inland Revenue, Zone-I, LTU, Lahore, initiated proceedings u/s 122(5A) of the Ordinance for amendment of assessment for the tax year 2010 and as a result thereof a tax demand of Rs.4,342,892 was raised against the company. The company has filed an appeal before the CIR (Appeals) against the said demand. In management's opinion, there are strong chances of success and there is no likelihood of any unfavourable outcome.

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

Commitments	Note	**2016 Rupees**	2015 Rupees
Summit Bank Limited has issued Bank Guarantee in favour of Sui Northern Gas Pipelines Limited.	14.1	**1,500,000**	1,500,000
United Bank Limited has issued Bank Guarantee in favour of Department of Mines & Minerals Government of Punjab.	14.2	**139,165**	139,165

14.1 This guarantee was secured by lien in favour of Summit Bank Ltd on PLS TDR amounting Rs.1,500,000 (2015: Rs. 1,500,000).

14.2 This guarantee was secured by lien in favour of United Bank Ltd on PLS TDR amounting Rs.140,000 (2015: Rs. 140,000).

14.3 The company has issued post dated cheques in favour of LTU's against rescheduling of Sales Tax and Excise duty payable amounting Rs. 135,743,399 (2015: Rs.226,238,975).

Notes.....

15 OPERATING FIXED ASSETS

PARTICULARS	COST / REVALUATION					DEPRECIATION						Book Value
	As at July 01, 2015	Additions	Deletions	Adjustment	As at June 30, 2016	Rate %	As at July 01, 2015	For the period	On disposals	Adjustment	As at June 30, 2016	as at June 30, 2016
OWNED												
Free hold land												
Cost	52,591,805	-	-	-	52,591,805	-	-	-	-	-	-	52,591,805
Revaluation (2002)	20,389,552	-	-	-	20,389,552	-	-	-	-	-	-	20,389,552
Revaluation (2016)	-	-	-	11,095,643	11,095,643		-	-	-	-	-	11,095,643
	72,981,357	-	-	11,095,643	84,077,000	-	-	-	-	-	-	84,077,000
Quarry on lease hold land	1,330,978	-	-	-	1,330,978	20 Yrs.	1,234,109	66,549	-	-	1,300,658	30,320
Building on free hold land												
Factory :												
Cost	191,467,208	619,873	-	-	192,087,081	10	172,276,664	1,953,869	-	-	174,230,533	17,856,548
Revaluation (2002)	86,898,282	-	-	-	86,898,282	10	65,362,115	2,153,617	-	-	67,515,732	19,382,550
Revaluation (2007)	6,903,666	-	-	-	6,903,666	10	3,931,865	297,180	-	-	4,229,045	2,674,621
Revaluation (2016)	-	-	-	92,850,281	92,850,281	10	-	-	-	-	-	92,850,281
	285,269,156	619,873	-	92,850,281	378,739,310	-	241,570,644	4,404,666	-	-	245,975,310	132,764,000
Office :												
Cost	17,527,908	-	-	-	17,527,908	5	14,094,542	171,668	-	-	14,266,210	3,261,698
Revaluation (2002)	13,645,216	-	-	-	13,645,216	5	6,728,111	345,855	-	-	7,073,966	6,571,250
Revaluation (2007)	1,248,858	-	-	-	1,248,858	5	420,340	41,426	-	-	461,766	787,092
Revaluation (2016)	-	-	-	(690,040)	(690,040)	5	-	-	-	-	-	(690,040)
	32,421,982	-	-	(690,040)	31,731,942	-	21,242,993	558,949	-	-	21,801,942	9,930,000
Residential :												
Cost	38,550,278	-	-	-	38,550,278	10	36,582,880	196,740	-	-	36,779,620	1,770,658
Revaluation (2002)	27,545,216	-	-	-	27,545,216	10	20,718,632	682,658	-	-	21,401,291	6,143,925
Revaluation (2007)	19,571,075	-	-	-	19,571,075	10	11,146,369	842,471	-	-	11,988,839	7,582,236
Revaluation (2016)	-	-	-	39,121,180	39,121,180	10	-	-	-	-	-	39,121,180
	85,666,569	-	-	39,121,180	124,787,749	-	68,447,881	1,721,869	-	-	70,169,750	54,617,999
Machinery												
Cost	1,264,200,616	5,887,001	-	-	1,270,087,617	3	924,936,472	10,275,754	-	-	935,212,226	334,875,391
Transfer From Lease assets	60,441,960	-	-		60,441,960	3	45,179,047	457,887	-	-	45,636,934	14,805,026
Revaluation (2002)	1,645,780,112	-	-	-	1,645,780,112	3	705,451,255	28,209,866	-	-	733,661,121	912,118,991
Revaluation (2007)	643,182,943	-	-	-	643,182,943	3	139,092,583	15,122,711	-	-	154,215,294	488,967,649
Revaluation (2016)	-	-	-	1,489,232,943	1,489,232,943	3	-	-	-	-	-	1,489,232,943
	3,613,605,631	5,887,001	-	1,489,232,943	5,108,725,575	-	1,814,659,357	54,066,218	-	-	1,868,725,575	3,240,000,000
Office Equipment	11,435,460	660,099	-	-	12,095,559	10	7,081,068	462,311	-	-	7,543,379	4,552,180
Furniture & Fixture	7,394,634	-	-	-	7,394,634	10	6,602,743	79,189	-	-	6,681,932	712,702
Heavy Vehicles												
Cost	94,912,875	-		-	94,912,875	20	94,249,139	132,747		-	94,381,886	530,989
Revaluation (2002)	24,418,997	-		-	24,418,997	20	23,143,671	255,065		-	23,398,736	1,020,261
Revaluation (2007)	8,407,158	-		-	8,407,158	20	6,985,837	284,264		-	7,270,101	1,137,057
Revaluation (2016)	-	-	-	24,435,693	24,435,693	20	-	-	-	-	-	24,435,693
	127,739,030	-	-	24,435,693	152,174,723	-	124,378,647	672,076	-	-	125,050,723	27,124,000
Light Vehicles												
Cost	29,566,347	687,600	1,373,944	-	28,880,003	20	26,608,838	514,431	816,687	-	26,306,582	2,573,421
Transfer from Leased Vehicles	649,000	-	-		649,000	20	626,186	4,563			630,749	18,251
Revaluation (2002)	4,571,974	-	-	-	4,571,974	20	4,333,195	47,756	-	-	4,380,951	191,023
Revaluation (2016)	-	-	-	10,158,304	10,158,304	20	-	-	-	-	-	10,158,304
	34,787,321	687,600	1,373,944	10,158,304	44,259,281	-	31,568,219	566,750	816,687	-	31,318,282	12,940,999
Railway Sidings	1,726,574	-	-	-	1,726,574	5	1,392,865	16,685	-	-	1,409,550	317,024
Electric Installation	38,676,612	-	-	-	38,676,612	10	36,614,552	206,206	-	-	36,820,758	1,855,854
Weighing Scales	80,958	-	-	-	80,958	10	76,640	432	-	-	77,072	3,886
Library Books	72,403	-	-	-	72,403	10	68,391	401	-	-	68,792	3,611
	4,313,188,665	7,854,573	1,373,944	1,666,204,004	5,985,873,298	-	2,354,938,107	62,822,302	816,687	-	2,416,943,723	3,568,929,575
							-			-	-	-
Rupees	4,313,188,665	7,854,573	1,373,944	1,666,204,004	5,985,873,298	-	2,354,938,107	62,822,302	816,687	-	2,416,943,723	3,568,929,575

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

	Note	2016 Rupees	2015 Rupees
15.1 Depreciation for the year has been allocated as under:			
Cost of sales	26	**60,317,170**	62,738,841
Distribution cost	27	**124,986**	118,011
Administrative expenses	28	**2,380,147**	2,627,763
		62,822,302	65,484,615

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

15.3 Had there been no revaluation the related figures of Buildings, Plant & Machinery and Vehicles at June 30, 2016 would have been as follows :

Particulars	**Cost as at June 30, 2016**	**Accumulated Depreciation upto June 30, 2016**	**Net Book Value as on June 30, 2016**
	------------------ R	u p e e	s ------------------
Buildings			
Factory	192,087,081	174,230,533	17,856,548
Office	17,527,908	14,266,210	3,261,698
Residential	38,550,278	36,779,620	1,770,658
Plant and Machinery	1,330,529,577	980,849,160	349,680,417
Heavy Vehicles	94,912,875	94,381,886	530,989
Light Vehicles	29,529,003	26,937,331	2,591,672
	1,703,136,722	**1,327,444,740**	**375,691,982**
2015 Rupees	**1,697,316,192**	**1,314,553,768**	**382,762,425**

15.4 Disposal of property, plant and equipment:

Description	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Profit	Mode of Disposal	Particulars
		------------------ R	u p e	e s ------------------			
Light Vehicles							
Toyota Corolla XLI LEB-5722	1,350,000	794,928	555,072	1,200,000	644,928	Negotiation	Mohsin Raza Butt
Yamaha Motorcycle, JMA-8569	23,944	21,759	2,185	2,500	315	Negotiation	Ansar Mehmood
	1,373,944	816,687	557,257	1,202,500	645,243		
2015: Rupees	**260,000**	**236,270**	**23,730**	**200,000**	**176,270**		

15.5 OPERATING FIXED ASSETS

PARTICULARS	COST / REVALUATION					DEPRECIATION						Book Value
	As at July 01, 2014	Additions	Deletions	Adjustment	As at June 30, 2015	Rate %	As at July 01, 2014	For the year	On disposals	Adjustment	As at June 30, 2015	as at June 30, 2015
OWNED												
Free hold land												
Cost	52,591,805	-	-	-	52,591,805	-	-	-	-	-	-	52,591,805
Revaluation (2002)	20,389,552	-	-	-	20,389,552	-	-	-	-	-	-	20,389,552
	72,981,357	-	-	-	72,981,357	-	-	-	-	-	-	72,981,357
Quarry on lease hold land	1,330,978	-	-	-	1,330,978	20 Yrs.	1,167,560	66,549	-	-	1,234,109	96,869
Building on free hold land												
Factory :												
Cost	191,467,208	-	-	-	191,467,208	10	170,144,381	2,132,283	-	-	172,276,664	19,190,544
Revaluation (2002)	86,898,282	-	-	-	86,898,282	10	62,969,207	2,392,908	-	-	65,362,115	21,536,168
Revaluation (2007)	6,903,666	-	-	-	6,903,666	10	3,601,665	330,200	-	-	3,931,865	2,971,801
	285,269,156	-	-	-	285,269,156	-	236,715,253	4,855,390	-	-	241,570,643	43,698,513
Office :												
Cost	17,527,908	-	-	-	17,527,908	5	13,913,838	180,704	-	-	14,094,542	3,433,367
Revaluation (2002)	13,645,216	-	-	-	13,645,216	5	6,364,053	364,058	-	-	6,728,111	6,917,105
Revaluation (2007)	1,248,858	-	-	-	1,248,858	5	376,734	43,606	-	-	420,340	828,518
	32,421,982	-	-	-	32,421,982	-	20,654,625	588,368	-	-	21,242,993	11,178,989
Residential :												
Cost	38,550,278	-	-	-	38,550,278	10	36,364,280	218,600	-	-	36,582,880	1,967,398
Revaluation (2002)	27,545,216	-	-	-	27,545,216	10	19,960,123	758,509	-	-	20,718,632	6,826,584
Revaluation (2007)	19,571,075	-	-	-	19,571,075	10	10,210,290	936,079	-	-	11,146,369	8,424,707
	85,666,569	-	-	-	85,666,569	-	66,534,693	1,913,188	-	-	68,447,881	17,218,688
Machinery												
Cost	1,264,200,616		-	-	1,264,200,616	3	914,443,767	10,492,705	-	-	924,936,472	339,264,144
Transfer From Lease assets	60,441,960	-	-		60,441,960	3	44,706,998	472,049	-	-	45,179,047	15,262,913
Revaluation (2002)	1,645,780,112	-	-	-	1,645,780,112	3	676,368,919	29,082,336	-	-	705,451,255	940,328,857
Revaluation (2007)	643,182,943	-	-	-	643,182,943	3	123,502,159	15,590,424	-	-	139,092,583	504,090,360
	3,613,605,631	-		-	3,613,605,631	-	1,759,021,843	55,637,514	-	-	1,814,659,357	1,798,946,274
Office Equipment	10,535,000	900,460	-	-	11,435,460	10	6,666,821	414,247	-	-	7,081,068	4,354,392
Furniture & Fixture	7,394,634	-	-	-	7,394,634	10	6,514,755	87,988	-	-	6,602,743	791,891
Heavy Vehicles												
Cost	94,912,875	-		-	94,912,875	20	94,083,205	165,934		-	94,249,139	663,736
Revaluation (2002)	24,418,997	-		-	24,418,997	20	22,824,839	318,832		-	23,143,671	1,275,326
Revaluation (2007)	8,407,158	-		-	8,407,158	20	6,630,507	355,330		-	6,985,837	1,421,321
	127,739,030	-	-	-	127,739,030	-	123,538,551	840,096	-	-	124,378,647	3,360,383
Light Vehicles												
Cost	29,826,347	-	260,000	-	29,566,347	20	26,101,543	743,565	236,270	-	26,608,838	2,957,509
Transfer from Leased Vehicles	649,000	-	-		649,000	20	620,483	5,703			626,186	22,814
Revaluation (2002)	4,571,974	-	-	-	4,571,974	20	4,273,500	59,695	-	-	4,333,195	238,779
	35,047,321	-	260,000	-	34,787,321	-	30,995,526	808,963	236,270	-	31,568,219	3,219,102
Railway Sidings	1,726,574	-	-	-	1,726,574	5	1,375,301	17,564	-	-	1,392,865	333,709
Electric Installation	38,676,612	-	-	-	38,676,612	10	36,360,729	253,823	-	-	36,614,552	2,062,060
Weighing Scales	80,958	-	-	-	80,958	10	76,160	480	-	-	76,640	4,318
Library Books	72,403	-	-	-	72,403	10	67,945	446	-	-	68,391	4,012
Rupees	4,312,548,205	900,460	260,000	=	4,313,188,665	=	2,289,689,762	65,484,615	236,270	=	2,354,938,107	1,958,250,558

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

	Note	2016 Rupees	2015 Rupees
16 LONG TERM LOANS - Considered good			
Special loans- Employees		**-**	3,200
Less: Current portion recoverable within one year	21	**-**	3,200
		-	-

16.1 Terms of repayment for Staff Loans
These are interest free and secured.

16.2 Interest free loans have not been discounted as required by IAS 39 as amount involved is immaterial.

		2016 Rupees	2015 Rupees
17 LONG TERM SECURITY DEPOSITS			
Islamabad Electric Supply Company		**9,486,000**	9,486,000
Others		**1,180,715**	1,188,715
		10,666,715	10,674,715
18 STORES, SPARES AND LOOSE TOOLS			
General stores		**127,868,324**	51,052,108
Spare parts		**81,725,854**	78,555,630
Loose tools		**1,213,525**	1,047,775
		210,807,703	130,655,513
19 STOCK IN TRADE			
Raw material		**1,489,326**	10,330,478
Work in process		**13,948,284**	36,857,832
Finished goods		**11,778,427**	37,809,831
		27,216,037	84,998,141
20 TRADE DEBTS		**166,041,054**	137,401,993

These are unsecured but considered good by the management.

	Total	Neither past due nor impaired	Past due but not impaired		
			1-90 days	90-180 days	More than 180 days
2016	**166,041,054**	**-**	**147,785,232**	**8,352,935**	**9,902,887**
2015	137,401,993	-	131,595,552	2,497,457	3,308,984

	Note	2016 Rupees	2015 Rupees
21 LOANS AND ADVANCES			
Loans			
Considered good:			
Current portion of long term loans to employees	16	**-**	3,200
To past associated company			
- Gharibwal Cement Limited (GCL)		**250,000,000**	250,000,000
Loan to employees		**27,004,179**	23,962,689
		277,004,179	273,965,889
Considered doubtful:			
Loan to employees		**1,063,396**	1,623,323
		278,067,575	275,589,212
Advances			
Considered good:			
To employees		**1,449,505**	503,191
To suppliers / contractors		**36,652,671**	20,382,845
		38,102,176	20,886,036
Considered doubtful:			
To employees		**30,000**	35,000
		38,132,176	20,921,036
		316,199,751	296,510,248
Less: Provision for doubtful loans and advances	21.1	**1,093,396**	2,270,323
		315,106,355	294,239,925

21.1 Provision for doubtful loans and advances

	2016 Rupees	2015 Rupees
Balance as at July 01,	**2,270,323**	2,270,323
Provision for the year	**-**	-
	2,270,323	2,270,323
Reversal of provision for doubtful balances	**(1,176,927)**	-
	1,093,396	2,270,323

21.2 During the audit, balance confirmation requests were circulated to various parties for direct balance confirmation of loans and advances aggregating Rs.189.925 million including long term security deposits, trade debts, interest accrued on loan to past associated company and other receivable as referred to note no.17, 20, 23 and 24 respectively. Balance confirmed through alternative procedures amounting Rs.17.467 million by the auditors and direct balance confirmations received upto date of issuance of financial statements amounting Rs.153.295 million.

22 BALANCES WITH STATUTORY AUTHORITIES

	2016 Rupees	2015 Rupees
Income tax due from the Government	**136,114,851**	111,575,781

23 INTEREST ACCRUED

	2016 Rupees	2015 Rupees
Interest accrued on loan to Gharibwal Cement Limited	**9,388,556**	9,388,556

Notes.....

	Note	2016 Rupees	2015 Rupees
24 OTHER RECEIVABLES			
Other receivables:			
Considered good		**360,095**	359,995
Considered doubtful		**-**	-
		360,095	359,995
Provision for doubtful receivables		**-**	-
		360,095	359,995
25 CASH AND BANK BALANCES			
Cash in hand		**50,632**	1,092,703
Cash at banks in:			
Current accounts		**40,624,998**	17,003,980
Saving accounts		**2,420,179**	627,862
Deposit accounts	25.1	**2,446,700**	2,377,163
		45,491,877	20,009,005
		45,542,509	21,101,708

25.1 It includes a separate bank account amounting Rs. 1.5 million (2015: Rs. 1.5 million), in compliance with requirements of Section 226 of the Companies Ordinance, 1984.

25.2 Profit and loss sharing accounts bear mark up at the rates ranging from 7% to 10% (2015: 7% to 10%) per annum.

	Note	2016 Rupees	2015 Rupees
26 COST OF SALES			
Raw materials consumed	26.1	**175,213,614**	163,814,837
Salaries, wages and benefits	26.2	**237,490,443**	249,300,999
Fuel, gas and electricity		**1,471,230,154**	1,520,839,157
Stores and spares		**147,373,439**	111,891,320
Rent, rates and taxes		**294,799**	234,404
Vehicle running and maintenance		**24,051,516**	24,737,909
Packing material		**142,445,328**	131,905,519
Depreciation	15.1	**60,317,170**	62,738,841
Others		**52,036,231**	27,958,687
		2,310,452,694	2,293,421,673
Work in process			
Opening		**36,857,832**	164,261,184
Closing		**(13,948,284)**	(36,857,832)
		22,909,548	127,403,352
Cost of goods manufactured		**2,333,362,242**	2,420,825,025
Finished goods			
Opening		**37,809,831**	43,226,289
Closing		**(11,778,427)**	(37,809,831)
		26,031,404	5,416,458
		2,359,393,646	2,426,241,483

	Note	2016 Rupees	2015 Rupees
26.1 RAW MATERIALS CONSUMED			
Opening balance		**10,330,478**	8,629,720
Purchase of raw material		**62,085,589**	56,343,861
Salaries, wages and benefits	26.1.1	**34,685,854**	37,412,446
Gypsum		**8,458,277**	9,708,134
Electricity		**13,915,366**	15,559,496
Royalty and excise duty		**30,339,592**	23,761,010
Stores and spares		**16,289,833**	22,250,144
Breaking of Gypsum		**597,951**	480,504
		176,702,940	174,145,315
Closing balance		**(1,489,326)**	(10,330,478)
		175,213,614	163,814,837

26.1.1 Salaries, wages and other benefits include Rs. 1.24 million (2015: Rs. 1.33 million) and Rs. 3.50 million (2015: Rs. 6.3 million) in respect of contribution of Provident Fund and Gratuity Fund respectively by the company.

26.2 Salaries, wages and other benefits include Rs. 6.21 million (2015: Rs. 6.83 million) and Rs. 18.43 million (2015: Rs. 31.48 million) in respect of contribution of Provident Fund and Gratuity Fund respectively by the company.

27 DISTRIBUTION COST

	Note	2016 Rupees	2015 Rupees
Salaries, wages and benefits		**3,764,617**	2,881,954
Travelling and daily allowances		**61,417**	518,022
Vehicles running and maintenance		**189,369**	296,475
Depreciation	15.1	**124,986**	118,011
Freight		**14,149,400**	2,360,833
Others		**492,115**	-
		18,781,904	6,175,295

28 ADMINISTRATIVE EXPENSES

	Note	2016 Rupees	2015 Rupees
Salaries, wages and benefits	28.1	**16,921,217**	13,404,308
Rent, rates and taxes		**3,506,220**	2,889,941
Travelling and daily allowances		**2,174,390**	2,375,283
Repairs and maintenance		**5,123,535**	1,357,641
Vehicle running and maintenance		**212,434**	354,110
Legal and professional		**6,072,883**	5,343,027
Auditors' remuneration	28.2	**1,080,000**	935,000
Postage, telephone and telegrams		**1,417,281**	1,193,056
Printing and stationery		**433,116**	582,636
Advertisement		**-**	154,000
Entertainment		**1,727,971**	2,651,156
Fee and subscriptions		**617,989**	2,259,155
Security services		**-**	154,304
Depreciation	15.1	**2,380,147**	2,627,763
Others	28.3	**14,191,706**	6,156,745
		55,858,889	42,438,125

28.1 Salaries, wages and other benefits include Rs. nil (2015: Rs. Nil) in respect of Provident Fund contribution by the company.

	Note	2016 Rupees	2015 Rupees
28.2 Auditors' remuneration			
Amin, Mudassar & Co.			
Chartered Accountants			
Audit fee		**800,000**	675,000
Certification services		**10,000**	10,000
Half year review fee		**130,000**	120,000
Code of Corporate Governance review report fee		**140,000**	130,000
		1,080,000	935,000

28.3 This includes amount claimed by the company as input sales tax Rs. 12,573,672 (2015: Rs. 3,494,249). However, the Deputy Commissioner of Inland Revenue made this amount as inadmissible input sales tax and accordingly adjusted the aforesaid amount from the refund due to the company.

29 OTHER INCOME

	Note	2016 Rupees	2015 Rupees
Income from financial assets			
Profit on deposit and PLS accounts		**266,503**	386,406
Income from non financial assets			
Gain on disposal of fixed assets		**645,243**	176,270
Balances written back		**1,624,464**	1,342
		2,536,210	564,018

30 OTHER OPERATING EXPENSES

	Note	2016 Rupees	2015 Rupees
Balances written off		**222,979**	-
		222,979	-

31 FINANCE COST

	Note	2016 Rupees	2015 Rupees
Interest / mark up on:			
Loans from financial institutions		**150,562,987**	140,535,597
Other loans- long term		**4,932,480**	4,932,479
Provident fund		**15,266,886**	15,574,016
Workers Profit Participation Fund (WPPF)		**335,425**	423,789
Bank charges		**891,878**	395,860
		171,989,656	161,861,741

32 TAXATION

	Note	2016 Rupees	2015 Rupees
Income tax			
- Current	13	**23,478,486**	-
- Deferred	7	**-**	-
		23,478,486	-

	2016 Rupees	2015 Rupees

33 EARNING PER SHARE - BASIC AND DILUTED

	2016 Rupees	2015 Rupees
Loss for the year - Rupees	**(280,252,502)**	(497,257,685)
Weighted average number of ordinary shares outstanding during the year - Number	**94,839,980**	94,839,980
Earning per share - Rupees	**(2.96)**	(5.24)

34 TRANSACTIONS WITH RELATED PARTIES

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

FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

	2016 Rupees	2015 Rupees
Financial assets		
Loans and receivables		
Long term security deposits	**10,666,715**	10,674,715
Trade debts	**166,041,054**	137,401,993
Loans and advances	**278,453,684**	273,857,080
Other receivables	**360,095**	359,995
Accrued interest	**9,388,556**	9,388,556
Cash and bank balances	**45,542,509**	21,101,708
	510,452,613	452,784,047
Financial liabilities		
Financial liabilities at amortized cost		
Long term loans and liabilities	**1,130,477,427**	1,048,827,545
Long term advances and deposits	**1,882,313**	1,882,313
Trade and other payables	**2,027,244,480**	1,886,438,852
Mark up accrued	**554,741,680**	534,598,314
Short term borrowings	**1,427,909,328**	1,427,909,328
	5,142,255,228	4,899,656,351

35 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

- Credit risk

- Liquidity risk

- Market risk

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

Here are presented the information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of Capital.

The Company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in the market conditions and the Company's activities.

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

35.1 Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade debts, advances and deposits, interest accrued, other receivables and margin on letter of guarantee. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2016 Rupees	2015 Rupees
Long term security deposits	**10,666,715**	10,674,715
Trade debts	**166,041,054**	137,401,993
Loans and advances	**278,453,684**	273,857,080
Interest accrued	**9,388,556**	9,388,556
Other receivables	**360,095**	359,995
Bank balances	**45,491,877**	20,009,005
	510,401,981	451,691,344

Geographically there is no concentration of credit risk.

Credit Quality of Financial Assets

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

Cash at banks

A-1+	**39,357,470**	13,846,301
A 1+	**3,822,090**	3,919,854
A-1	**2,312,317**	-
A-3	**-**	2,242,850
	45,491,877	20,009,005

Credit Risk Management

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

35.2 Liquidity Risk

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

Contractual maturities of financial liabilities as at June 30, 2016

	2016			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year
	------------- R u p e e s -----------			
Loan from banking companies	1,051,829,911	1,833,535,000	24,533,000	1,809,002,000
Other loans and liabilities	78,647,516	78,647,516	64,895,986	13,751,530
Long term advances and deposits	1,882,313	1,882,313	-	1,882,313
Trade and other payables	1,812,488,711	1,812,488,711	1,812,488,711	-
Mark up accrued	554,741,680	554,741,680	554,741,680	-
Short term borrowings	1,427,909,328	1,427,909,328	1,427,909,328	-
Gratuity payable to trustees	214,755,769	214,755,769	214,755,769	-
	5,142,255,228	**5,923,960,317**	**4,099,324,474**	**1,824,635,843**

Contractual maturities of financial liabilities as at June 30, 2015

	2015			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year
	------------- R u p e e s -----------			
Loan from banking companies	962,772,924	1,850,538,000	17,003,000	1,833,535,000
Other loans and liabilities	86,054,621	86,054,621	70,511,823	15,542,798
Long term advances and deposits	1,882,313	1,882,313	-	1,882,313
Trade and other payables	1,669,355,600	1,669,355,600	1,669,355,600	-
Mark up accrued	534,598,314	534,598,314	534,598,314	-
Short term borrowings	1,427,909,328	1,427,909,328	1,427,909,328	-
Gratuity payable to trustees	**217,083,252**	**217,083,252**	**217,083,252**	**-**
	4,899,656,352	**5,787,421,428**	**3,936,461,317**	**1,850,960,111**

The contractual cash flows relating to above financial have been determined on the basis of mark-up rates effective as at 30 June 2016.

Liquidity Risk Management

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

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

35.3 Market Risk

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

35.3.1 Foreign Currency Risk

Foreign currency risk arises mainly where receivables and payables exist due to transaction in foreign currency. Currently, the Company is not exposed to currency risk since there are no foreign currency transactions and balances at the reporting date.

35.3.2 Interest Rate Risk

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

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

Sensitivity Analysis

The company is exposed to interest rate risk in respect of its variable rate instruments. A 100 basis points increase in variable interest rates would have decreased profit by Rs. 13.771 million (2015: decreased profit by Rs. 12.880 million). A 100 basis points decrease in variable interest rate would have had an equal but opposite impact on profit. This sensitivity analysis is based on assumption that all variables, with the exception of interest rates, remain unchanged.

35.3.3 Price Risk

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

35.4 Fair value of financial instruments

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

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

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

International Financial Reporting Standard 13, 'Financial Instruments : Disclosure' requires the company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

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

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

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

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

35.5 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently financing majority of its operations through long-term and short-term financing in addition to its equity. The Company has a gearing ratio of (72.03)% (2015: (72.52)%) as of the balance sheet date.

35.6 Default and breaches of loans payable

Particulars	Carrying value		Nature of default
	Principal amount	Markup due	
	----- R u p e e s -----		
Economic Affairs Division	35,232,000	42,604,1 71	Company failed to pay the installments along with markup due thereon.
KASB Bank Ltd.	290,000,000	391,750,449	The company has not renewed the short term running finance facility

36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2016			
	Chief Executive	Directors		Executive
		Executive	Non-Executive	
		------------- R u p e e s -----------		
Managerial remuneration	3,000,000	-	-	10,787,125
House rent	-	-	-	-
Medical	-	-	-	-
Others	-	-	-	-
	3,000,000	**-**	**-**	**10787125**
Number of persons	1	0	-	9

	2015			
	Chief Executive	Directors		Executive
		Executive	Non-Executive	
		------------- R u p e e s -----------		
Managerial remuneration	2,125,000	-	-	1,175,000
House rent	-	-	-	-
Medical	-	-	-	-
Others	-	-	-	-
	2,125,000	**-**	**-**	**1175000**
Number of persons	**1**	**0**	**-**	**1**

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

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

37 PROVIDENT FUND

The company has maintained an employees' provident fund trust (Trust) and company has to contribute the amount of provident fund (Fund) to the Trust. The company has regularized the payments of outstanding balance of provident fund as explained in note not 6.2 to the financial statements. Further, mark-up as return of investment, has been accrued in the books of accounts of the company.

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

	2016 Rupees	2015 Rupees
Size of the fund - total assets	**431,779,348**	401,633,595
Cost of investment made	**103,276,954**	108,808,178
Percentage of the fund made	**23.9 %**	27.1 %
Fair value of investment made	**103,276,954**	108,808,178

	2016		2015	
	Rupees	**Percentage**	Rupees	Percentage
Fair value of investment				
The break-up of fair value				
Unpaid contribution by the company	**101,855,165**	**99 %**	101,839,169	94 %
Bank balances	**1,421,789**	**1 %**	6,969,009	6 %

The management has the intention to contribute the whole outstanding balance of provident fund with related mark-up on attaining the profitable operations of the company. All the amount will be invested by the Trust as per the requirements of the Section 227 of the Companies Ordinance, 1984, once received from the company.

	2016	2015
	(-------Number-------)	

38 NUMBER OF EMPLOYEES

The detail of no. employees are as follows:

	2016	2015
Average no. of employees during the year	**650**	724
Number of employees as at June 30,	**639**	709

39 PLANT CAPACITY AND ACTUAL PRODUCTION

	2016 M. Tons	2015 M. Tons
Plant Capacity (Ordinary Portland cement)	**504,000**	504,000
Plant capacity (Clinker)	**480,000**	480,000
Actual production (Ordinary Portland cement)	**332,937**	299,108
%age of capacity utilized	**66**	59
Actual production (Clinker)	**315,145**	264,850
% age of capacity utilized	**66**	55

39.1 Shortfall in production was due to plant could not operated efficiently as desired, however Operational performance of the company improved during the year due to increase in capacity utilization of 7% and 11% in Raw mill and Clinker respectively year as compared to last year.

40 OPERATING SEGMENT

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

40.2 All non-current assets of the company as at June 30, 2016 are located in Pakistan.

41 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 07 November 2016 by the Board of Directors of the company.

42 CORRESPONDING FIGURES

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

43 GENERAL

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

MUHAMMAD AZHAR SHER
Chief Executive

MUHAMMAD AMJAD AZIZ
Director

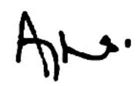
Summary of Last Ten Years' Financial Result

Rupees in Thousands

Description	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Trading Results:										
Net Sales	2,346,937	2,138,895	1,068,198	145,272	1,103,744	773,176	233,286	1,146,063	556,149	914,555
Gross Profit /(Loss)	(12,457)	(287,347)	(348,281)	(374,747)	(440,399)	(351,839)	(263,754)	(84,882)	(236,620)	(207,432)
Operating Profit /(Loss)	(84,784)	(335,396)	(417,955)	(444,371)	(489,369)	(384,520)	(295,450)	(192,595)	(328,986)	(284,902)
Profit /(Loss) Before Taxation	(256,774)	(497,258)	(52,027)	(463,639)	(506,774)	(392,030)	(556,982)	(457,657)	(556,402)	(438,154)
Profit /(loss) After Taxation	(280,252)	(497,258)	(52,027)	(466,807)	(506,774)	(339,163)	(436,126)	(310,177)	(419,168)	(437,276)
Balance Sheet:										
Shareholder's Equity	(3,491,559)	(3,257,739)	(3,254,924)	(2,768,590)	(2,366,059)	(1,896,526)	(1,596,274)	(1,202,189)	(934,958)	(830,956)
Operating Fixed Assets	3,568,929	1,958,251	2,022,858	2,016,895	2,085,626	2,155,354	2,230,649	2,313,958	2,382,119	2,456,936
Net Current Liabilities	(3,399,383)	(3,267,517)	(896,410)	(2,671,083)	(2,038,988)	(1,545,673)	(1,384,555)	(834,944)	(384,722)	(328,284)
Long term Liabilities	1,556,014	963,195	1,371,016	1,059,527	1,321,674	1,387,978	1,405,724	1,411,684	1,465,374	1,194,013
Significant Ratios										
Gross Profit Ratio %	(0.53)	(13.43)	(32.60)	(257.96)	(39.90)	(45.50)	(113.06)	(7.41)	(42.55)	(22.68)
Net Profit Ratio %	(11.94)	(23.25)	(4.87)	(321.33)	(45.91)	(43.87)	(186.95)	(27.06)	(75.37)	(47.81)
Fixed Assets Turnover Ratio	0.66	1.09	0.53	0.07	0.53	0.36	0.10	0.50	0.23	0.37
Current Ratio	0.21	0.19	0.22	0.19	0.25	0.32	0.30	0.41	0.58	0.60

تسلیمات !

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



محمد اظہر شیر

چیف ایگزیکٹو

لاہور: 07 نومبر 2016

زیر تجویز سال میں اجلاس ہوئے تھے اور ان اجلاس ہائے میں شرکت ذیل میں بیان کی جاتی ہے:-

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

نوٹ:-

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

کمپنی کے حصص میں تجارت:

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

ادارہ (کمپنی) کی سماجی ذمہ ادری:

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

شراکت داری کے ضابطہ کا نمونہ:

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

بیرونی گوشوارہ حساب کتاب کے بارے حساب کرنے والے

موجودہ گوشوارہ کا مشاہدہ کرنے والی افراد، میسرز امین، مدثر اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، جو کہ محکمہ سے ریٹائرڈ اور موزوں اہلیت کے حامل ہیں کی جانب سے کمپنی ہذا میں دوبارہ حصول ملازمت برائے سال 17-2016 کی آفر کی ہے اور آڈٹ کمیٹی کی جانب سے مزکورہ بالا افراد کی کمپنی ہذا میں دوبارہ ملازمت کی سفارش کی گئی ہے۔

ذمہ داریوں کے متعلق مارک اپ ماسوائے KASB بینک لمیٹڈ کے واجبات کو گوشوارہ بک سے جمع کیا گیا ہے اور اس بابت حقائق کو 11.1 نوٹ میں ذکر کیا گیا ہے۔ سال 17-2016 میں کمپنی کی جانب سے پرانی اور موجودہ واجبات کی منافع کے فنڈ سے ادائیگی بروقت کی گئی ہے۔ زیر تجویز آڈٹ سال کے دوران، کمپنی کے ڈائریکٹر حضرات کی جانب سے ڈائریکٹر ٹریننگ پروگرام سے کمپنی کے درکار شدہ ضابطہ کارکردگی (CCG) کے متعلق سرٹیفکیٹ حاصل کرنے کی خواہش کی گئی تاکہ SECP کے طریقہ کار کو وضع کیا جا سکے۔

کمپنی کے وَضع کردہ ضابطہ کے روشنی میں کارگردگی کی بجا آوری :

منتظمین کمپنی س بات سے باخوبی آگاہ ہے کہ جب سے کمپنی قائم ہوئی ہے کمپنی میں بہتری لانے کے لیے کمپنی کے ضابطہ کے مطابق کن کن موثر اقدامات کی بجا آوری کی گئی ہے۔

کمپنی میں موثر اقدامات کی بجا آوری کو عملی جامہ پہنانے کے لیے درج مندرجہ ذیل امور کو ذیل میں بیان کیا جاتا ہے:-

- کمپنی کے مالی گوشوارہ جات کو کمپنی کے معاملات کو مدنظر رکھتے ہوئے منتظمین کی جانب سے شفاف انداز میں تیار کیا جائے تاکہ اس عمل سے کمپنی کو احسن انداز میں رواں رکھنے، رقم کی ترسیل کے بہاؤ اور تبدیلی کو غیر جانبدارانہ رکھا جا سکے۔
- کمپنی کے کھاتہ جات کو ایک مناسب طریقہ سے برقرار رکھا جائے۔
- موزوں کھاتہ جات کی پالیسیوں پر خرچ ہونے والے اخراجات کو مناسب اور پایہ استقلال کے ساتھ بروئے کار لایا جائے اور اس سلسلے میں مالی حساب کتاب اور تخمینہ شدہ کھاتہ جات کا انحصار معقول وجوہات اور دانشمندانہ فیصلہ جات پر ہونا چاہیے۔
- بین الاقوامی کھاتہ داری معیار جیسا کہ اس کا اطلاق پاکستان میں ہو چکا ہے لہذا کمپنی کے مالی کھاتہ جات کے گوشوارہ کی تیاری میں ان معیار کو بھی ملحوظ خاطر رکھا جائے۔
- کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی ہذا کے حساب کتاب کے گوشوارہ جات کی جانچ پڑتال کے لیے ایک بیرونی آڈٹ ڈیپارٹمنٹ پارکر رینڈل اے۔ایس۔ جے چارٹرڈ اکاؤنٹنٹس کی خدمات حاصل کی ہیں اور اس آڈٹ ٹیم کے افراد کمپنی ہذا کے گوشوارہ جات کی جانچ پڑتال کرنے کے سلسلے میں موزوں اہلیت اور تجربہ کے حامل ہیں اور یہ افراد ہر لحاظ سے کمپنی کی جانب سے ترتیب دی گئی پالیسیوں اور طریقہ کار کے حساب کتاب کے گوشوارہ جات کی جانچ پڑتال کرنے میں بخوبی آگاہی رکھتے ہیں۔
- کمپنی کے قواعد وضوابط کے بارے میں فراہم کی گئی تفصیل کی روشنی میں کمپنی کے کاروبار کو متحرک رکھنے کے سلسلے میں کیے گئے اقدامات کے بارے میں قابل قدر مواد منظر عام پر نہ آیا ہے جس سے یہ تاثر ملے کہ کمپنی کے زیر تجویز سال کے اختتام مورخہ 30 جون 2016 تک ان قواعد وضوابط کے اطلاق کی پاسداری کی گئی ہو۔
- کمپنی کے کاروبار کو فعال رکھنے کے سلسلے میں کلیدی کردار ادا کرنے والے پچھے دس سال مالی جمع شدہ معلومات کو اس رپورٹ کے ساتھ منسلک کیا گیا ہے۔۔
- کمپنی کے گوشوارہ میں درج شدہ قابل ذکر قانونی واجبات، ڈیوٹیز، عائد شدہ ٹیکس ہائے اور جرمانہ کو رپورٹ کے ساتھ منسلکہ نوٹ شیٹ پر بیان کیا گیا ہے۔
- کمپنی میں لگائے گئے سرمایہ کی رقم اور اثاثہ جات کفایت شعاری فنڈ کی بابت تخمینہ کی رقم کو نوٹ 37 پر بیان کیا گیا ہے۔

نقصان ہونے کی بنیادی وجہ اخراجات میں بہت زیادہ اضافہ ہے، بجلی کی ترسیل میں اتار چڑھاؤ، کمپنی میں چلنے والے آلات کی بہت زیادہ مرمت اور فیول کو چیک کرنے والے متبادل آلات پر آنے والے ہوشربا اخراجات۔ تاہم موجودہ سال میں نفع نقصان خالص نقصان میں بالترتیب 284 ملین اور 217 ملین کی کمی ہوئی ہے۔ مزید برآں، نیز فی حصص میں نقصان کی شرح میں کمی مبلغ رقم 2.28 فی شیئر ہوئی ہے۔

موجودہ سال میں کمپنی ہونے والے نقصان کو بورڈ آف ڈائریکٹر حضرات میں تقسیم کرنے کی سفارش نہیں کی گئی۔

مستقبل کا کیفیت نامہ:

انڈسٹری:

مقامی مارکیٹ میں سیمنٹ کی کے تقاضہ کو پورا کرنے کے لیے ہر سال بہتری لائی جائیگی اور اس مقصد کی توقع کی جاسکتی ہے کہ بہتری کے اس رحجان کو موجودہ مالی سال میں اس امر کے ساتھ جاری رکھا جائیگا حکومت کی جانب سے عوامی شعبہ زندگی کے لیے مختص کیے گئے منصوبہ جات میں بہتری کے لیے بجٹ کی تقسیم کی جائیگی، نقص امن کی صورت حال کو بہتر کیا جائیگا، کم قیمت والی مصنوعات میں قیمتوں میں پر کنٹرول کیا جائیگا، معیشت کی صورت حال کو بہتر کر کے کوئلے کی قیمتوں میں کمی کی جائیگی جو کہ کمپنی ہذا کے لیے منافع بخش ہوگی۔ تاہم اس سلسلے میں حکومت کی جانب سے بجلی بحران پر قابو پانا ہوگا، انڈسٹری کی پیداوار میں حائل رکاوٹوں کو دور کیا جائیگا۔ پاک چائنہ راہداری میں مختص کیے گئے ترقیاتی بجٹ اور منصوبہ جات کو شروع کرنے کے سلسلے تقسیم گئے بجٹ کی تقسیم اور مناسب طریقہ سے استعمال کی بدولت انڈسٹری کے شعبہ پر اچھے نتائج مرتب کریگی۔

کمپنی:

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

کمپنی کا منصوبہ:

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

کمپنی کے حساب کتاب کرنے والے کا مشاہدہ:

1.2 نوٹ میں جن گوشوارہ جات کو بیان کا گیا ہے ان حقائق کی بنیاد پر منتظمین کمپنی کو پورا بھروسہ ہے کہ کمپنی ہذا اپنے متعلقہ تمام معاملات کو مستقبل میں احسن انداز میں جاری رکھے گے، کمپنی کے بقایا رہ جانے والے بیلنس کے متعلق مراسلہ جات کی ترسیل کر دے گئی ہے اور ان مراسلہ جات میں سے کچھ مراسلہ جات متعلقہ حکام کو موصول بھی ہو چکے ہیں، تاہم مشاہدہ کرنے والے افراد کی رپورٹ میں اس بات کا ذکر کیا گیا ہے کہ بقایا رہ جانے والے اثاثہ جات کی تصدیق اس سے قبل بیرونی آڈٹ رپورٹ بذریعہ متبادل آڈٹ طریقہ کار سے ہو چکی ہے۔ تمام واجبات بابت کمپنی

شراکت داران کی بابت ڈائریکٹر حضرات کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے 36 سالانہ رپورٹ بمعہ مالی آڈٹ بیانات برائے کمپنی کے اختتام کاروبار بابت 30 جون 2016 کو پیش کیا گیا ہے۔

محترک کارکردگی:

کمپنی کے کاروبار زیر غور سال کے متعلق محترک کارکردگی کا جائزہ سابقہ سال کے کاروبار کے ساتھ کیا گیا جو درج ذیل ہے:-

		2016	2015
-	دھاتی (کلنکر پیداوار) میٹرک ٹن	315,151	264,850
-	گنجائش کا استعمال % مقدار	66	55
-	سیمنٹ کی پیداوار میٹرک ٹن	332,927	299,108
-	گنجائش کا استعمال % مقدار	66	59
-	فروخت مال میٹرک ٹن	336,165	299,647

زیر غور سال میں ہونے والے کاروبار کے جائزہ لینے کے دوران سیمنٹ کی فروخت کی پیداوار میں 33.829 میٹرک ٹن اضافہ ہوا اور جو مجموعی طور بلا ترتیب 36,518 میٹرک ٹن پیداوار رہی۔

محترک نتائج:

کمپنی کے مالی جائزہ کے نتائج کی رپورٹ کی تفصیل کو ذیل میں دیا گیا ہے۔

		2016	2015
		(پاکستانی کرنسی ہزاروں میں)	
-	کل آمدن فروخت	2,985,891	2,710,592
-	کیش آمدن	2,346,937	2,138,895
-	خالص آمدن نقصان	12,457	287,347
-	خالص نقصان	280,252	497,258
-	اجرت نفع/(نقصان) فی حصص	(2.96)	(5.24)

ڈنڈوت سیمنٹ کمپنی لمیٹڈ

اطلاع سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ ڈنڈوت سیمنٹ کمپنی لمیٹڈ کے حصص داران کا 36 واں سالانہ اجلاس عام برائے 30 جون 2016ء مختتمہ مالی سال کمپنی کے رجسٹرڈ دفتر 30 شیر شاہ بلاک، نیو گارڈن ٹاؤن، لاہور میں بروز بدھ 30 نومبر 2016ء کو صبح 11:30 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہو گا۔

1۔ 28 نومبر 2015ء کو منعقد ہونے والے گذشتہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔

2۔ 30 جون 2016ء مختتمہ سال کیلئے کمپنی کے نظر ثانی شدہ حسابات بمعہ ان پر ڈائریکٹران اور آڈیٹران کی رپورٹس پر غور وخوض، وصولی اور منظوری دینا۔

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

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

لاہور	حسب الحکم بورڈ
مورخہ **7 نومبر 2016**ء	(محمد کامران) کمپنی سیکرٹری

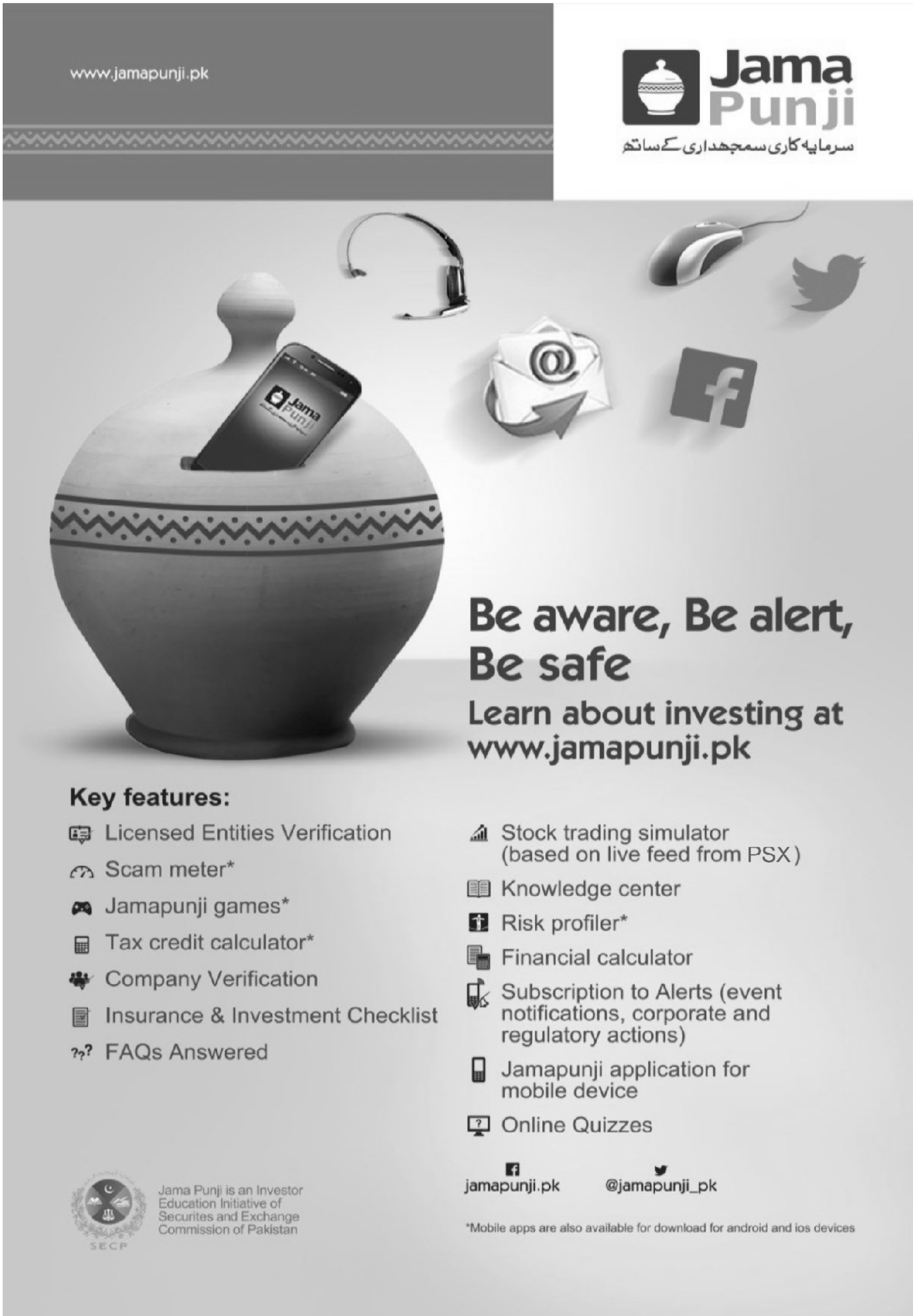
نوٹ:......

1۔ رجسٹر ممبران اور کمپنی کی حصص منتقلی کتابیں 22 نومبر 2016ء تا 26 نومبر 2016ء (بشمول ہر دو ایام) سالانہ اجلاس عام میں شرکت کے استحقاق کے تعین کے لئے بند رہیں گی۔

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

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

b۔ ممبران سے التماس ہے کہ اپنے رجسٹرڈ پتہ میں کسی تبدیلی، اگر کوئی ہو، فی الفور مطلع فرمائیں۔



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SECP
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پراکسی فارم

دی کمپنی سیکرٹری

ڈنڈوت سیمنٹ کمپنی لمیٹڈ

لاہور۔

میں/ہم ____

آف ____

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

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

______________ آف ______________ کو بحوالہ فولیو نمبر ______________

کو بطور نمائندہ مقرر کیا جاتا ہے۔ نیز موصوف ڈنڈوت سیمنٹ کمپنی لمیٹڈ کے ایک ممبر بھی ہیں جو کہ موصوف میری یا ہماری جانب سے پراکسی میں شرکت کرے اور اپنے رائے کو میری یا ہمارے ایما پر 36ویں سالانہ عمومی میٹنگ میں شرکت کر کے جو کہ بروز بدھ مورخہ 30,2016 کو بوقت 11:30 بجے منعقد یا التوا ہو میں اپنی رائے (ووٹ) کو استعمال کرے۔

میری/ہماری جانب سے بطور گواہ اس پر آج مورخہ ______________ نومبر 2016 دستخط کیے گئے ہیں۔

گواہ شدہ:

دستخط ______________

نام ______________

ایڈریس ______________

____

دستخط

پانچ روپے کی ٹکٹ چسپاں کریں

نوٹ:-

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

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

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

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AFFIX
CORRECT
POSTAGE

The Company Secretary,

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

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Form of Proxy

The Company Secretary
Dandot Cement Company Limited
LAHORE.

I/We____

of ____

being a member of **Dandot Cement Company Limited** and holder of ____________________ Ordinary Shares as per Shares Register Folio No. ______________________ hereby appoint Mr. _________________________ of _________________ Folio No. ___________________ who is also a member of **Dandot Cement Company Limited** as my/our proxy to attend and vote for and on my / our behalf at the 36th Annual General Meeting of the Company to be held on **Wednesday, November 30, 2016 at 11:30 a.m.** and at any adjournment thereof.

As witnessed given under my / our hand (s) ________________ day of November 2016.

Signature

On five
Rupees
Revenue
Stamp

Witness:

Signature: ___________________________

Name: ___________________________

Address: ___________________________

Note:

1. The Proxy in order to be valid must be signed across a Five Rupees Revenue Stamp and should be deposited in the Registered Office of th Company not later than 48 hours before the time of holding the meeting.
2. No person shall be act as proxy unless he is a member of the Company.
3. Signature should agree with the specimen signature registered with the Company.

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AFFIX
CORRECT
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The Company Secretary,

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

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