Annual Report 2018

DANDOT CEMENT COMPANY LIMITED

Contents

Company Information

Board of Directors

Mr. Muhammad Asif Khan	Chief Executive
Mr. Shahid Ali Sheikh	
Mr. Imran Bashir	
Mr. Muhammad Imran Iqbal	Chairman
Mr. Muhammad Amjad Aziz	
Syed Ansar Raza Shah	
Mr. Gul Hussain	

Audit Committee

Mr. Shahid Ali Sheikh	Member
Mr. Imran Bashir	Member / Chairman / Secretary
Mr. Gul Hussain	Member

Human Resouces & Remuneration Committee

Mr. Muhammad Asif Khan	Member
Syed Ansar Raza Shah	Member
Mr. Gul Hussain	Member / Chairman

Chief Financial Officer
Mr. Muhammad Kamran

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

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

Company Secretary
Mr. Muhammad Kamran

Legal Advisor
International Legal Services

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

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

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

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

Website
Www.dandotcement.com

Notice of Annual General Meeting

NOTICE is hereby given that 38th Annual General Meeting of the shareholders of Dandot Cement Company Limited for the financial year ended June 30, 2018 will be held on Tuesday, November 27, 2018 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 Extra Ordinary General Meeting held on May 11, 2018.

2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2018 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 as may be placed before the meeting with the permission of the Chairman.

(By Order of the Board)

LAHORE: **(MUHAMMAD KAMRAN)**
November 05, 2018 COMPANY SECRETARY

NOTES:

1. The Register of Members and the Share Transfer Books of the Company will remain closed from November 20, 2018 to November 27, 2018 (both days inclusive) for determining entitlement to attend the Annual General Meeting.

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

3. The shareholders through CDC are requested to bring Original Computerized National Identity Card (CNIC) passport for the purpose of identification to attend the meeting.

4. In case of corporate entity, the Board's resolution or power of attorney with specimen signature of the nominee shall produce at the time of meeting.

5. Shareholders having physical share certificates are requested to immediately notify the change in address, if any to the share registrar of the Company M/s Corplink (Pvt) Limited, Wings Arcade 1-K Commercial Model Town Lahore.

6. Consent for Video Conference facility.

   In compliance with Section 134(I)(b) of the Companies Act, 2017, if the Company receive consent form members holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video link facility at least 10 days prior to the date of general meeting, the Company will arrange video link facility in that city.

   To avail this facility, please provide following information and submit to registered office of the Company. The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the general meeting along with complete information necessary to enable them to access the facility.

   I/We,-----------of -----------being a member of the DANDOT CEMENT COMPANY LIMITED, being holder of Ordinary Shares as per register Folio No.-------------hereby option for video conference facility at-------------------.

   Signature of Member

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.

Chairman's Review

I am reporting to you on the performance of the Board, which I chair. The emphasis of this report is on the whole governance of the Company and the Board oversight of the management during the financial year ended 30th June 2018.

Dandot Cement Company Limited complies with all the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations,2017 with respect to the composition, procedures and meetings of the Board of Directors and its Committees.

Based on my appraisal of the Board's performance during the year, I would like to present the following:

The Board members are at ease with the current vision, mission and values and support them.

With reference to the strategic overview, the company has received a firm intention from Calicom Industries (Pvt) Limited to acquire control and 63,542,787 voting shares (67% of paid up capital) of the company. After that, the majority shareholders of the company have given intention that they are entering into negotiations for sale of their shareholding. Due to this fact, it is expected that new acquirer will 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.

The Board members have been diligent in executing their duties and thoroughly reviewed, discussed and approved business strategies, corporate objectives, plans, budgets, financial statements and other reports.

The Board persisted updated with respect to realization of company's objectives, goals, strategies and financial performance through regular presentations.

The Board members effectively bring the diversity to the Board and establish a mix of independent and non-executive directors.

The Board has effectively set the manner at the top, by putting in place a transparent and strong system of governance. This is mirrored by setting up an effective control environment, compliance with the best practices of Corporate Governance and by promoting ethical and fair behaviour across the Company.

MUHAMMAD IMRAN IQBAL
Chairman
Lahore: November 05, 2018.

Directors' Report to the Shareholders

The Board of Directors presents the 38th annual report along with the audited financial statements of the company for the year ended June 30, 2018.

Principal Activity and Operational Performance

Dandot Cement Company Limited (the "Company") is a Public Listed Company. The principal activity of the Company is production and sale of cement.

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

			2018	2017
-	Clinker production	M.Ton	**210,579**	273,492
-	Capacity utilization	%age	**44**	57
-	Cement production	M.Ton	**219,017**	270,305
-	Capacity utilization	%age	**43**	54
-	Sales	M. Ton	**216,245**	266,097

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

		2018	2017
-	Gross sales	**1,908,323**	2,493,918
-	Net sales	**1,306,529**	1,806,252
-	Gross loss	**476,174**	274,290
-	Net loss	**751,456**	527,685
-	Loss per share (Rs.)	**7.92**	5.56

During the year under review, cement production and sales have been decreased and the reason of shortfall is mainly attributable to sever financial crunch resulting procurement of poor quality coal caused frequent shutdowns of kiln and improper annual maintenance during the current year.

Other reason of loss sustained by the company is mainly attributable to high input costs, power shutdowns with voltage fluctuations, upward coal price trend, frequent repair and maintenance and alternative fuel testing cost.

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:

On-going infrastructure development and growth in construction activity in general positively benefited the cement sector which resulted in domestic and export dispatches to grow. However, it is expected that this trend will continue in the current financial year by considering the fact that Government has recently launched PM Housing Scheme of affordable houses. Current Government has also a clear commitment to continuation of the China Pakistan Economic Corridor (CPEC). Further, this Government has zero tolerance on delay of dams to meet energy needs of the country which shall increase the cement demand.

Principal Risks and Uncertainties

Gross margins are continuously decreasing. The reason is mainly attributable to enhancement of mark-up rates, upward pressure on input costs including rising fuel and energy prices. Further, sudden currency devaluation coupled with weak pricing power has further decreased the margins.

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

On October 31, 2018, subsequent to reporting date, the company has received a firm intention from Calicom Industries (Pvt) Limited to acquire control and 63,542,787 voting shares (67% of paid up capital) of the company. After that, on November 05, 2018, the majority shareholders of the company have given intention that they individually or in concert with other or their family members or associates are entering into negotiations for sale of their shareholding. Due to this fact, it is expected that new acquirer will 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 Bank Islami Pakistan Limited (formerly KASB Bank Limited),due to the facts mentioned in note 16.1. In the year 2017-18, company is making timely payment of current dues of provident fund.

Adequacy of Internal Control

The Board of Directors is aware of its responsibility with respect to internal controls environment and accordingly has established an efficient system of internal financial controls, for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations and reliable financial reporting. The independent Internal Audit function of the Company regularly appraises and monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework and financial statements on quarterly basis.

Board of Directors

As per Company policy, non-executive directors including independent directors are not paid any remuneration and are only paid meeting fees which is approved by the Board of Directors. The total number of male directors are seven.

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 are no doubts about the Company's ability to continue as a going concern.
- There has been no material departure from the Best Practices of Corporate Governance, as detailed in the listing regulations wherever applicable to the company for the year ended June 30, 2018.
- 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 Company maintained a provident fund scheme for its eligible employees. The estimated value of investment and assets of provident fund are referred in note 45.

On May 11, 2018 there was election of Directors of the company.

During the year, five meetings of the Board of Directors were held. Attendance at the meeting is as under;

Directors Name	Position on Board	Mode of Appointment	Board of Directors	Audit Committee	HR Remu-neration Committee
			Number of Meetings Attended		
Syed Ansar Raza Shah	Independent Director	Retired & Re-elected	5	-	5
Mr. Imran Bashir	Independent Director	Retired & Re-elected	5	7	-
Mr. Muhammad Asif Khan (CEO)	Executive Director	New Appointment	1	-	1
Mr. Muhammad Amjad Aziz	Executive Director	Retired & Re-elected	5	-	-
Mr. Muhammad Azhar Sher	Executive Director	Retired	4	-	4
Mr. Shahid Ali Sheikh	Non-Executive Director	Retired & Re-elected	5	7	-
Mr. Gul Hussain	Non-Executive Director	Retired & Re-elected	-	-	-
Mr. Muhammad Imran Iqbal	Non-Executive Director	Retired & Re-elected	5	-	-

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 any director, CFO, company secretary and their spouses and minor children.

Subsequent Events

All subsequent events have been properly disclosed in note no. 1.2 of these audited financial statements.

Change in Nature of Business

No change has been occurred during the financial year concerning the nature of the business of the Company.

Environment

Your company being a responsible corporate citizen always gives highest priority to protecting and creating a healthier environment for not only its own employees, but also for our surrounding communities.

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 2018-19. 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 ASIF KHAN
Chief Executive
Lahore: November 05, 2018

MUHAMMAD IMRAN IQBAL
Director

Pattern of Shareholding

As at June 30, 2018

No. of Shareholders	Shareholdings From	Shareholdings To	Total Shares Held
194	1	100	4,959
198	101	500	71,588
94	501	1,000	83,429
163	1,001	5,000	432,025
39	5,001	10,000	282,485
15	10,001	15,000	183,541
5	15,001	20,000	88,334
1	20,001	25,000	21,745
1	25,001	30,000	30,000
1	30,001	35,000	31,804
3	45,001	50,000	145,500
1	60,001	65,000	61,780
2	70,001	75,000	142,293
1	90,001	95,000	92,500
2	95,001	100,000	195,212
1	130,001	135,000	133,088
1	180,001	185,000	182,625
1	190,001	195,000	191,500
1	195,001	200,000	200,000
1	210,001	215,000	211,862
1	230,001	235,000	231,379
1	275,001	280,000	276,500
1	365,001	370,000	366,377
1	380,001	385,000	381,024
2	495,001	500,000	1,000,000
1	520,001	525,000	523,500
1	735,001	740,000	735,500
1	1,000,001	1,005,000	1,003,250
1	1,200,001	1,205,000	1,201,720
1	1,490,001	1,495,000	1,491,902
1	1,540,001	1,545,000	1,543,839
1	1,640,001	1,645,000	1,643,000
1	2,620,001	2,625,000	2,623,552
1	2,765,001	2,770,000	2,769,499
1	3,245,001	3,250,000	3,250,000
1	3,495,001	3,500,000	3,495,737
1	11,150,001	11,155,000	11,150,500
1	11,455,001	11,460,000	11,413,500
1	46,950,001	46,955,000	46,952,931
745			**94,839,980**

2.3 Categories Of Shareholders	Shares held	Percentage
2.3.1 Directors, Chief Executive Officers, and their spouse and minor children	203,500	0.2146%
2.3.2 Associated Companies, parties. (Parent Company) undertakings and related	46,953,431	49.5081%
2.3.3 NIT and ICP	1,100	0.0012%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	12,615,420	13.3018%
2.3.5 Insurance Companies	182,625	0.1926%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Share holders holding 10% or more	73,800,317	77.8156%
2.3.8 General Public		
a. Local	31,243,483	32.9434%
b. Foreign	4,543	0.0048%
2.3.9 Others (to be specified)		
1- Joint Stock Companies	1,171,122	1.2348%
2- Foreign Companies	328,031	0.3459%
3- Trusts	2,136,725	2.2530%

Catagories of Shareholding required under Code of Coprorate Governance (CCG)
As on June 30, 2018

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 ASIF KHAN (CDC)	500	0.0005
2	MR. SHAHID ALI 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	SYED ANSAR RAZA SHAH (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		12,798,045	13.4944
Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:			
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	THREE STARS CEMENT (PVT) LTD (CDC)	46,953,431	49.5081
2	BANKISLAMI PAKISTAN LIMITED (CDC)	11,413,500	12.0345
3	MR. SAUD RASHEED (CDC)	15,433,386	16.2731
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:		**NIL**	

MUHAMMAD ASIF KHAN
Chief Executive
Lahore: November 05, 2018

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017

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 following male members:

Category	**Names**
Independent Directors	Syed Ansar Raza Shah Mr. Imran Bashir
Executive Directors	Mr. Muhammad Asif Khan (Chief Executive) Mr. Muhammad Amjad Aziz
Non-Executive Directors	Mr. Shahid Ali Sheikh Mr. Gul Hussain Mr. Muhammad Imran Iqbal (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 five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

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

4- 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.

5- All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

6- 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. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

7- The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

8- The Board has not arranged directors' training program as all the members of Board are already compliance with director's training program except Mr. Gul Hussain, Mr. Muhammad Asif Khan and Mr. Shahid Ali Sheikh who will be enrolled for the directors training program.

9- The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, Including their remuneration and terms and conditions of employment and complied with relevant requirements of the regulations.

10- CFO and CEO duly endorsed the financial statements before approval of the board.

11- The board has formed committees comprising of members given below:

a) Audit Committee is as follows:

i. Mr. Imran Bashir (Chairman)
ii. Mr. Shahid Ali Sheikh
iii. Mr. Gul Hussain

b) HR and Remuneration Committee is as follows:

i. Mr. Gul Hussain (Chairman)
ii. Syed Ansar Raza Shah
iii. Mr. Muhammad Asif Khan

12- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

13- The meetings of the audit committee and HR and Remuneration 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.

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

15- 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 and registered with Audit Oversight Board of Pakistan, 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.

16- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

17- We confirm that all other requirements of the Regulations have been complied with.

MUHAMMAD IMRAN IQBAL
Chairman
Lahore: November 05, 2018

Independent Auditor's Review Report

To the members of Dandot Cement Company Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **Dandot Cement Company Limited** for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

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 Regulations require 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

The offices of the Chief Financial Officer and the Company Secretary are operated by the same person which is non-compliance of the requirements of the Regulations and it has not been stated in Statement of Compliance.

Based on our review, except for the above instance of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

AMIN MUDASSAR & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Ghulam Mudassar
Faisalabad: November 05, 2018

Independent Auditor's Report

To the members of Dandot Cement Company Limited
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of **Dandot Cement Company Limited**, which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2018 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

a) As described in note 1.2 to the financial statements, the financial statements have been prepared on going concern basis. The company sustained gross loss and net loss amounting Rs. 476.174 million and Rs. 751.456 million respectively during the year ended June 30, 2018 and as of that date its accumulated loss was Rs. 5,609.051 million due to which total equity stood at negative balance of Rs.2,043.690 million. As of June 30, 2018, the company's current liabilities exceeded its current assets by Rs. 4,471.923 million. The company has been facing financial crunch, due to this the company could not pay its some overdue contractual obligations. Though the management of the company has planned to overcome the current situation, however, these matters have not been fully disclosed in these financial statements. These events indicate a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

b) We have not received reply of direct balance confirmation circulated in respect of loans from Economic Affairs Division (EAD), BankIslami Pakistan Limited (formerly KASB Bank Limited), accrued interest on loan from Bank Islami Pakistan Limited (formerly KASB Bank Limited) and Economic Affairs Division (EAD) as referred to note 8.1, 16.1, 15.1, and 15.2 respectively. However, carrying amount of aforesaid loans and balances has been confirmed through alternative procedures. Consequently, liability outstanding in the books of account of the lender could not be confirmed in the absence of the direct balance confirmations. Further, we have not received reply of direct balance confirmation circulated amounting Rs. 27.162 million and Rs. 6.764 million as referred to note11.3 and 27.3 respectively. Had these balances been written off/ written back the loss for the year would have been lower by net amounting Rs. 20.398 million.

c) The company did not pay current dues of provident fund within stipulated time period as required under section 218 of the Companies Act, 2017as referred in note 45 to the financial statements.

d) The company has not provided markup in the financial statements on loan obtained from BankIslami Pakistan Limited (formerly KASB Bank Limited), as referred to note 16.1 aggregate Rs. 114.632 million including Rs. 26.853 million 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 Rs. 114.632 and Rs. 26.853 million respectively.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter(s):

S. No.	Key audit matter(s)	How the matter was addressed in our audit
(i)	**First time application of third and fourth schedules to the Companies Act, 2017**	
	As referred in note 2.5.1 to the annexed financial statements, the third and fourth schedules to the Companies Act, 2017 became applicable for the first time for the preparation of the Company's annual financial statements for the year ended June 30, 2018.	Our audit procedures included the following: Considering the management's process to identify the necessary amendments required in the Company's financial statements.

The Companies Act, 2017 (including third and fourth schedules) forms an integral part of the statutory financial reporting frame work as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.

As part of this transition to the requirements of the said third and fourth schedules, the management performed a gap analysis to identify differences between the previous reporting framework and the current reporting framework and as a result assessed the amendments (as specified in the said note 4) relating to disclosures required in the Company's financial statements.

We consider it as a key audit matter in view of the changes require additional significant disclosure for preparation of the financial statements for the year ended June 30, 2018 due to application of Third and Fourth schedules to the Companies Act, 2017.

Evaluating the results of management's analysis and key decisions taken in respect of the transition, using our knowledge of the relevant requirements of the third and fourth schedules to the Companies Act, 2017 and our under standing of the Company's operations and business.

Assessing the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures made in the annexed financial statements based on the additional requirements.

(ii) **Consumable Stores and Spares & Stock in Trade**

As at June 30, 2018 stores, spares and loose tools, as disclosed in note 24 to the annexed financial statements include coal and other consumable store items.

There is a risk in estimating the eventual NRV of items held, as well as assessing which items may be slow moving obsolete.

The Company's principal accounting policy on stores, spare and loose tools is disclosed in note 2.6.12 to the annexed financial statements.

Further, stock in trade in financial statements as disclosed in note 25 includes:

- raw materials comprising limestone, clay, gypsum and laterite;
- work-in-progress mainly comprising clinker; and
- finished goods in the shape of cement

The above items are stored in purpose built sheds, yards, stockpiles and silos. As the weighing of these inventories of stock in trade is not practicable, management assesses the reasonableness of the quantities in hand by obtaining measurements of stockpiles and converting these measurements to unit of volumes.

Due to the significance of inventory balances of stores, spares and loose tools & stock in trade and related estimations involved, this is considered as a key audit matter.

Our audit focused on whether the valuation of year-end inventory was in line with IAS 2. This included challenging judgements taken regarding obsolescence and net realizable value provisions.

We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventory by:

- checking the effectiveness of controls associated with the existence and condition of inventories by attending inventory counts at year end with sample/ verification test;
- critically assessing the Company's provisioning policy, with specific consideration given to aged / slow-moving inventory;
- re-computing provision recorded to verify that they are in line with Company's policy;
- reviewing historical accuracy of stores, spare and loose tools provisioning with reference to inventory write-offs during the year in relation to stock loss or other inventory adjustments.
- attending physical inventory counts performed by the Company;
- assessing the management's process of measurement of stockpiles and the determining of values using conversion of volumes and density to total weight and the related yield;
- obtaining and reviewing the inventory count report of the management's internal surveyor and assessing its accuracy on a sample basis; and
- testingthe NRV of the inventories held by preforming a review of sales close to and subsequent to the year.

(iii) **Ex-Sponsors' Loan**

As explained in note 17.1to the annexed financial statements, ex-sponsors' loan amounting Rs. 250.00 million received from Ex-management has been set off against the loan advanced to past associated company Gharibwal Cement Limited (GCL) amounting Rs. 250.00 million.

Further, the company has written off interest/markup receivable from GCL on the aforesaid loan.

Due to the significance of the matter, this is considered as a key audit matter.

We obtained assurance over the appropriateness of this significant adjustment by:

- reviewing minutes of BOD meetings to ensure the approval of adjustment;
- reviewing the audited financial statements of Gharibwal Cement Limited (GCL) to corroborate the management assertions
- third party confirmation from Gharibwal Cement Limited (GCL) and Ex-Sponsors of the Company.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprise the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) The statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) Nozakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Ghulam Mudassar.

AMIN MUDASSAR & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: **Ghulam Mudassar**

Faisalabad: November 05, 2018

Statement of Financial Position

	Note	**2018 Rupees**	2017 Rupees (Re-stated)	2016 Rupees (Re-stated)
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital 100,000,000 (2017: 100,000,000) ordinary shares of Rs.10 each		**1,000,000,000**	1,000,000,000	1,000,000,000
Issued, subscribed and paid up share capital	3	**948,399,800**	948,399,800	948,399,800
Share premium reserve	3.1	**31,800,740**	31,800,740	31,800,740
Accumulated loss		**(5,609,051,435)**	(4,927,808,065)	(4,471,759,146)
Revaluation surplus on property, plant and equipment	5	**2,585,160,601**	1,782,380,292	2,115,757,386
		(2,043,690,294)	(2,165,227,233)	(1,375,801,220)
NON CURRENT LIABILITIES				
Long term loans	6	**1,104,854,442**	1,101,881,000	1,027,296,911
Payable to Provident fund trust	7	**1,751,530**	7,751,530	13,751,530
Other loans and liabilities	8	**-**	-	-
Deferred liabilities	9	**953,512,405**	750,383,613	513,083,592
Long term advances and deposits	10	**1,788,334**	1,882,313	1,882,313
		2,061,906,711	1,861,898,456	1,556,014,346
CURRENT LIABILITIES				
Trade and other payables	11	**2,272,628,593**	1,945,737,072	1,511,061,593
Deposits, accrued liabilities and advances	12	**222,000,841**	449,273,932	452,156,179
Unclaimed dividend		**1,081,940**	1,081,940	1,081,940
Payable to provident fund	13	**91,079,071**	82,292,222	58,824,849
Payable to gratuity fund	14	**236,837,159**	221,148,526	214,755,769
Mark up accrued	15	**601,330,490**	575,289,168	554,741,680
Loan from banking companies	16	**290,000,000**	290,000,000	290,000,000
Loans from related parties	17	**114,846,081**	350,386,081	350,386,081
Loans and advances - others	18	**1,315,411,045**	787,523,247	787,523,247
Current portion of long term loans	19	**92,580,559**	75,590,946	89,428,986
Provision for taxation	20	**-**	-	-
		5,237,795,779	4,778,323,134	4,309,960,324
CONTINGENCIES AND COMMITMENTS	21	**-**	-	-
		5,256,012,196	4,474,994,357	4,490,173,450

The annexed notes from 1 to 51 form an integral part of these financial statements.

MUHAMMAD ASIF KHAN
Chief Executive

MUHAMMAD KAMRAN
Chief Financial Officer

As at June 30, 2018

	Note	2018 Rupees	2017 Rupees (Re-stated)	2016 Rupees (Re-stated)
ASSETS				
NON CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT				
Operating fixed assets	22	**4,479,852,858**	3,446,070,235	3,568,929,575
Capital work in progress - civil works	22.7	**-**	2,741,999	-
LONG TERM DEPOSITS AND PREPAYMENTS	23	**10,286,715**	10,666,715	10,666,715
		4,490,139,573	3,459,478,949	3,579,596,290
CURRENT ASSETS				
Stores, spares and loose tools	24	**199,170,624**	200,804,243	210,807,703
Stock in trade	25	**214,407,859**	162,404,493	27,216,037
Trade debts	26	**144,323,234**	167,546,402	166,041,054
Loans and advances	27	**34,677,366**	326,073,473	315,106,355
Balance with statutory authorities	28	**159,443,493**	128,385,779	136,114,851
Interest accrued	29	**-**	9,388,556	9,388,556
Other receivables	30	**359,994**	359,995	360,095
Cash and bank balances	31	**13,490,053**	20,552,467	45,542,509
		765,872,623	1,015,515,408	910,577,160
		5,256,012,196	4,474,994,357	4,490,173,450

MUHAMMAD IMRAN IQBAL
Director

Profit and Loss Account

For the Year Ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
Sales			
Local sales		**1,908,322,681**	2,493,917,952
Less: Excise duty		**275,873,567**	266,096,710
Sales tax		**322,822,820**	402,854,930
Commission / discount		**3,097,037**	18,714,418
		601,793,424	687,666,058
Net sales		**1,306,529,257**	1,806,251,894
Cost of sales	32	**(1,782,703,753)**	(2,080,542,318)
Gross loss		**(476,174,496)**	(274,290,424)
Distribution cost	33	**(5,117,600)**	(24,156,773)
Administrative expenses	34	**(66,186,994)**	(55,817,746)
		(71,304,594)	(79,974,519)
		(547,479,090)	(354,264,943)
Other income	35	**2,023,540**	1,845,586
Other operating expenses	36	**(31,455,500)**	(2,220,463)
		(576,911,050)	(354,639,820)
Finance cost	37	**(185,438,844)**	(184,760,569)
Loss before taxation		**(762,349,894)**	(539,400,389)
Taxation	38	**10,893,789**	11,715,538
Loss after taxation		**(751,456,105)**	(527,684,851)
Earnings per share - Basic and Diluted	39	**(7.92)**	(5.56)

The annexed notes from 1 to 51 form an integral part of these financial statements.

MUHAMMAD ASIF KHAN	**MUHAMMAD KAMRAN**	**MUHAMMAD IMRAN IQBAL**
Chief Executive	Chief Financial Officer	Director

Statement of Comprehensive Income

For the Year Ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
Loss after taxation		**(751,456,105)**	(527,684,851)
Items that will not be reclassified to profit or loss			
Gain on revaluation of property, plant and equipment-net	5	**1,096,666,870**	-
Deferred tax on gain on revaluation of property, plant and equipment	5	**(254,461,332)**	-
		842,205,538	-
Gain on staff retirement benefit obligation	14	**6,682,297**	5,342,752
Items that may be reclassified to profit or loss		**-**	-
Other comprehensive income		**848,887,835**	5,342,752
Total comprehensive income / (loss) for the year		**97,431,730**	(522,342,099)

The annexed notes from 1 to 51 form an integral part of these financial statements.

MUHAMMAD ASIF KHAN	**MUHAMMAD KAMRAN**	**MUHAMMAD IMRAN IQBAL**
Chief Executive	Chief Financial Officer	Director

Cash Flow Statement

For the Year Ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		**(762,349,894)**	(539,400,389)
Adjustments of items not involving movement of cash:			
Depreciation	22	**120,090,730**	125,570,126
Gratuity	14	**23,742,700**	17,257,762
Profit on deposit and PLS accounts	35	**(154,114)**	(173,570)
Gain on disposal of fixed assets	35	**-**	(393,660)
Reversal of provision for doubtful balances	35	**(671,576)**	(1,048,080)
Balances written back	35	**(1,197,850)**	(230,276)
Reversal of interest income accrued	36	**9,388,556**	-
Exchange loss	36	**-**	1,854,864
Provision for obsolescence of stores, spares and loose tools	36	**22,066,944**	-
Balances written off	36	**-**	365,599
Finance cost	37	**185,438,844**	184,760,569
		358,704,234	327,963,334
Net cash used before working capital changes		**(403,645,660)**	(211,437,055)
(Increase) / Decrease in operating assets:			
Stores, spares and loose tools		**(20,433,325)**	10,003,460
Stock in trade		**(52,003,366)**	(135,188,456)
Trade debts		**23,223,168**	(1,870,947)
Loans and advances		**42,067,683**	(9,919,038)
Sales tax		**(6,088,126)**	-
Other receivables		**1**	100
Increase / (decrease) in current liabilities			
Trade and other payables		**327,759,755**	455,523,133
Deposits, accrued liabilities and advances		**(227,273,091)**	-
Payable to provident fund		**8,786,849**	-
		96,039,548	318,548,252
Cash generated from operations		**(307,606,112)**	107,111,197
Long term deposits and prepayments		**286,020**	-
Gratuity paid		**(1,371,770)**	(5,522,253)
Finance cost paid		**(34,808,796)**	(49,279,772)
Interest received		**154,114**	173,570
Income tax paid		**(41,303,130)**	(41,828,243)
Net cash flows from operating activities		**(384,649,673)**	10,654,499
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(57,206,485)**	(2,727,128)
Sale proceeds of fixed assets		**-**	410,000
Capital work in progress		**2,741,999**	(2,741,999)
Net cash used in investing activities		**(54,464,486)**	(5,059,127)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings		**-**	-
Loan from related parties		**14,460,000**	-
Loan and advances - others		**527,887,798**	-
Long term loans		**(110,296,053)**	(30,585,414)
Net cash used in financing activities		**432,051,745**	(30,585,414)
Net increase / (decrease) in cash and cash equivalents		**(7,062,414)**	(24,990,042)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**20,552,467**	45,542,509
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	31	**13,490,053**	20,552,467

The annexed notes from 1 to 51 form an integral part of these financial statements.

MUHAMMAD ASIF KHAN
Chief Executive

MUHAMMAD KAMRAN
Chief Financial Officer

MUHAMMAD IMRAN IQBAL
Director

Statement of Changes in Equity
For the Year Ended June 30, 2018

	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserves	Revaluation surplus on property, plant and equipment	Total
		Share premium	Accumulated loss		
			(R U P E E S)		
Balance as at June 30, 2016 - As previously reported	948,399,800	31,800,740	(4,471,759,146)	-	(3,491,558,606)
Impact of restatement - note 4	-	-	-	2,115,757,386	2,115,757,386
Balance as at June 30, 2016 - Restated	**948,399,800**	**31,800,740**	**(4,471,759,146)**	**2,115,757,386**	**(1,375,801,220)**
Loss after taxation for the year ended June 30, 2017	-	-	(527,684,851)	-	(527,684,851)
Other comprehensive income for the year	-	-	5,342,752	-	5,342,752
	-	-	(522,342,099)	-	(522,342,099)
Impact of incremental depreciation, tax rate change and related deferred tax liability - note 5	-	-	66,293,180	(333,377,094)	(267,083,914)
Balance as at June 30, 2017 - Restated	**948,399,800**	**31,800,740**	**(4,927,808,065)**	**1,782,380,292**	**(2,165,227,233)**
Loss after taxation for the year ended June 30, 2018	-	-	(751,456,105)	-	(751,456,105)
Other comprehensive income for the year					
Gain on staff retirement benefit obligation			6,682,297	-	6,682,297
Surplus arise on revaluation of property, plant and equipment - net - note 5	-	-	-	1,096,666,870	1,096,666,870
Deferred tax on gain on revaluation of property, plant and equipment - net - note 5	-	-	-	(254,461,332)	(254,461,332)
	-	-	-	842,205,538	842,205,538
Incremental depreciation on revaluation surplus on property, plant and equipment - net of deferred tax - note 5			63,530,438	(63,530,438)	-
Revaluation surplus on property, plant and equipment - adjustment due to change in tax rate - note 5			-	24,105,209	24,105,209
Balance as at June 30, 2018	**948,399,800**	**31,800,740**	**(5,609,051,435)**	**2,585,160,601**	**(2,043,690,294)**

The annexed notes from 1 to 51 form an integral part of these financial statements.

MUHAMMAD ASIF KHAN	MUHAMMAD KAMRAN	MUHAMMAD IMRAN IQBAL
Chief Executive	Chief Financial Officer	Director

Notes to the Financial Statements
For the Year Ended June 30, 2018

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. The factory is situated at Dandot Railway Station, Dist.. Jhelum, Pakistan.

1.2 On October 31, 2018, subsequent to reporting date, the company has received a firm intention from Calicom Industries (Pvt) Limited to acquire control and 63,542,787 voting shares (67% of paid up capital) of the company. After that, on November 05, 2018, the majority shareholders of the company have given intention that they individually or in concert with other or their family members or associates are entering into negotiations for sale of their shareholding.

After successful repayment of Rs.355 million to the Bank Of Punjab (BOP), company has re-negotiated the repayment schedule of BOP in favor of the company and the company is also negotiating for fresh Running Finance/LC facility of Rs. 500 million. The company is hopeful for obtaining above facility to overcome its present financial crunch.

On October 05, 2018, the BankIslami Pakistan Limited (formerly KASB Bank Limited) has given proposed offer regarding out of court settlement of outstanding liabilities of the company. However, further negotiations for more soft terms are in process for finalization.

During the year, the management has also arranged funds of Rs.237 million to meet the working capital requirements of the company.

On the basis of these facts, the management of the company is fully confident that the company will continue its operations as a going concern, inspite of the fact of loss for the year and accumulated loss amounting Rs.751.456 million and Rs. 5,609.051 million respectively and current liabilities exceed its current assets by Rs.4,471.923 million as at June 30, 2018 and the company may unable to realize its assets and discharge its liabilities in normal course of business.

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

1.3 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements. For a detailed discussion about these significant transactions and events, please refer to the Directors' report. However, during the year, the company has received additional fund as mentioned in note 1.2 to the financial statements. Revaluation of land, building, plant and machinery and vehicles of the company were carried out during the year as referred to note 5 to the financial statement. Further, the company has settled loan advanced to Gharibwal Cement Limited (GCL) and loan obtained from ex-management as referred to note 17.1 to the financial statements.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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 estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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 NEW STANDARDS, AMENDMENTS TO APPROVED ACCOUNTING STANDARDS AND NEW INTERPRETATIONS

2.5.1 Amendments to approved accounting standards and interpretations which are effective during the year ended June 30, 2018

The third and fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these financial statements. The Companies Act, 2017 (including its third and fourth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. Additional disclosures include but are not limited to, particulars of immovable assets of the Company, change in threshold for identification of executives, additional disclosure requirements for related parties etc.

The other amendments to published standards and interpretations that were mandatory for the Company's financial year ended June 30, 2018 are considered not to be relevant or to have any significant effect on the Company's financial reporting and therefore not disclosed in these financial statements.

2.5.2 New standards, amendments to approved accounting standards and interpretations that are effective for the Company's accounting periods beginning on or after July 1, 2018

There are certain new standards, amendments to the approved accounting standards and interpretations that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2018. However, these amendments and interpretations will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements. Further during the current year the Securities and Exchange Commission of Pakistan (the SECP) has adopted IFRS 9 'Financial Instruments', IFRS 15 'Revenue from Customers' and IFRS 16 'Leases'. IFRS 9 and IFRS 15 are applicable for the Company's financial reporting period beginning on July 1, 2018 while IFRS 16 is applicable for the reporting period beginning on July 1, 2019. At present, the impacts of application of these IFRSs on the Company's future financial statements are being assessed. Further, IFRS 17 'Insurance contracts' is yet to be adopted by the SECP.

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.6.1 Share capital

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

2.6.2 Taxation

Current

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

Deferred

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

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting 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, 2018 on the projected unit credit method using the following significant assumptions.

	2018	2017
Discount rate p.a	9.00%	7.75%
Expected p.a. rate of salary increase in future year	8.00%	6.75%

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

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

2.6.4 Borrowings

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

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting 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 reporting 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 22. 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 reporting 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.

Notes.....

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 reporting 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 and finished goods	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 reporting date.

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

2.6.18 Financial Instruments

Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within twelve months, otherwise, they are classified as non- current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the statement of financial position date, which are classified as non-current assets. Loans and receivables comprise loans, advances, deposits and other receivables and cash and cash equivalents in the statement of financial position.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose off the investments within twelve months from the statement of financial position date.

Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are classified as held to maturity and are stated at amortised cost.

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 reporting 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.

		2018 Rupees	2017 Rupees
3	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**		
	86,089,980 (2017: 86,089,980) ordinary shares of Rs.10 each fully paid in cash	**860,899,800**	860,899,800
	8,750,000 (2017: 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

3.1 This reserve can be utilised by the company only for the purpose specified in section 81 of the Companies Act, 2017

4 CHANGE IN ACCOUNTING POLICY

The specific provision / section in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been carried forward in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets, which was not in accordance with the IFRS requirements. Accordingly, in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, surplus on revaluation of fixed assets would now be presented under equity.

Following the application of IAS 16, the Company's accounting policy for surplus on revaluation of property, plant and equipment stands amended as follows:

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to accumulated loss.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

	As at June 30, 2017		
	As previously reported	As re-stated	Re-statement
	------------ R u p e e s ------------		
Effect on statement of financial position			
Surplus on revaluation of property, plant and equipment	(1,782,380,292)	-	(1,782,380,292)
Share capital and reserve	-	1,782,380,292	1,782,380,292
Effect on statement of changes in equity			
Revaluation surplus on property, plant and equipment	-	1,782,380,292	1,782,380,292

	As at June 30, 2016		
	As previously reported	As re-stated	Re-statement
	------------ R	u p e e	s ------------
Effect on statement of financial position			
Surplus on revaluation of property, plant and Equipment	(2,115,757,386)	-	(2,115,757,386)
Share capital and reserve	-	2,115,757,386	2,115,757,386
Effect on statement of changes in equity			
Revaluation surplus on property, plant and Equipment	-	2,115,757,386	2,115,757,386

	As at June 30, 2017		
	As previously reported	**As re-stated**	**Re-statement**
	------------ R	u p e e	s ------------
Effect on statement of comprehensive income			
Gain on revaluation of property, plant and equipment - net of deferred tax	-	-	-

There was no cash flow impact as a result of the retrospective application of change in accounting policy.

5 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

	2018 Rupees	2017 Rupees
Balance as at July 01,	**2,532,763,905**	2,628,840,978
Revaluation surplus during the year	**1,096,666,870**	-
	3,629,430,775	2,628,840,978
Transfer to unappropriated profit in respect of :		
Incremental depreciation	**63,530,438**	66,293,180
Related deferred tax liability	**27,227,331**	29,783,892
Less: Incremental depreciation	**90,757,769**	96,077,073
Balance as at June 30,	**3,538,673,006**	2,532,763,905
Related deferred tax liabilities on:		
Revaluation at the beginning of the year	**750,383,613**	805,180,293
Effect of change in rate	**(24,105,209)**	(25,012,787)
Incremental depreciation on revalued assets	**(27,227,331)**	(29,783,892)
Deferred tax liability related surplus for the year	**254,461,332**	-
Less: Deferred tax attributable to surplus	**953,512,405**	750,383,613
Net surplus	**2,585,160,601**	1,782,380,292

Revaluations of freehold land, buildings, plant and machinery and vehicles were carried out in year 2002, 2007, 2016 and 2018, as referred in note 22.4 to these financial statements resulting a surplus of Rs. 1,843.8 million, Rs. 685.61 million, Rs. 1,666.204 and Rs. 1,096.667 million respectively.

At the year end, the forced sale value of above said land, buildings, plant and machinery and vehicles are amounting Rs. 242,633,000, Rs. 180,988,000, Rs. 2,721,600,000 and Rs. 37,590,000 respectively.

	Note	2018 Rupees	2017 Rupees
6 LONG TERM LOANS			
FINANCIAL INSTITUTION:			
Bank of Punjab Limited (BOP)			
Demand finance facility - 1	6.1	**820,379,451**	847,169,660
Demand finance facility - 2	6.2	**341,493,991**	294,734,340
		1,161,873,442	1,141,904,000
Less: current portion			
Payable within next 12 months	6.3	**(57,019,000)**	(40,023,000)
		1,104,854,442	1,101,881,000
6.1 Demand finance facility - 1 (DF - 1)			
Balance as at July 01,	6.3	**847,169,660**	797,798,990
Markup on DF - 1		**77,499,457**	73,906,830
		924,669,117	871,705,820
Less: Payments made during the year		**(104,289,666)**	(24,536,160)
		820,379,451	847,169,660
6.2 Demand finance facility - 2 (DF - 2)			
Balance as at July 01,	6.4	**294,734,340**	254,030,921
Markup on DF - 2		**46,759,651**	40,703,419
		341,493,991	294,734,340

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

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

Subsequent to the balance sheet date the bank has rescheduled the repayments of the loan. As per rescheduled repayment, the outstanding balance would be repaid in 120 equal installments amounting Rs. 5.186 million markup and principal commencing from July 31, 2018.

6.4 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.

Subsequent to the balance sheet date the bank has rescheduled the repayments of the loan. As per rescheduled repayment of the loan, outstanding balance would be repaid in 120 equal installments amounting Rs. 2.9 million commencing from July 31, 2018.

	Note	2018 Rupees	2017 Rupees
7 PAYABLE TO PROVIDENT FUND TRUST			
Payable to Provident Fund Trust	7.1	**31,030,316**	37,030,316
Less: current portion			
Payable within next 12 month		**6,000,000**	6,000,000
Overdue		**23,278,786**	23,278,786
		29,278,786	29,278,786
		1,751,530	7,751,530

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

	Note	2018 Rupees	2017 Rupees
8 OTHER LOANS AND LIABILITIES- Unsecured			
LOANS			
Economic Affairs Division, Government of Pakistan (EAD)	8.1	**35,232,000**	35,232,000
OTHER LIABILITIES			
Peace agreement arrears	8.2	**329,559**	335,946
		35,561,559	35,567,946
Less current portion:			
Payable within next 12 months		**-**	-
Overdue		**35,561,559**	35,567,946
		35,561,559	35,567,946
		-	-

8.1 (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 privatization in 1992, under sale agreement, loan was payable to EAD under the assurance of Privatization Commission Government of Pakistan. This was secured by bank guarantee.

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

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

8.2 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	2018 Rupees	2017 Rupees
9 DEFERRED LIABILITIES			
Deferred taxation	9.1	**953,512,405**	750,383,613
		953,512,405	750,383,613

9.1 Deferred taxation

	Note	2018 Rupees	2017 Rupees
This is composed of the following:			
Deferred tax liability on taxable temporary differences arising in respect of:			
Accelerated tax depreciation		**93,020,928**	94,645,493
Surplus on revaluation of assets		**953,512,405**	750,383,613
		1,046,533,333	845,029,106
Deferred tax asset on deductible temporary differences arising in respect of:			
Unused tax losses carried forward		**(998,608,175)**	(1,062,164,657)
Deferred tax asset not recognized on unused losses and minimum tax		**905,600,389**	967,532,759
		(93,007,786)	(94,631,898)
Provision for doubtful balances		**(13,142)**	(13,595)
		(93,020,928)	(94,645,493)
Deferred tax liability / (asset)	9.2	**953,512,405**	750,383,613

9.2 During the year, net deferred tax assets for the carry forward of unused tax losses and minimum tax amounting Rs. 905,600,389 (2017:Rs. 967,531,759) has not been recognized because there are remote chances that taxable profit would be available in foreseeable future against which the unused tax losses and unused tax credits can be utilized.

	Note	2018 Rupees	2017 Rupees
10 LONG TERM ADVANCES AND DEPOSITS			
Un-secured and Interest free			
Security deposits	10.1	**1,788,334**	1,852,334
Retention money		**-**	29,979
		1,788,334	1,882,313

10.1 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 217 of the Companies Act, 2017.

	Note	2018 Rupees	2017 Rupees
11 TRADE AND OTHER PAYABLES			
Trade creditors		**1,871,454,681**	1,467,559,614
Past Dues payable	11.1	**290,194,096**	327,382,216
Past utility bills		**19,460,417**	19,460,417
Excise duty payable		**24,332,678**	47,698,247
Royalty payable		**15,826,685**	15,258,244
Sales tax payable		**-**	7,124,237
Workers' profit participation fund payable	11.2	**32,218,090**	31,888,474
Income tax withheld payable		**3,694,011**	2,819,627
Others payable		**15,447,935**	26,545,996
		2,272,628,593	1,945,737,072

11.1 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.

Notes.....

	Note	2018 Rupees	2017 Rupees
11.2 Workers' profit participation fund			
Balance as at July 01,		**3,780,109**	3,780,109
Less: payments during the year		**-**	-
		3,780,109	3,780,109
Interest on unpaid contribution		**28,437,981**	28,108,365
		32,218,090	31,888,474

11.3 During the audit, balance confirmation requests were circulated to various parties for direct balance confirmation to trade and other payables aggregating Rs. 3,184.915 million including long term advances and deposits, deposits, accrued liabilities and advances, payable to provident fund, mark up accrued, loans from related parties and others referred to note 10, 12, 13, 15, 17 and 18. Balance confirmed through alternative procedures amounting Rs. 97.328 million by the auditors and direct balance confirmations received upto date of issuance of financial statements amounting Rs. 3,060.425 million.

12 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES

	Note	2018 Rupees	2017 Rupees
Advances from customers - unsecured	12.1	**90,178,004**	308,087,918
Accrued expenses		**131,822,837**	141,186,014
		222,000,841	449,273,932
12.1 Advances from customers			
Gross advances from customers		**90,230,523**	308,318,194
Less: Balances written back during the year		**52,519**	230,276
		90,178,004	308,087,918

13 PAYABLE TO PROVIDENT FUND

	Note	2018 Rupees	2017 Rupees
Overdue balance		**61,800,285**	53,013,436
Current portion of provident fund trust	7	**29,278,786**	29,278,786
		91,079,071	82,292,222

14 PAYABLE TO GRATUITY FUND

	Note	2018 Rupees	2017 Rupees
Net liability as on July 01		**221,148,526**	214,755,769
Charge to profit and loss account		**23,742,700**	17,257,762
Remeasurement chargeable in other comprehensive income		**(6,682,297)**	(5,342,752)
Payment to fund during the year		**(1,371,770)**	(5,522,253)
Net liability as on June 30,		**236,837,159**	221,148,526
The amount recognized in the statement of financial position is as follows:			
Fair value of plan assets		**(185,677)**	(185,677)
Present value of defined benefit obligation		**156,844,261**	157,121,990
Deficit		**156,658,584**	156,936,313
Payable to outgoing members	14.1	**80,178,575**	64,212,213
Net liability as on June 30,		**236,837,159**	221,148,526
14.1 Payable to Outgoing Members			
Balance as at Jul, 01		**64,212,213**	56,106,586
Add: Transfer during the year		**17,338,132**	13,627,880
Less: Contribution paid		**(1,371,770)**	(5,522,253)
Balance as at Jun, 30		**80,178,575**	64,212,213

	Note	2018 Rupees	2017 Rupees
The amount recognized in profit and loss account is as follows:			
Current service cost		**6,177,923**	6,249,707
Past service cost		**6,074,065**	-
Interest cost		**11,505,102**	11,021,529
Expected return on plan assets		**(14,390)**	(13,474)
Actuarial (gain)/loss recognized		**-**	-
Total amount chargeable to profit and loss account		**23,742,700**	17,257,762
The movement in the present value of defined benefit obligation is as follows:			
Present value of defined benefit obligation		**157,121,990**	158,835,029
Current Service cost		**6,177,923**	6,249,707
Past service cost		**6,074,065**	-
Interest cost		**11,505,102**	11,021,529
Benefits paid		**-**	-
Benefits due but not paid		**(17,338,132)**	(13,627,880)
Actuarial (gain) / loss		**(6,696,687)**	(5,356,395)
Present value of defined benefit obligations as on June 30,		**156,844,261**	157,121,990
The movement in the fair value of plan assets is as follows:			
Fair value of plan assets as on July 01,		**185,677**	185,846
Expected return on plan assets		**14,390**	13,474
Contributions		**1,371,770**	5,522,253
Benefits paid		**(1,371,770)**	(5,522,253)
Actuarial (loss) / gain		**(14,390)**	(13,643)
Fair value of plan assets as on June 30,		**185,677**	185,677
Expense recognized In profit and loss account:			
Current service cost		**6,177,923**	6,249,707
Past service cost		**6,074,065**	-
Interest cost		**11,490,712**	11,008,055
	14.2	**23,742,700**	17,257,762
In other comprehensive income:			
Re-measurements during the year		**6,682,297**	5,342,752

Sensitivity Analysis

The sensitivities of the defined benefit obligation to changes in the weighted principal assumptions are as under:

	2018			
	Discount rate		Salary increase	
	+100 bps	-100 bps	+100 bps	-100 bps
	Rupees			
Present value of obligation	149,779,886	164,673,791	164,771,414	149,564,670

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, 2018	(156,844,261)	185,677	(156,658,584)
Year ended June 30, 2017	(157,121,990)	185,677	(156,936,313)
Year ended June 30, 2016	(158,835,029)	185,846	(158,649,183)
Year ended June 30, 2015	(163,256,359)	185,678	(163,070,681)
Year ended June 30, 2014	(135,578,196)	182,007	(135,396,189)

14.2 This has been allocated to cost of sales and administrative expenses amounting Rs. 17,668,635 and Rs. 6,074,065 respectively.

	Note	**2018 Rupees**	2017 Rupees
15 MARK UP ACCRUED			
Mark up accrued on:			
Secured loan	15.1	**402,652,636**	391,750,449
Unsecured loan	15.2	**198,677,854**	183,538,719
		601,330,490	575,289,168

15.1 This represents the mark up payable on loans obtained from Bank of Punjab Limited and BankIslami Pakistan Limited (formerly: KASB Bank Ltd.) of amounting Rs.10,902,187 (2017: Rs. nil) and Rs. 391,750,449 (2017:Rs.391,750,449) respectively.

15.2 This represents the mark up payable on loans or balances payable to Economic Affairs Division (EAD), Three Stars Cement (Pvt) Limited and Provident Fund Trust of amounting Rs.52,469,129 (2017: Rs.47,536,650), Rs.22,564,684 (2017:Rs.22,564,684) and Rs.123,644,041 (2017: Rs.113,437,385) respectively.

16 LOAN FROM BANKING COMPANIES

FINANCIAL INSTITUTION:			
Running finances - secured			
BankIslami Pakistan Limited (formerly: KASB Bank Ltd.)	16.1	**290,000,000**	290,000,000

16.1 This represents finance facility against the limit of Rs. 290 million (2017: Rs. 290 million). It carries mark up @ 6 months KIBOR plus 3% per annum (2017: 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 Paracha and Mr. A. Rafique Khan (Ex-Management).

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

	Note	2018 Rupees	2017 Rupees
17 LOANS FROM RELATED PARTIES			
Interest free and unsecured			
Ex-Sponsors' Loan	17.1	-	250,000,000
Loan from Related Parties - unsecured			
Holding Company	17.2	37,804,256	37,804,256
Ex-Director - interest free	17.3	51,525,450	37,065,450
Others-interest free	17.4	25,516,375	25,516,375
		114,846,081	100,386,081
		114,846,081	350,386,081

17.1 The loan was received from Ex-management Mr. A. Rafique Khan and Mr. Tausif Paracha. During the year ended June 30, 2015 Gharibwal Cement Limited (GCL) adjusted the amount payable to the company (DCCL) against the amount receivable by its sponsor directors as referred to note 25.6 of the audited financial statements of GCL. During the year, board of directors of DCCL has decided and approved to off set the balance payable to sponsor directors of the GCL with the amount receivable from GCL as referred to the note 27 to the financial statements, in lines with treatment carried out by GCL of payable and receivable in its books of account.

It was, further decided and approved by the Board of Directors of DCCL to write off interest / markup receivable from GCL on the aforesaid loan amounting Rs. 9.39 million as referred to note 29 to the financial statements.

17.2 This represents loan from holding company, Three Stars Cement (Pvt) Limited having 49.5081% of shares in the company. The terms and conditions of the repayment of loan have not yet been finalized and have not been reduced in writing.

17.3 This represents amounting Rs. 37.065 million and Rs. 14.460 million injected by the ex-director, Mr. Mansoor Rasheed having 3.69% of shares, to meet the working capital requirements of the company in the year 2010, 2011 and 2018 respectively. Repayment of such loan is subject to availability of cash.

17.4 This represents loan from Three Star Hosiery (Private) Limited and Active Apparel International (Private) Limited (subsidiaries of holding company) amounting Rs. 13,721,332 and Rs. 11,795,043 (2017: Rs. 13,721,332 and Rs. 11,795,043) respectively. Repayment of such loans is subject to availability of cash.

	Note	2018 Rupees	2017 Rupees
18 LOAN AND ADVANCES - OTHERS			
Interest free and unsecured	18.1	1,315,411,045	787,523,247

18.1 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	2018 Rupees	2017 Rupees
19 CURRENT PORTION OF LONG TERM LOANS AND LIABILITIES			
Loan from banking companies	6	57,019,000	40,023,000
Other loans	8	35,561,559	35,567,946
		92,580,559	75,590,946
20 PROVISION FOR TAXATION			
Balance as at 1st July,		-	-
Less: Adjusted during the year		-	-
Add: Provision for the taxation-current		16,333,542	18,068,355
		16,333,542	18,068,355
Less: Tax deducted at source / advance tax		(16,333,542)	(18,068,355)
		-	-

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

20.2 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.

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

a) Mr. Amin Ullah Khan and Mr. Nasrullah Khan file a case on June 30, 1983 in Civil Court, Lahore regarding principal and compounded interest thereon. Case was referred to Mr. Tariq Shamim, Justice on May 24, 2016. The award of Umpire is awaited. The claim was not permissible, however, in case matter is decided against the company, the maximum exposure would be Rs.17,504,646/- on account of principal and compound interest claimed. Further, the appointed Umpire has been hearing the case and the matter is pending adjudication.

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

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

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

On January 23, 2009 the SNGPL encashed bank guarantee amounting Rs. 88.00 million against arrears of gas bills including as mentioned in previous paragraphs. Till June 30, 2009, after adjustment of bank guarantee total arrears amounting Rs. 35.380 million are outstanding against the company which have not been accounted for in the financial statements due to dispute with the SNGPL. Application was filed on September 10, 2011 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) The Competition Commission of Pakistan (the Commission), vide order dated August 27, 2009, has imposed penalty on 20 cement factories of Pakistan at the rate of 7.5% of the turnover value as disclosed in the last annual financial statements. The Commission has imposed penalty amounting Rs. 41.71 million on the company for alleged violation of section 4(1) of the Competition Commission Ordinance, 2007. The cement manufacturers including company challenged the commission order in the court in year 2010 bearing Writ Petition No.2654/2010 and Honorable High Court granted stay to the companies against adverse action by the commission. Further, the Company has filed an appeal on April 24, 2008 before the Competition Appellate Tribunal. Based on legal advice the company has not accounted for the liability of aforesaid amount.

d) BankIslami Pakistan Limited (formerly: KASB Bank Limited) has instituted a suit against the company for recovery of Rs. 351,732,336 along with markup / cost of funds in the Honorable Lahore High Court, Lahore on May 12, 2009. PLA on behalf of the company has been filed a suit in 2009 bearing No. COS-88/2009 in the honorable Lahore High Court against the same and the matter is pending adjudication.

The company has not accounted for Rs. 477.676 million (2017:Rs. 422.576 million) additional profit / liquidated damages on the loan payable to BankIslami Pakistan Limited (formerly: KASB Bank Ltd.) as the matter is subjudice with the honorable Lahore High Court referred to note 16.1 in the financial statements.

e) The Deputy Commissioner Inland Revenue determined sales tax and federal excise duty liability of the company amounting Rs. 2.460 million (2017: Rs 2.290 million) on account of inadmissible input tax and non payment of output sales tax along with surcharge and penalty. The company had filed appeal in 2009 bearing No.STA-2065/2009 against the order of Deputy Commissioner Inland Revenue Appeals. The Commissioner (Appeals) had decided the case against the company. The company has filed appeal against the decision of the Commissioner (Appeals) with Appellate Tribunal Inland Revenue. Consequently, the company has not accounted for liability of aforesaid amount. The same has been accepted in the favour of the company. The Company has good arguable case and there is very likelihood that the same be decided in its favour.

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

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

h) Writ petition has been filed by Collector Sale Tax in High Court, Islamabad in April 2001 regarding wrong adjustment on electricity, sui gas, purchase of store and machinery by company of amounting Rs. 14,382,086. The company is hopeful that decision will be given in favour of the company. As per opinion of the legal advisor, the liability in this regard may not be arisen. Consequently, the Company has not accounted for aforesaid liability.

i) The DCCL filed the titled appeal in Mines and Mineral Department, Lahore against a Demand Notice dated November 27, 2013 for a sum of Rs. 67.115 million which mainly includes penalty @ 1% per day issued by Director General, Mines and Mineral Punjab. However, the appeal is pending and there is no next date of hearing. As per opinion of the legal advisor, the liability in this regard may not be arisen. Consequently, the Company has not accounted for aforesaid liability.

j) Wife of the ex-employee Mr. Sabir filed a case on February 19, 2009 against company in High Court, Rawalpindi regarding lift accident having exposure in this respect amounting Rs. 721,200 and the matter is pending adjudication. There is meager chance of unfavourable decision(s) against the company.

		Note	**2018 Rupees**	2017 Rupees
21.2	**Commitments**			
	Summit Bank Limited has issued Bank Guarantee in favour of Sui Northern Gas Pipelines Limited.	21.2.1	**1,500,000**	1,500,000
	United Bank Limited has issued Bank Guarantee in favour of Department of Mines & Minerals Government of Punjab.	21.2.2	**139,165**	139,165

21.2.1 This guarantee was secured by lien in favour of Summit Bank Ltd on PLS TDR amounting Rs. 1,500,000 (2017: Rs. 1,500,000).

21.2.2 This guarantee was secured by lien in favour of United Bank Ltd on PLS TDR amounting Rs. 140,000 (2017: Rs. 140,000).

21.2.3 The company has issued post dated cheques in favour of LTU's against rescheduling of Sales Tax and Excise duty payable amounting Rs. nil (2017: Rs. 45,247,823).

22 OPERATING FIXED ASSETS

PARTICULARS	COST / REVALUATION					DEPRECIATION						Book Value
	As at July 01, 2017	Additions	Deletions	Adjustment	As at June 30, 2018	Rate %	As at July 01, 2017	For the period	On disposals	Adjustment	As at June 30, 2018	as at June 30, 2018
OWNED												
Free hold land	84,077,000	-	-	219,214,000	303,291,000	-	-	-	-	-	-	303,291,000
Quarry on lease hold land	1,330,978	-	-	-	1,330,978	20 Yrs.	1,330,978	-	-	-	1,330,978	-
Factory building on free hold land	378,739,310	13,077,581	-	31,594,559	423,411,450	10	259,251,710	12,057,740	-	-	271,309,450	152,102,000
Office building	31,731,942	-	-	2,447,176	34,179,118	5	22,298,443	471,675	-	-	22,770,118	11,409,000
Residential building	124,787,749	-	-	18,483,421	143,271,170	10	75,631,551	4,915,620	-	-	80,547,170	62,724,000
Machinery	5,108,725,575	37,358,490	-	802,671,485	5,948,755,550	3	1,965,925,575	94,829,974	-	-	2,060,755,550	3,888,000,000
Office Equipment	12,432,449	144,050	-	-	12,576,499	10	8,020,664	447,433	-	-	8,468,097	4,108,402
Furniture and fixture	7,487,864	-	-	-	7,487,864	10	6,757,864	73,000	-	-	6,830,864	657,000
Heavy vehicles	152,174,723	-	-	14,647,640	166,822,363	20	130,475,523	4,339,840	-	-	134,815,363	32,007,000
Light vehicles	46,081,089	-	-	7,608,589	53,689,678	20	33,784,325	2,459,353	-	-	36,243,678	17,446,000
Railway sidings	1,726,574	-	-	-	1,726,574	5	1,425,401	15,059	-	-	1,440,460	286,114
Electric installation	38,676,612	6,555,364	-	-	45,231,976	10	37,006,343	474,901	-	-	37,481,244	7,750,732
Weighing scales	80,958	71,000	-	-	151,958	10	77,461	5,812	-	-	83,273	68,685
Library books	72,403	-	-	-	72,403	10	69,153	325	-	-	69,478	2,925
Rupees	5,988,125,226	57,206,485	-	1,096,666,870	7,141,998,581		2,542,054,991	120,090,730	-	-	2,662,145,723	4,479,852,858

Vehicles include a Shehzor Mazda of amounting Rs. 649,000 is in the name of PICIC Commercial Bank and 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.

22.1 The company has free hold land of 606.58125 acres area situated at Dandot Railway Station, Khewra, Tehsil Pind Dadan Khan, Distt. Jhelum.
The building on free hold land having covered area of approximate 284,263 Sq. ft. situated at Dandot Railway Station,Khewra, Tehsil Pind Dadan Khan, Distt. Jhelum.

22.2 OPERATING FIXED ASSETS

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

Vehicles include a Shehzor Mazda of amounting Rs. 649,000 is in the name of PICIC Commercial Bank and 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	2018 Rupees	2017 Rupees
22.3 Depreciation for the year has been allocated as under:			
Cost of sales	32	**113,891,899**	118,747,793
Distribution cost	33	**119,145**	126,495
Administrative expenses	34	**6,079,686**	6,695,838
		120,090,730	125,570,126

22.4 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, June 30, 2016 and June 30, 2018 resulting a surplus of Rs. 685.61 million, Rs. 1,666.204 million and Rs. 1,096.667 million respectively. The revaluation exercises have been carried out by an independent value M/s Serval, recognised valuation consultant, based on Depreciated Replacement Value.

22.5 Had there been no revaluation, the book value of Buildings, Plant & Machinery and Vehicles at June 30, 2018 would have been Rs. 31,810,320 (2017: Rs. 20,763,098), Rs. 365,826,820 (2017: Rs. 339,190,004), and Rs. 3,553,676 (2017: Rs. 4,442,094) respectively.

22.6 Disposal of property, plant and equipment:

Description / Particulars	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Profit
2018: Rupees	-	-	-	-	-
2017: Rupees	475,200	458,860	16,340	410,000	393,660

	2018 Rupees	2017 Rupees
22.7 CAPITAL WORK IN PROGRESS - CIVIL WORK		
Balance as at July 01,	**2,741,999**	-
Add: Additions during the year	**10,335,582**	2,741,999
	13,077,581	2,741,999
Less: Transferred to fixed assets	**(13,077,581)**	-
Balance as at June 30,	**-**	2,741,999

23 LONG TERM DEPOSITS AND PREPAYMENTS

Islamabad Electric Supply Company	**9,486,000**	9,486,000
Others	**800,715**	1,180,715
	10,286,715	10,666,715

24 STORES, SPARES AND LOOSE TOOLS

General stores	**107,161,240**	100,246,544
Spare parts	**91,206,190**	99,420,568
Loose tools	**803,194**	1,137,131
	199,170,624	200,804,243

Notes.....

	2018 Rupees	2017 Rupees
25 STOCK IN TRADE		
Raw material	**35,033,167**	13,621,477
Work in process	**115,847,237**	105,918,700
Finished goods	**63,527,455**	42,864,316
	214,407,859	162,404,493

26 TRADE DEBTS

These are unsecured but considered good by the management.

	2018 Rupees	2017 Rupees
Gross trade debts	**144,330,391**	167,912,001
Less: Balances written off during the year	**7,157**	365,599
	144,323,234	167,546,402

	Total	Past due but not impaired		
		1-90 days	90-180 days	More than 180 days
2018	**144,323,234**	**32,090,812**	**73,220,275**	**39,012,147**
2017	167,546,402	123,450,744	14,856,288	29,239,370

	Note	2018 Rupees	2017 Rupees
27 LOANS AND ADVANCES			
Loans			
Considered good:			
To past associated company			
- Gharibwal Cement Limited (GCL)	27.1	**-**	250,000,000
Loan to employees		**25,302,289**	31,414,685
		25,302,289	281,414,685
Considered doubtful:			
Loan to employees		**15,316**	15,316
		25,317,605	281,430,001
Advances			
Considered good:			
To employees		**831,166**	1,764,376
To suppliers / contractors		**8,543,911**	42,894,412
		9,375,077	44,658,788
Considered doubtful:			
To employees		**30,000**	30,000
		9,405,077	44,688,788
		34,722,682	326,118,789
Less: Provision for doubtful loans and advances	27.2	**45,316**	45,316
		34,677,366	326,073,473

27.1 Refer to note 17.1

	Note	2018 Rupees	2017 Rupees
27.2 Provision for doubtful loans and advances			
Balance as at July 01,		**45,316**	1,093,396
Provision for the year		**-**	-
		45,316	1,093,396
Reversal of provision for doubtful balances		**-**	(1,048,080)
		45,316	45,316

27.3 During the audit, balance confirmation requests were circulated to various parties for direct balance confirmation of loans and advances aggregating Rs. 150.593 million including long term security deposits, trade debts, interest accrued on loan to past associated company and other receivable as referred to note no. 23, 26, 29 and 30 respectively. Balance confirmed through alternative procedures amounting Rs. 55.577 million by the auditors and direct balance confirmations received upto date of issuance of financial statements amounting Rs. 88.252 million.

	Note	2018 Rupees	2017 Rupees
28 BALANCES WITH STATUTORY AUTHORITIES			
Sales tax receivable		**6,088,126**	-
Income tax due from the Government		**153,355,367**	128,385,779
		159,443,493	128,385,779
29 INTEREST ACCRUED			
Interest accrued on loan to Gharibwal Cement Limited	29.1	**-**	9,388,556

29.1 Refer to note 17.1

	Note	2018 Rupees	2017 Rupees
30 OTHER RECEIVABLES			
Other receivables:			
Considered good		**359,994**	359,995
Considered doubtful		**-**	-
		359,994	359,995
31 CASH AND BANK BALANCES			
Cash in hand		**339**	1,960
Cash at banks in:			
Current accounts		**10,194,371**	17,599,265
Saving accounts		**738,489**	447,465
Deposit accounts	31.1	**2,556,854**	2,503,777
		13,489,714	20,550,507
		13,490,053	20,552,467

31.1 It includes amounting Rs.1,640,000 (2017: Rs.1,640,000) deposited against guarantees as referred to note 21.2.

31.2 Profit and loss sharing accounts bear mark up at the rates ranging from 1.91% to 3.78% (2017: 1.85% to 3.75%) per annum.

Notes.....

	Note	2018 Rupees	2017 Rupees
32 COST OF SALES			
Raw materials consumed	32.1	**124,512,287**	173,139,377
Salaries, wages and benefits		**232,117,304**	245,704,078
Fuel, gas and electricity		**1,152,229,922**	1,373,546,126
Stores and spares		**64,359,535**	107,587,433
Rent, rates and taxes		**252,395**	124,268
Vehicle running and maintenance		**9,982,173**	9,329,757
Packing material		**70,400,448**	112,948,725
Depreciation	22.3	**113,891,899**	118,747,793
Others		**45,549,466**	62,471,066
		1,813,295,429	2,203,598,623
Work in process			
Opening		**105,918,700**	13,948,284
Closing		**(115,847,237)**	(105,918,700)
		(9,928,537)	(91,970,416)
Cost of goods manufactured		**1,803,366,892**	2,111,628,207
Finished goods			
Opening		**42,864,316**	11,778,427
Closing		**(63,527,455)**	(42,864,316)
		(20,663,139)	(31,085,889)
		1,782,703,753	2,080,542,318
32.1 RAW MATERIALS CONSUMED			
Opening balance		**13,621,477**	1,489,326
Purchase of raw material		**65,856,059**	89,977,002
Salaries, wages and benefits		**30,984,554**	32,005,903
Gypsum		**345,054**	4,746,576
Electricity		**12,588,004**	12,970,395
Royalty and excise duty		**21,469,103**	28,705,550
Stores and spares		**14,378,342**	16,180,861
Breaking of Gypsum		**302,861**	685,241
		159,545,454	186,760,854
Closing balance		**(35,033,167)**	(13,621,477)
		124,512,287	173,139,377
33 DISTRIBUTION COST			
Salaries, wages and benefits		**3,958,000**	3,336,000
Travelling and daily allowances		**-**	393,367
Vehicles running and maintenance		**-**	83,817
Depreciation	22.3	**119,145**	126,495
Freight		**336,000**	20,217,094
Others		**704,455**	-
		5,117,600	24,156,773

	Note	2018 Rupees	2017 Rupees
34 ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits		**24,646,875**	19,030,303
Rent, rates and taxes		**3,599,886**	3,489,668
Travelling and daily allowances		**2,278,550**	2,255,239
Repairs and maintenance		**1,250,640**	909,995
Vehicle running and maintenance		**94,535**	211,720
Auditors' remuneration	34.1	**1,445,850**	1,269,250
Legal and professional		**7,711,090**	8,123,481
Postage, telephone and telegrams		**817,945**	1,175,575
Printing and stationery		**422,947**	417,940
Entertainment		**1,895,916**	1,805,370
Fee and subscriptions		**125,234**	1,924,545
Donation		**48,750**	1,361,798
Depreciation	22.3	**6,079,686**	6,695,838
Others	34.2	**15,769,090**	7,147,024
		66,186,994	55,817,746

34.1 Auditors' remuneration

	2018 Rupees	2017 Rupees
Amin, Mudassar & Co.		
Chartered Accountants		
Audit fee	**1,050,000**	939,500
Certification services	**12,600**	20,000
Half year review fee	**215,250**	157,500
Code of Corporate Governance review report fee	**168,000**	152,250
	1,445,850	1,269,250

34.2 This includes income tax penalties/surcharge and inadmissible input sales tax imposed by FBR on account of various offences amounting Rs. 756,421 and Rs. 6,311,965 (2017: Rs. 279,799 and Rs. 4,607,425).

	Note	2018 Rupees	2017 Rupees
35 OTHER INCOME			
Income from financial assets			
Profit on deposit and PLS accounts		**154,114**	173,570
Balances written back	35.1	**1,197,850**	230,276
Reversal of provision for doubtful balances		**671,576**	1,048,080
Income from non financial assets			
Gain on disposal of fixed assets		**-**	393,660
		2,023,540	1,845,586

35.1 This represents old balances written back net off balance receivables in respect of advances to suppliers and various deposits amounting Rs. 1.578 million and Rs. 0.380 million respectively.

	Note	2018 Rupees	2017 Rupees
36 OTHER OPERATING EXPENSES			
Interest receivable from Gharibwal Cement Company - Written off	36.1	**9,388,556**	-
Balances written off		**-**	365,599
Provision for obsolescence of stores, spares and loose tools		**22,066,944**	-
Exchange loss		**-**	1,854,864
		31,455,500	2,220,463

Notes.....

	Note	2018 Rupees	2017 Rupees

36.1 Refer to note 17.1.

37 FINANCE COST

	Note	**2018 Rupees**	2017 Rupees
Interest / mark up on:			
Loans from financial institutions		**168,496,930**	159,841,089
Other loans - long term		**4,932,480**	4,932,480
Provident fund		**10,206,656**	19,360,008
Workers Profit Participation Fund (WPPF)		**329,616**	323,060
Bank charges		**1,473,162**	303,932
		185,438,844	184,760,569

38 TAXATION

	Note	**2018 Rupees**	2017 Rupees
Income tax			
- Current	20	**(16,333,542)**	(18,068,355)
- Deferred	5	**27,227,331**	29,783,892
		10,893,789	11,715,538

38.1 Income tax assessment of the Company have been finalized up to tax year 2017.

38.2 Assessment of sufficiency of tax provision:

Sufficient tax provision for the current year has been provided in these financial statements.

	2017 Rupees	2016 Rupees	2015 Rupees
Tax provision as per financial statements	18,068,355	23,478,486	-
Tax assessment	18,068,355	-	-
	-	23,478,486	-

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

39 EARNINGS PER SHARE - BASIC AND DILUTED

	2018	2017
Loss for the year - Rupees	**(751,456,105)**	(527,684,851)
Weighted average number of ordinary shares outstanding during the year - Number	**94,839,980**	94,839,980
Earnings per share - Rupees	**(7.92)**	(5.56)

40 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties have been disclosed in the relevant notes to the financial statements.

41 FINANCIAL INSTRUMENTS BY CATEGORY

	2018 Rupees	2017 Rupees
Financial assets and financial liabilities		
Financial assets		
Loans and receivables		
Long term security deposits	**10,286,715**	10,666,715
Trade debts	**144,323,234**	167,546,402
Loans and advances	**26,118,139**	283,179,061
Other receivables	**359,994**	359,995
Accrued interest	**-**	9,388,556
Cash and bank balances	**13,490,053**	20,552,467
	194,578,135	491,693,196
Financial liabilities		
Financial liabilities at amortized cost		
Long term loans and liabilities	**1,197,435,001**	1,177,471,946
Long term advances and deposits	**1,788,334**	1,882,313
Trade and other payables	**2,272,628,593**	1,945,737,072
Deposits, accrued liabilities and advances	**131,822,837**	140,955,738
Unclaimed dividend	**1,081,940**	1,081,940
Payable to provident fund	**92,830,601**	90,043,752
Payable to gratuity fund	**236,837,159**	221,148,526
Mark up accrued	**601,330,490**	575,289,168
Loan from banking companies	**290,000,000**	290,000,000
Loans from related parties	**114,846,081**	350,386,081
Loans and advances - others	**1,315,411,045**	787,523,247
	6,256,012,081	5,581,519,783

42 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

- 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:

42.1 Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counter party 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:

	2018 Rupees	2017 Rupees
Long term security deposits	**10,286,715**	10,666,715
Trade debts	**144,323,234**	167,546,402
Loans and advances	**26,118,139**	283,179,061
Interest accrued	**-**	9,388,556
Other receivables	**359,994**	359,995
Bank balances	**13,489,714**	20,550,507
	194,577,796	491,691,236

Geographically there is no concentration of credit risk.

Credit Quality of Financial Assets

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

Cash at banks	**Rating**		**Rating**	**2018**	2017
	Short Term	**Long Term**	**Agency**	**Rupees**	Rupees
Habib Bank Limited	A-1+	AAA	JCR-VIS	**1,722,971**	3,743,314
National Bank of Pakistan	A1+	AAA	PACRA	**2,510,399**	1,868,550
Bank Al Habib Limited	A1+	AA+	PACRA	**22,452**	63,815
Askari Bank Limited	A1+	AA+	PACRA	**546,797**	3,254,905
The Bank of Punjab	A1+	AA	PACRA	**38,065**	655,812
Bank Alflah Limited	A1+	AA+	PACRA	**1,757,826**	298,228
Summit Bank Limited	A-1	A-	JCR-VIS	**2,417,902**	2,369,394
United Bank Limited	A-1+	AAA	JCR-VIS	**4,473,302**	8,296,489
				13,489,714	20,550,507

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.

42.2 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, 2018

	2018			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year
	------------ R u p e e s ----------			
Loan from banking companies	1,161,873,442	1,706,254,000	57,019,000	1,104,854,442
Other loans and liabilities	35,561,559	35,561,559	35,561,559	-
Long term advances and deposits	1,788,334	1,788,334	-	1,788,334
Trade and other payables	2,272,628,593	2,272,628,593	2,272,628,593	-
Deposits, accrued liabilities and advances	131,822,837	131,822,837	131,822,837	-
Unclaimed dividend	1,081,940	1,081,940	1,081,940	-
Payable to provident fund	92,830,601	92,830,601	91,079,071	1,751,530
Payable to gratuity fund	236,837,159	236,837,159	236,837,159	-
Mark up accrued	601,330,490	601,330,490	601,330,490	-
Loan from banking companies	290,000,000	290,000,000	290,000,000	-
Loan from related parties	114,846,081	114,846,081	114,846,081	-
Loans and advances - others	1,315,411,045	1,315,411,045	1,315,411,045	-
	6,256,012,081	**6,800,392,639**	**5,147,617,775**	**1,108,394,306**

Contractual maturities of financial liabilities as at June 30, 2017

	2017			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year
	------------ R u p e e s ----------			
Loan from banking companies	1,141,904,000	1,810,508,000	40,023,000	1,101,881,000
Other loans and liabilities	35,567,946	35,567,946	35,567,946	-
Long term advances and deposits	1,882,313	1,882,313	-	1,882,313
Trade and other payables	1,945,737,072	1,945,737,072	1,945,737,072	-
Deposits, accrued liabilities and advances	140,955,738	140,955,738	140,955,738	-
Unclaimed dividend	1,081,940	1,081,940	1,081,940	-
Payable to provident fund	90,043,752	90,043,752	82,292,222	7,751,530
Payable to gratuity fund	221,148,526	221,148,526	221,148,526	-
Mark up accrued	575,289,168	575,289,168	575,289,168	-
Loan from banking companies	290,000,000	290,000,000	290,000,000	-
Loan from related parties	350,386,081	350,386,081	350,386,081	-
Loans and advances - others	787,523,247	787,523,247	787,523,247	-
	5,581,519,783	6,250,123,783	4,470,004,940	1,111,514,843

The contractual cash flows relating to above financial have been determined on the basis of mark-up rates effective as at 30 June 2018.

The contractual cash flows relating to above financial have been determined on the basis of mark-up rates effective as at 30 June 2018.

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.

42.3 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.

42.4 Currency Risk

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

	2018		2017	
	Rupees	Euro	**Rupees**	Euro
Trade creditors	-	-	30,154,719	250,997

The following significant exchange rates have been applied:

	Reporting Date Rate	
	2018	2017
Euro to Rupee	-	120.14

Sensitivity analysis

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

	2018 Rupees	2017 Rupees
Effect on profit before taxation for the year:		
Euro to Rupee	-	3,015,471.90

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

42.4.1 Foreign Currency Risk Management

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

42.4.2 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. 14.871 million (2017: decreased profit by Rs. 14.221 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.

42.4.3 Price Risk

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

42.5 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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.

42.5.1 Certain categories of property, plant and equipment (freehold land, buildings on freehold land, plant and machinery) are carried at revalued amounts (level 2 measurement) determined by a professional, valuer based on their assessment of the market values as disclosed in note 5 to these financial statements.

43 CAPITAL RISK MANAGEMENT

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term and short term financing from financial institutions and others. Total capital employed includes total equity as shown in the statement of financial position plus borrowings.

	2018 Rupees	2017 Rupees
Borrowings	**2,917,362,568**	2,605,045,328
Total equity	**(2,043,690,294)**	(2,165,227,233)
Total capital employed	**873,672,274**	439,818,094
Gearing ratio	**334%**	592%

44 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2018			
	Chief Executive	Directors - Executive	Directors - Non-Executive	Executives
	------------- R u p e e s -----------			
Managerial remuneration	2,500,000	-	-	18,077,056
House rent	-	-	-	-
Medical	-	-	-	-
Others	-	-	-	-
	2,500,000	-	-	18,077,056
Number of persons	1	-	-	10

	2017 - Re-stated			
	Chief Executive	Directors - Executive	Directors - Non-Executive	Executives
	------------- R u p e e s -----------			
Managerial remuneration	2,500,000	-	-	16,945,054
House rent	-	-	-	-
Medical	-	-	-	-
Others	-	-	-	-
	2,500,000	-	-	16,945,054
Number of persons	1	-	-	10

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

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

44.3 Comparatives have been amended to reflect changes in the definition of executive as per the Companies Act, 2017. (Gross salary increased from Rs. 0.5 million to Rs. 1.2 million).

45 PROVIDENT FUND

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

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

	2018 Rupees	2017 Rupees
Size of the fund - total assets	**489,934,797**	465,473,221
Cost of investment made	**95,334,302**	91,985,295
Percentage of the fund made	**19.5%**	19.8%
Fair value of investment made	**95,334,302**	91,985,295

Fair value of investment	2018 Rupees	2018 Percentage	2017 Rupees	2017 Percentage
The break-up of fair value				
Unpaid contribution by the company	**92,830,601**	**97%**	90,043,752	98%
Bank balances with scheduled bank	**2,503,701**	**3%**	1,941,543	2%

The management has the intention to contribute the outstanding amount of provident fund with related mark-up on attaining the profitable operations of the company. All the amount will be invested by the Trust as per the requirements of the section 218 of the Companies Act, 2017, once received from the company.

46 NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

	2018	2017
	(-------Number-------)	
Average number of employees during the year		
Factory employees	**662**	676
Other employees	**40**	42
	702	718
Number of employees as at June 30,		
Factory employees	**655**	661
Other employees	**34**	45
	689	706

47 PLANT CAPACITY AND ACTUAL PRODUCTION

	2018 M. Tons	2017 M. Tons
Plant Capacity (Ordinary Portland cement)	**504,000**	504,000
Plant capacity (Clinker)	**480,000**	480,000
Actual production (Ordinary Portland cement)	**219,017**	270,305
%age of capacity utilized	**43**	54
Actual production (Clinker)	**210,579**	273,492
%age of capacity utilized	**44**	57

47.1 Shortfall in production is attributable to collapse of belt conveyor line and other vital machinery fault occurred because of voltage fluctuation and load shedding.

48 OPERATING SEGMENT

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

48.2 All non-current assets of the company as at June 30, 2018 are located in Pakistan.

49 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on November 5, 2018 by the Board of Directors of the company.

50 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. There were no significant reclassifications / restatements to these financial statements during the year except as mentioned below:

Reclassification from Statement of Financial Position	**Reclassification to Statement of Financial Position**	2017 Rupees
Other loans and liabilities	Payable to provident fund trust	7,751,530
Trade and other payables	Unclaimed dividend	1,081,940
Trade and other payables	Deposits, accrued liabilities and advances	389,468,252
Trade and other payables	Payable to provident fund	53,013,436
Trade and other payables	Payable to gratuity fund	221,148,526
Short term borrowings	Loan from banking companies	290,000,000
Short term borrowings	Loan from related parties	350,386,081
Short term borrowings	Loan and advances - others	787,523,247

51 GENERAL

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

MUHAMMAD ASIF KHAN	**MUHAMMAD KAMRAN**	**MUHAMMAD IMRAN IQBAL**
Chief Executive	Chief Financial Officer	Director

Summary of Last Ten Year's Financial Result

Rupees in Thousands

Description	2018	2017 (Re-stated)	2016 (Re-stated)	2015	2014	2013	2012	2011	2010	2009
Trading Results:										
Net Sales	1,306,529	1,806,252	2,346,937	2,138,895	1,068,198	145,272	1,103,744	773,176	233,286	1,146,063
Gross Loss	(476,174)	(274,290)	(12,457)	(287,347)	(348,281)	(374,747)	(440,399)	(351,839)	(263,754)	(84,882)
Operating Loss	(576,911)	(354,640)	(84,784)	(335,396)	(417,955)	(444,371)	(489,369)	(384,520)	(295,450)	(192,595)
Loss Before Taxation	(762,350)	(539,400)	(256,774)	(497,258)	(52,027)	(463,639)	(506,774)	(392,030)	(556,982)	(457,657)
Loss After Taxation	(751,456)	(527,685)	(280,252)	(497,258)	(52,027)	(466,807)	(506,774)	(339,163)	(436,126)	(310,177)
Balance Sheet:										
Shareholder's Equity	(2,043,690)	(2,165,227)	(1,375,801)	(3,257,739)	(3,254,924)	(2,768,590)	(2,366,059)	(1,896,526)	(1,596,274)	(1,202,189)
Operating Fixed Assets	4,479,853	3,446,070	3,568,929	1,958,251	2,022,858	2,016,895	2,085,626	2,155,354	2,230,649	2,313,958
Net Current Liabilities	4,471,923	(3,762,808)	(3,399,383)	(3,267,517)	(896,410)	(2,671,083)	(2,038,988)	(1,545,673)	(1,384,555)	(834,944)
Long term Liabilities	2,061,907	1,861,898	1,556,014	963,195	1,371,016	1,059,527	1,321,674	1,387,978	1,405,724	1,411,684
Significant Ratios										
Gross Profit Ratio %	(36.45)	(15.19)	(0.53)	(13.43)	(32.60)	(257.96)	(39.90)	(45.50)	(113.06)	(7.41)
Net Profit Ratio %	(57.52)	(29.21)	(11.94)	(23.25)	(4.87)	(321.33)	(45.91)	(43.87)	(186.95)	(27.06)
Fixed Assets Turnover Ratio	0.29	0.52	0.66	1.09	0.53	0.07	0.53	0.36	0.10	0.50
Current Ratio	0.15	0.21	0.21	0.19	0.22	0.19	0.25	0.32	0.30	0.41

شیئر ہولڈنگ کی وضع

اس تناظر میں اضافی معلومات اور شیئر ہولڈنگ کی وضع ساتھ منسلک ہے۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز میسرز امین، مدثر اینڈ کو، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو چکے ہیں اور اہل ہونے کی بنا پر سال 19-2018 کے لئے اپنی دوبارہ تقرری کی پیش کش کرتے ہیں۔ آڈٹ کمیٹی نے ان کی دوبارہ تقرری کی سفارش کی ہے۔

اعتراف

بورڈ آف ڈائریکٹرز تمام سٹیک ہولڈرز بشمول بینکرز، ملازمین، سپلائرز، ڈسٹری بیوٹرز بمعہ ریگولیٹرز اور شیئر ہولڈرز کی مسلسل حمایت، تعاون اور خصوصاً رواں برس کمپنی کو درپیش مسائل کے دوران اعتماد کے لئے شکرگزار ہیں۔

محمد آصف خان
چیف ایگزیکٹو آفیسر

محمد عمران اقبال
ڈائریکٹر

لاہور: 05 نومبر، 2018ء

11 مئی 2018ء کو کمپنی کے بورڈ آف ڈائریکٹرز کا الیکشن ہوا۔

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ اجلاس میں حاضری کی تفصیلات حسب ذیل ہیں:

نام ڈائریکٹر	بورڈ میں عہدہ	تقرری کا طریقہ	بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی	HR ریمونریشن کمیٹی
			اجلاس میں حاضری کی تعداد		
سید انصر رضا شاہ	آزاد ڈائریکٹر	سبکدوش اینڈ دوبارہ انتخاب	5	-	5
محترم عمران بشیر	آزاد ڈائریکٹر	سبکدوش اینڈ دوبارہ انتخاب	5	7	-
محترم محمد آصف خان (CEO)	ایگزیکٹو ڈائریکٹر	نئی تعیناتی	1	-	1
محترم محمد عمران اقبال	ایگزیکٹو ڈائریکٹر	سبکدوش اینڈ دوبارہ انتخاب	5	-	-
محترم محمد اظہر شیر	ایگزیکٹو ڈائریکٹر	سبکدوش	4	-	4
محترم شاہد علی شیخ	نان ایگزیکٹو ڈائریکٹر	سبکدوش اینڈ دوبارہ انتخاب	5	7	-
محترم گل حسین	نان ایگزیکٹو ڈائریکٹر	سبکدوش اینڈ دوبارہ انتخاب	-	-	-
محترم محمد امجد عزیز	نان ایگزیکٹو ڈائریکٹر	سبکدوش اینڈ دوبارہ انتخاب	5	-	-

نوٹ:

اجلاس میں شرکت نہ کرنے والے ڈائریکٹرز کو قانون کے مطابق بورڈ نے رخصت عنایت فرمائی۔

کمپنی کے حصص میں تجارت

زیر جائزہ سال کے دوران، ڈائریکٹرز، CFO، کمپنی سیکریٹری اور ان کے اہل وعیال کی جانب سے کمپنی کے حصص میں کوئی تجارت نہ کی گئی۔

مابعد واقعات

مالیاتی اسٹیٹمنٹس کے نوٹ 1.2 میں تمام مابعد واقعات کی تفصیلات بیان کی گئی ہیں۔

کاروبار کی نوعیت میں تبدیلی

کمپنی کے کاروباری کی نوعیت میں مالی سال کے دوران کوئی تبدیلی واقع نہ ہوئی۔

ماحول

ذمہ دار کاروباری شہری کی حیثیت سے آپ کی کمپنی نہ صرف اپنے ملازمین بلکہ ملحقہ آبادیوں کے لئے صحت بخش ماحول قائم کرنے کو بہت زیادہ ترجیح دیتی ہے۔

سماجی ذمہ داری

ذمہ دار کاروباری شہری کی حیثیت سے آپ کی کمپنی اپنے فرائض کی انجام دہی کے دوران ہمیشہ ان لوگوں کی فلاح کے لئے بہت حساس ہے جو دن رات اس کے لئے کام کرتے ہیں۔

انٹرنل کنٹرول کی موافقت

بورڈ آف ڈائریکٹرز اندرونی ضبط کے ماحول سے متعلق ذمہ داری سے بخوبی آگاہ ہے۔اور بورڈ نے افعال کی مؤثر عمل داری، کمپنی کے اثاثہ جات کے تحفظ، لاگو قوانین وضوابط کی تعمیل اور قابل بھروسہ مالیاتی رپورٹنگ کے لئے مؤثر سسٹم قائم کیا ہے۔کمپنی کا خودمختار انٹرنل آڈٹ فنکشن باقاعدگی سے مالیاتی کنٹرول کے نفاذ کی نگرانی کرتا ہے۔ جب کہ آڈٹ کمیٹی سہ ماہی بنیادوں پر انٹرنل کنٹرول فریم ورک اور مالیاتی اسٹیٹمنٹس کی تاثیر کا جائزہ لیتی ہے۔

بورڈ آف ڈائریکٹرز

کمپنی پالیسی کے تحت، نان ایگزیکٹو ڈائریکٹرز بشمول خودمختار/آزاد ڈائریکٹرز کو کوئی مشاہیرہ ادا نہیں کیا جاتا اور انہیں صرف اجلاس کی فیس ادا کی جاتی ہے جسے بورڈ آف ڈائریکٹرز منظور کرتا ہے۔مرد ڈائریکٹرز کی کل تعداد سات ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

انتظامیہ کوڈ آف کارپوریٹ گورننس کی تعمیل سے بخوبی آگاہ ہے اوراس کے آغاز سے ہی اس کے مؤثر نفاذ پر بھرپور توجہ دی جاری ہے۔

کوڈ آف کارپوریٹ گورننس کے تحت دیئے گئے بیانات حسب ذیل ہیں:

- انتظامیہ کی جانب سے مرتب کی گئی مالیاتی اسٹیٹمنٹس کمپنی کے امور، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی بالکل درست تصویر پیش کرتے ہیں۔
- کھاتوں کی مناسب کتابیں مرتب کی گئی ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری مین موزوں اکاؤنٹنگ پالیسیوں کا تسلسل سے نفاذ کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات مناسب اور حوصلہ افزا فیصلوں کی بنیاد پر لگائے جاتے ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں لاگو انٹرنل اکاؤنٹنگ معیارات کی پیروی کی گئی ہے۔
- بورڈ آف ڈائریکٹرز نے انٹرنل آڈٹ ڈیپارٹمنٹ پارکر رینڈال۔ AJS چارٹرڈ اکاؤنٹنٹس کے حوالے کیا ہے۔ جو اس شعبہ میں مناسب قابلیت اور تجربہ کی حامل ہے اور کمپنی کی پالیسیوں اور طریقہ ہائے کار کے عین مطابق کام کرتی ہے۔
- کمپنی کی کاروبار جاری رکھنے کی صلاحیت میں کوئی ابہام موجود نہ ہے۔
- 30 جون 2018ء کو اختتام پذیر سال کے لئے کمپنی میں قابل اطلاق لسٹنگ ریگولیشنز میں بیان کردہ کارپوریٹ گورننس کی بہترین عمل داری میں کوئی کمی نہ ہے۔
- گذشتہ دس سال کے بنیادی آپریٹنگ اور مالیاتی اعداد وشمار ساتھ منسلک ہیں۔
- ٹیکس، ڈیوٹی، لیوی اور جرمانوں کی مد میں قانونی واجبات کو مالیاتی اسٹیٹمنٹس کے نوٹس میں بیان کیا گیا ہے۔
- کمپنی نے اپنے اہل ملازمین کے لئے پراویڈنٹ فنڈ قائم کیا ہے۔ پراویڈنٹ فنڈ کے اثاثہ جات اور سرمایہ داری کا تخمینہ نوٹ 45 میں موجود ہے۔

مستقبل کے امکانات

صنعت

بنیادی ڈھانچہ کے جاری ترقیاتی کاموں اور بڑھتی ہوئی تعمیراتی سرگرمیوں کی وجہ سے سیمنٹ کے شعبے پر مثبت اثرات مرتب ہوئے جس کے نتیجہ میں مقامی اور برآمدی رفتار میں اضافہ ہوا۔ تاہم، امید کی جاتی ہے کہ یہ رجحان رواں مالی سال کے دوران برقرار رہے گا جس کی بنیادی وجہ حکومت کی جانب سے پرائم منسٹر ہاؤسنگ سکیم کے تحت کفایتی گھروں کی تعمیر ہے۔ موجودہ حکومت کا پاک چین اقتصادی راہداری (CPEC) کو جاری رکھنے کا بھرپور عزم رکھتی ہے مزید یہ کہ، موجودہ حکومت ملک کی توانائی کی ضروریات کو پورا کرنے کے لئے ڈیموں کی تعمیر میں تھوڑی سی بھی تاخیر برداشت نہیں کرے گی۔ اس سے سیمنٹ کی طلب میں اضافہ ہوگا۔

بنیادی خدشات اور بے یقینی

مجموعی تخمینہ جات مسلسل گر رہے ہیں۔ جس کی بنیادی وجہ شرح سود میں اضافہ، ایندھن اور توانائی کی قیمتوں کے اضافہ کے ساتھ لاگت میں اضافہ کا دباؤ شامل ہیں۔ مزید برآں، کرنسی میں اچانک گراوٹ بھی تخمینہ میں کمی کا باعث ہیں۔

کمپنی

توانائی اور لیبر کی کارکردگی اور پیداوار اور درست مالیاتی سمت اور رواں مشینی افعال کسی بھی سیمنٹ پلانٹ کی کامیابی کے بنیادی عوامل ہیں۔ انتظامیہ تمام سٹیک ہولڈرز بشمول قرض خواہان، ملازمین اور شیئر ہولڈرز کو طویل مدتی متوازن فوائد فراہم کرنے کے لئے پرعزم ہے۔

کمپنی کا منصوبہ

31 اکتوبر 2018ء کو رپورٹنگ تاریخ کے بعد، فرم نے کیلی کام انڈسٹریز (پرائیویٹ) لمیٹڈ نے قبضہ اور کمپنی کے 63,542,787 ووٹنگ حصص (اداشدہ سرمایہ کا 67 فی صد) حاصل کرنے کی خواہش ظاہر کی ہے۔ بعدازاں، نومبر 05، 2018ء کو کمپنی کے اکثر حصص داران نے خواہش ظاہر کی ہے کہ انفرادی یا اجتماعی طور پر وہ خود اور اپنے اہلیان یا معاونین کے ہمراہ اپنی شیئر ہولڈنگ کی فروخت کے لئے بات چیت کر رہے ہیں۔ اس وجہ سے، یہ توقع کی جاتی ہے کہ نیا خریدار توانائی اور ایندھن کی کھپت کو کم کرنے کے لئے پرانی برقی تنصیبات/آلات کو تبدیل کر کے مشینری کی صلاحیت میں اضافہ کے لئے مزید سرمایہ کا انتظام کرے گا۔ توانائی اور ایندھن کی کھپت ہی کمپنی کے خسارہ کی بنیادی وجہ ہے۔

آڈیٹرز کے تحفظات

مالیاتی اسٹیٹمنٹس کے نوٹ 1.2 میں بیان کردہ حقائق کی بنا پر کمپنی کی انتظامیہ پُرامید ہے کہ کمپنی جاری کاروبار کی حیثیت سے اپنے امور جاری رکھے گی۔ بیلنس کی توثیق کے لیٹر ارسال کر دیئے گئے ہیں اور ان میں سے اکثر موصول بھی ہو چکے ہیں۔ تاہم، آڈیٹرز کی رپورٹ کے مطابق، بذریعہ متبادل آڈٹ طریقہ کار ان بیلنس کی بیرونی آڈیٹرز نے توثیق کر دی ہے۔ نوٹ 16.1 میں بیان کردہ حقائق کی وجہ سے ماسوائے بینک اسلامی پاکستان لمیٹڈ (سابقہ KASB بینک لمیٹڈ) کے علاوہ سود پر مبنی واجبات پر سود کو کھاتوں کی کتابوں میں مدنظر رکھا گیا ہے۔ سال 18-2017ء میں کمپنی پراویڈنٹ فنڈ کی مد میں موجود واجبات کی بروقت ادائیگی کر رہی ہے۔

حصص داران کو ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 30 جون 2018ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالی اسٹیٹمنٹس کے ہمراہ اڑتیسویں (38 ویں) سالانہ رپورٹ پیش کرتے ہیں۔

بنیادی سرگرمیاں اور فعالی کارکردگی

ڈنڈوت سیمنٹ کمپنی لمیٹڈ (''کمپنی'') ایک پبلک لمیٹڈ کمپنی ہے۔ کمپنی کی بنیادی سرگرمیوں میں سیمنٹ کی پیداوار اور فروخت شامل ہیں۔ گذشتہ برس کے مقابلہ میں زیر جائزہ سال کے لئے کمپنی کی فعالی کارکردگی حسب ذیل ہے۔

			2018ء	2017ء
-	کلنکر کی پیداوار	میٹرک ٹن	210,579	273,492
-	استعمال کی صلاحیت	فی صد	44	57
-	سیمنٹ کی پیداوار	میٹرک ٹن	219,017	270,305
-	استعمال کی صلاحیت	فی صد	43	54
-	فروخت	میٹرک ٹن	216,245	266,097

کمپنی کے تقابلی مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

		(پاکستانی کرنسی ہزاروں میں)	
-	مجموعی فروخت	1,908,323	2,493,918
-	خالص فروخت	1,306,529	1,806,252
-	مجموعی خسارہ	476,174	274,290
-	خالص خسارہ	751,456	527,685
-	فی حصص خسارہ (روپے)	7.92	5.56

زیر جائزہ سال کے دوران، سیمنٹ کی پیداوار اور فروخت میں کمی واقع ہوئی اور اس کمی کی بنیادی وجہ ناقص معیار کے کوئلہ کے حصول کی بنا پر شدید مالی بحران ہے جس کی وجہ سے رواں برس بھٹہ اکثر بند رہا اور سال بھر میں نامناسب سالانہ دیکھ بھال بھی متاثر ہوئی۔

کمپنی کا خسارہ لاگت میں اضافہ، توانائی بحران، کوئلے کی انتہائی قیمت، بکثرت مرمت اور دیکھ بھال اور متبادل ایندھن ٹیسٹنگ لاگت کی وجہ سے ہے۔

کمپنی کو لاحق خسارہ کی وجہ سے بورڈ آف ڈائریکٹرز نے کسی قسم کا منافع منقسمہ تجویز نہ کیا ہے۔

6۔ وڈیو کانفرنس سہولت کی رضامندی کمپنیز ایکٹ، 2017 کی دفعہ (b)(1)134 کی تعمیل میں، اگر کمپنی جغرافیائی محل وقوع میں سکونتی مجموعی 10% یا زیادہ شیئر ہولڈنگ کے مالک ارکان سے وڈیولنک سہولت کے ذریعے اجلاس میں شرکت کیلئے رضامندی اجلاس عام کی تاریخ سے کم از کم 10 یوم قبل وصول کرتی ہے تو کمپنی اس شہر میں وڈیولنک سہولت کا انتظام کرے گی۔ اس سہولت سے مستفید ہونے کے لئے، براہ مہربانی درج ذیل معلومات کمپنی کے رجسٹرڈ دفتر کو مہیا اور جمع کرائیں۔

کمپنی وڈیو کانفرنس سہولت کے مقام معہ اس سہولت تک رسائی کے قابل بنانے کیلئے مکمل ضروری معلومات کی بابت اجلاس عام کی تاریخ سے کم از کم 5 یوم قبل مطلع کرے گی۔

میں رہم.................................ساکن.................................بحیثیت رکن ڈنڈوت سیمنٹ کمپنی لمیٹڈ، مالک.................................

عام حصص بمطابق رجسٹر فولیو نمبر.................................بذریعہ ہذا.................................میں ویڈیو کانفرنس سہولت اختیار کرنا چاہتا ہوں۔

دستخط کارکن

ڈنڈوت سیمنٹ کمپنی لمیٹڈ

اطلاع سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ ڈنڈوت سیمنٹ کمپنی لمیٹڈ کے حصص داران کا 38واں سالانہ اجلاس عام برائے 30 جون 2018ء مختتمہ مالی سال کمپنی کے رجسٹرڈ دفتر 30 شیر شاہ بلاک، نیوگارڈن ٹاؤن، لاہور میں بروز منگل 27 نومبر 2018ء کو صبح 11:30 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

1۔ 11 مئی 2018ء کو منعقد ہونے والے گذشتہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔

2۔ 30 جون 2018ء مختتمہ سال کیلئے کمپنی کے نظرثانی شدہ حسابات بمعہ ان پر ڈائریکٹران اور آڈیٹران کی رپورٹس پر غور وخوض، وصولی اور منظوری دینا۔

3۔ آڈیٹران کا تقرر اوران کے صلہء خدمت کا تعین کرنا۔ موجودہ آڈیٹرز میسرز امین، مدثر اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، سبکدوش ہوگئے 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، جو اجلاس کے روبرو رکھی جاسکتی ہیں

لاہور	حسب الحکم بورڈ
مورخہ **5** نومبر **2018**ء	(محمد کامران) کمپنی سیکرٹری

نوٹ:......

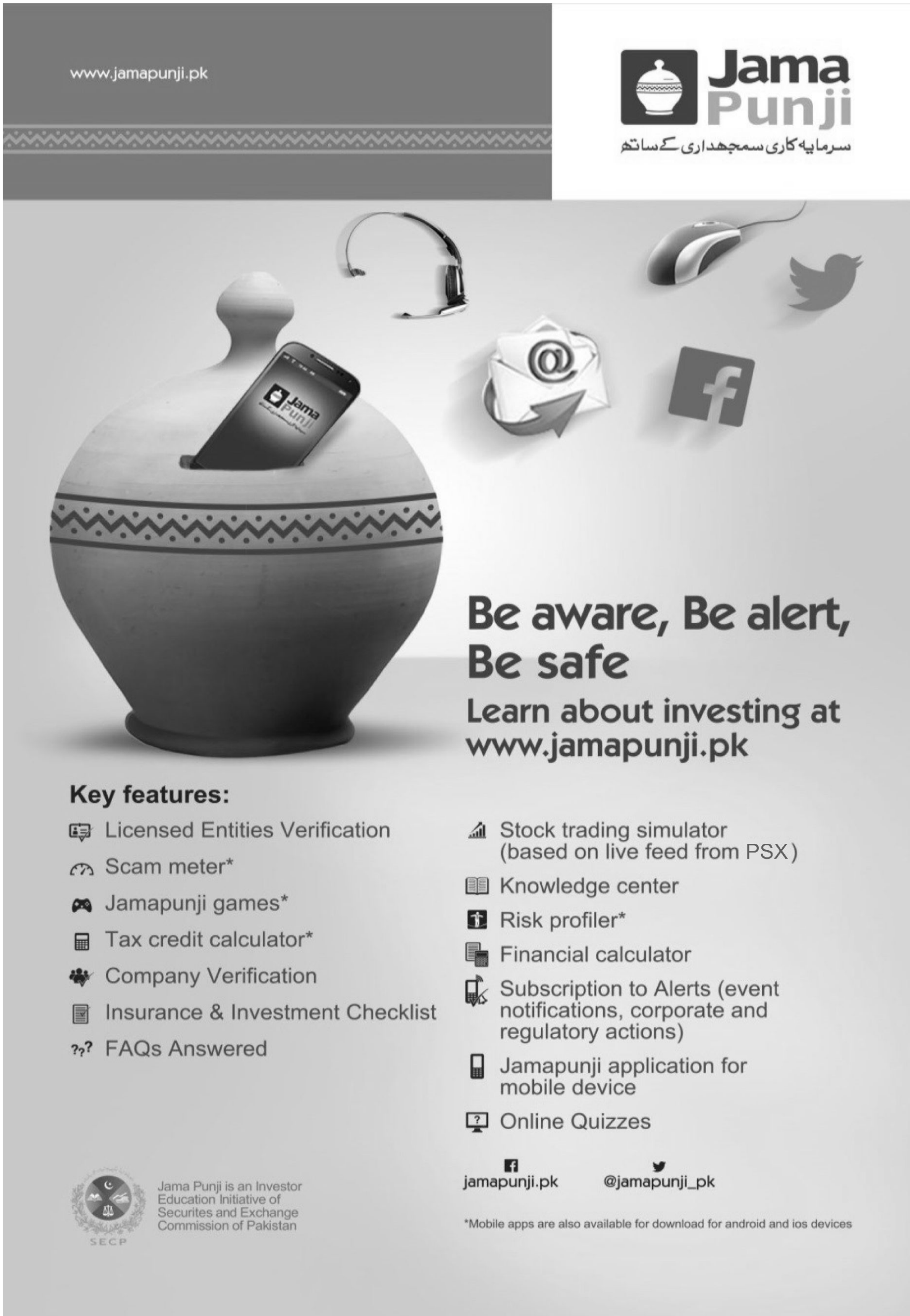
1۔ رجسٹر ممبران اور کمپنی کی حصص منتقلی کتابیں 20 نومبر 2018ء تا 27 نومبر 2018ء (بشمول ہر دوایام) سالانہ اجلاس عام میں شرکت کے استحقاق کے تعین کے لئے بند رہیں گی۔

2۔ اجلاس میں شرکت اور ووٹ دینے کا اہل ممبر کسی دوسرے ممبر کو اپنا پراکسی مقرر کرسکتا ہے پراکسیاں تاکہ مؤثر ہوسکیں کمپنی کے رجسٹرڈ دفتر بواقع 30 شیر شاہ بلاک نیوگارڈن ٹاؤن، لاہور میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل تک لازماً وصول ہوجانی چاہئیں۔

3۔ سی ڈی سی حصص یافتگان سے التماس ہے کہ اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC)، یا پاسپورٹ شناخت کے مقصد کے لئے اجلاس میں شرکت کے وقت ہمراہ لائیں۔

4۔ بصورت کارپوریٹ اینٹٹی، بورڈ کی قرارداد یا مختارنامہ معہ نامزدہ کے نمونہ دستخط اجلاس کے وقت فراہم کرنا ہونگے۔

5۔ مادی شیئر سرٹیفکیٹس کے حامل حصص داران سے التماس ہے کہ اپنے پتہ میں تبدیلی، اگر کوئی ہو، کمپنی کے شیئر رجسٹرار میسرز کارپ لنک پرائیویٹ لمیٹڈ، ونگز آرکیڈ 1-K کمرشل ماڈل ٹاؤن لاہور کو فی الفور مطلع فرمائیں۔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SECP

پراکسی فارم

دی کمپنی سیکرٹری

ڈنڈوت سیمنٹ کمپنی لمٹیڈ

لاہور۔

میں/ہم ______________________________

آف ______________________________

بحیثیت ممبر ڈنڈوت سیمنٹ کمپنی لمٹیڈ 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 لمٹیڈ 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 38 ویں سالانہ عمومی میٹنگ میں شرکت کر کے جو کہ بروز منگل مورخہ 27 نومبر 2018 کو بوقت صبح 11:30 بجے منعقد یا التواہو میں اپنی رائے (ووٹ) کو استعمال کرے۔

میری/ہماری جانب سے بطور گواہ اس پر آج مورخہ __________ نومبر 2018 دستخط کیے گئے ہیں۔

دستخط

پانچ روپے کی ٹکٹ چسپاں کریں

گواہ شدہ:

دستخط ______________

نام ______________

ایڈریس ______________

____

نوٹ:-

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

2- کسی بھی فرد کے لیے پراکسی فارم کے استعمال کے فعل کا تحرک نہیں ہوسکتا تا آنکہ 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 38th Annual General Meeting of the Company to be held on **Tuesday, November 27, 2018 at 11:30 a.m.** and at any adjournment thereof.

As witnessed given under my / our hand (s) _________________ day of November 2018.

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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