ANNUAL REPORT 2018

REDEFINING CHALLENGES-
DELIVERING RESULTS

ATTOCK CEMENT
PAKISTAN LIMITED

REDEFINING CHALLENGES-
DELIVERING RESULTS

The year 2018 has been a record breaking year for the Company. The Company witnessed growth in all areas like production, volumetric growth in sales, record sales in terms of value and record profits.

With the economy of the country on rise, we are also playing our role in enhancing shareholders' value.

At Attock Cement we are exploring new horizons of growth and prosperity and are prepared to meet the challenges of tomorrow. We are striving harder to achieve new goals.

CONTENTS

03 Vision / Mission
04 Company Information
06 Board of Directors
09 Quality, Health, Safety & Environmental Policy
12 Core Values
13 Whistle Blowing Policy Statement
17 Corporate Social Responsibility
24 Code of Conduct
32 Corporate Strategy
33 Management
34 Chairman's Review
36 Directors' Report
50 Pattern of Shareholding
51 Shareholders' Information
57 Six Years at a Glance
61 Company Organogram
63 Notice of the Thirty-Nine (39th) Annual General Meeting
65 Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017
67 Review Report to the Members on Statement of Compliance with the Code of Corporate Governance

Unconsolidated Financial Statement

70 Independent Auditors' Report to the Members
76 Statement of Financial Position
77 Statement of Profit or Loss & Other Comprehensive Income
78 Statement of Changes in Equity
79 Statement of Cash Flows
80 Notes to and forming part of the Financial Statements

Consolidated Financial Statement

118 Independent Auditors' Report to the Members
124 Statement of Financial Position
125 Statement of Profit or Loss & Other Comprehensive Income
126 Statement of Changes in Equity
127 Statement of Cash Flows
128 Notes to and forming part of the Financial Statements

164 Events
172 Notice of the Thirty-Nine (39th) Annual General Meeting (Urdu)
186 Directors' Report (Urdu)
Form of Proxy

VISION

To be the leading organization continuously providing high quality cement, excelling in every aspect of its business and to remain market leader in Cement Industry.

MISSION

To be a premier and reputable cement manufacturing company dedicated to become an industry leader by producing quality products, providing excellent services, enhancing customer satisfaction and maximizing shareholders' value through professionalism and dedicated teamwork.

COMPANY INFORMATION

Board of Directors
Laith G. Pharaon – Chairman
Wael G. Pharaon
Shuaib A. Malik
Abdus Sattar
Agha Sher Shah
Sajid Nawaz
Babar Bashir Nawaz

Chief Executive
Babar Bashir Nawaz

Alternate Directors
Shuaib A. Malik
Irfan Amanullah

Audit Committee of the Board

Agha Sher Shah	Chairman
Shuaib A. Malik	Member
Abdus Sattar	Member

HR & Remuneration Committee

Agha Sher Shah	Chairman
Shuaib A. Malik	Member
Abdus Sattar	Member

Company Secretary
Irfan Amanullah

Bankers
The Bank of Punjab
Allied Bank Limited
MCB Bank Limited
Askari Bank Limited
United Bank Limited
Habib Bank Limited
Bank Al-Habib Limited
Meezan Bank Limited
National Bank of Pakistan Limited
Dubai Islamic Bank Limited
Faysal Bank Limited

Auditors
A.F. Ferguson & Co.
Chartered Accountants

Registered Office
D-70, Block-4, Kehkashan-5,
Clifton, Karachi-75600
Tel: (92-21) 35309773-4
UAN: (92-21) 111 17 17 17
Fax: (92-21) 35309775
Email: acpl@attockcement.com
Web site: www.attockcement.com

Plant
Hub Chowki, Lasbella
Baluchistan

Legal Advisor
Sattar & Sattar
Attorney at Law

Share Registrar
M/s. FAMCO Associates (Private) Ltd.
8-F, Near Hotel Faran,
Nursery, Block-6, PECHS,
Shahra-e-Faisal, Karachi
Tel: (92-21) 34380101-5,
(92-21) 34384621-3
Fax: (92-21) 34380106

BOARD OF DIRECTORS

Laith G. Pharaon
Chairman

Wael G. Pharaon

Shuaib A. Malik

Abdus Sattar

Agha Sher Shah

Sajid Nawaz

Babar Bashir Nawaz

DELIVERING DISPATCHES

The Company continues its journey by maintaining and further consolidating its market share and marked the year with HIGHEST EVER TOTAL CEMENT & CLINKER SALES of 2,493,754 Mtons, showing an increase of 20% as compared to preceding year. The company supplied its products in diverse market segments in both local and regional markets to achieve a healthier sales mix. The presence of **FALCON BRAND** in all the markets achieved growth oriented financial results with maximum return to the stakeholders.

DISPATCHES

2,493,754 M tons

Local
1,826,551 M tons

Export
667,203 M tons

DELIVERING QUALITY

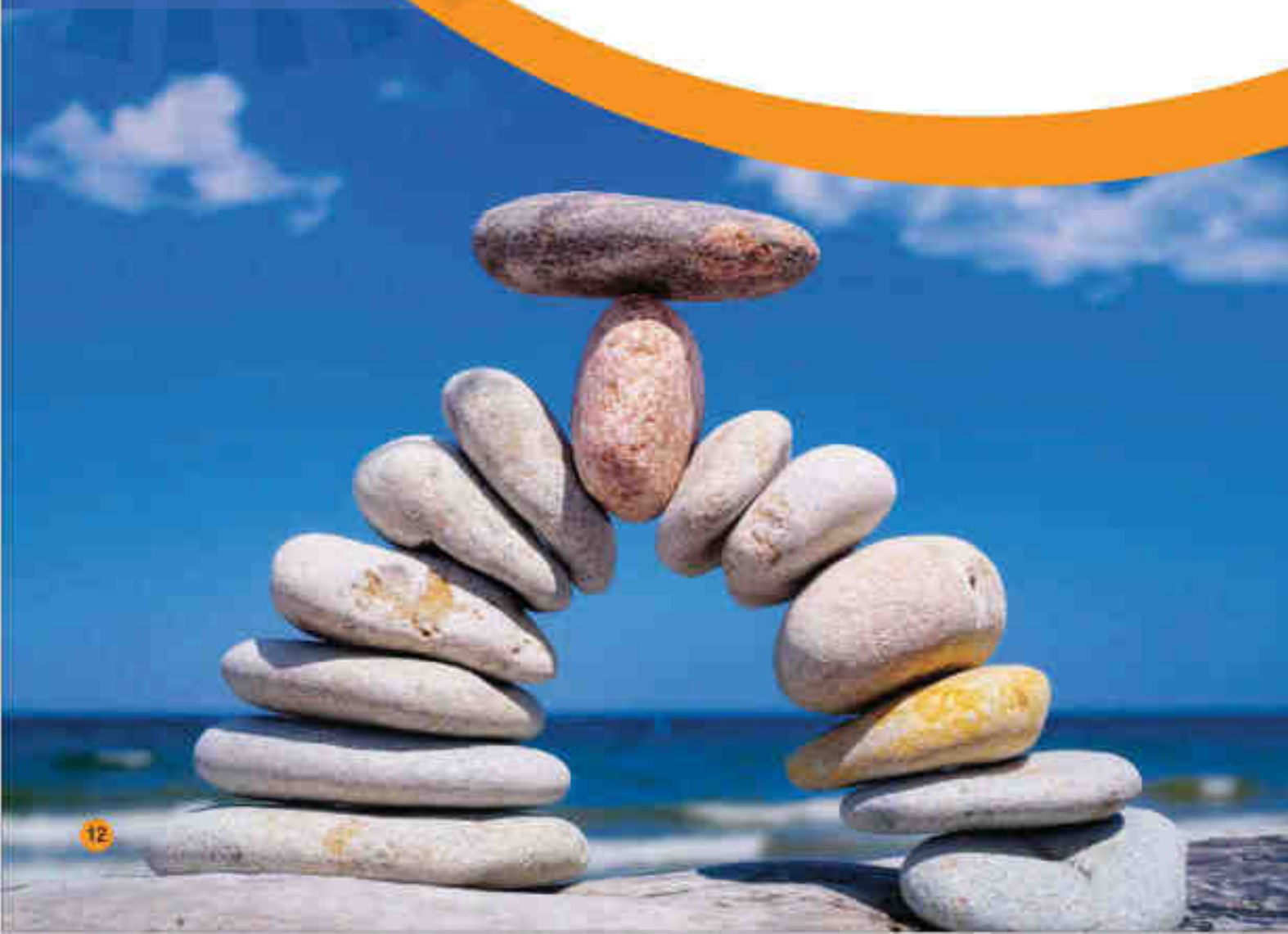
QUALITY, HEALTH, SAFETY & ENVIRONMENTAL POLICY

We are committed to produce premium quality cement to the satisfaction of our valued customers.

We will achieve the standard through:

- Effective implementation of an integrated Quality, Environment, Health & Safety Management System based on ISO 9001, ISO 14001 and OHSAS 18001 requirements;
- Compliance with applicable and relevant legal & customer requirements with regards to Product Specification, Environment and Health & Safety;
- Prevention of product rejection, environmental pollution and safety incidents / accidents in our operations;
- Continual improvement in our processes and products by developing SMART Objectives / Targets and achieving them; and
- Creating awareness, understanding and ownership of this policy throughout the organization.

CORE VALUES



ETHICS

The Company follows highest standards of ETHICS with special reference to business integrity and process transparency. All our standards and processes can stand the test of scrutiny. We maintain the highest level of integrity both as individuals and as a corporate organization.

QUALITY

The Company is committed to provide its customers QUALITY products that provide them best value for their money. We promote high standard and timely delivery of quality products.

BUSINESS EXCELLENCE

The Company believes in maximizing shareholders' value through strategic investment, sustainable growth and application of best available technology to achieve desired result.

PEOPLE

The Company ensures that it operates in a safe environment conducive to efficient productivity. The Company is committed to provide an environment free from discrimination for its people. Open communication, participative decision making approach and nurturing of the leadership qualities are the values followed by the Company. An employee reward system has been developed guided by a transparent system of recognition. We encourage and respect team spirit among our human resources.

DELIVERING BUSINESS GROWTH

Line 3 has started Commercial Production from January 8, 2018. The production line has a capacity of 1,200,000 M tons per annum.

INAUGURATION OF LINE 3

WHISTLE BLOWING POLICY STATEMENT

The Management encourages whistle blowing culture in the organization and has adopted a culture to detect, identify and report any activity which is not in line with the Company policies, any misuse of Company's properties or any breach of law which may affect the reputation of the Company. The Company has adopted the best corporate policies to protect employee(s) who report corporate wrongdoings, illegal conduct, internal fraud and discrimination against retaliation.

The Company promotes transparency and accountability through publication of accurate financial information to all the stakeholders, implementation of sound, effective and efficient internal control system and operational procedures.

All Executives have signed a code of conduct and the Company takes any deviation very seriously.

The Company encourages Whistle Blowing System to raise the issue directly to Chairman Audit Committee and / or to Chief Executive and / or to the Company Secretary and / or to Head of Internal Audit provided that:-

- The Whistleblower has sufficient evidence(s) to ensure genuineness of the fact after a proper investigation at his own end;
- The Whistleblower understands that his act will cause more good than harm to the Company and he / she is doing this because of his loyalty with the Company; and
- The Whistleblower understands the seriousness of his / her action and is ready to assume his / her own responsibility.

The Management understands that through the use of a good Whistle Blowing Plan, they can discover and develop a powerful ally in building trust with its employees and manage fair and transparent operations. The Company therefore provides a mechanism whereby any employee who meets the above referred conditions can report any case based on merit without any fear of retaliation and reprisal to any of the above offices.

CORPORATE SOCIAL RESPONSIBILITY

We Define Corporate Social Responsibility (CSR) as our commitment to work as partners with all our stakeholders to effectively improve the quality of life of the members of our workforce, their families and the local communities around our facilities.

CSR is locally managed and specific responsibilities have been assigned for coordinating local projects, communicating CSR activities internally and to external stakeholders, establishing stakeholders' dialogue and relations, as well as participating in corporate monitoring, evaluation and reporting.

Our CSR approach focuses on six main pillars; business conduct, employment practices, occupational health & safety (OH&S), community involvement, customer & supplier relations and monitoring & reporting.

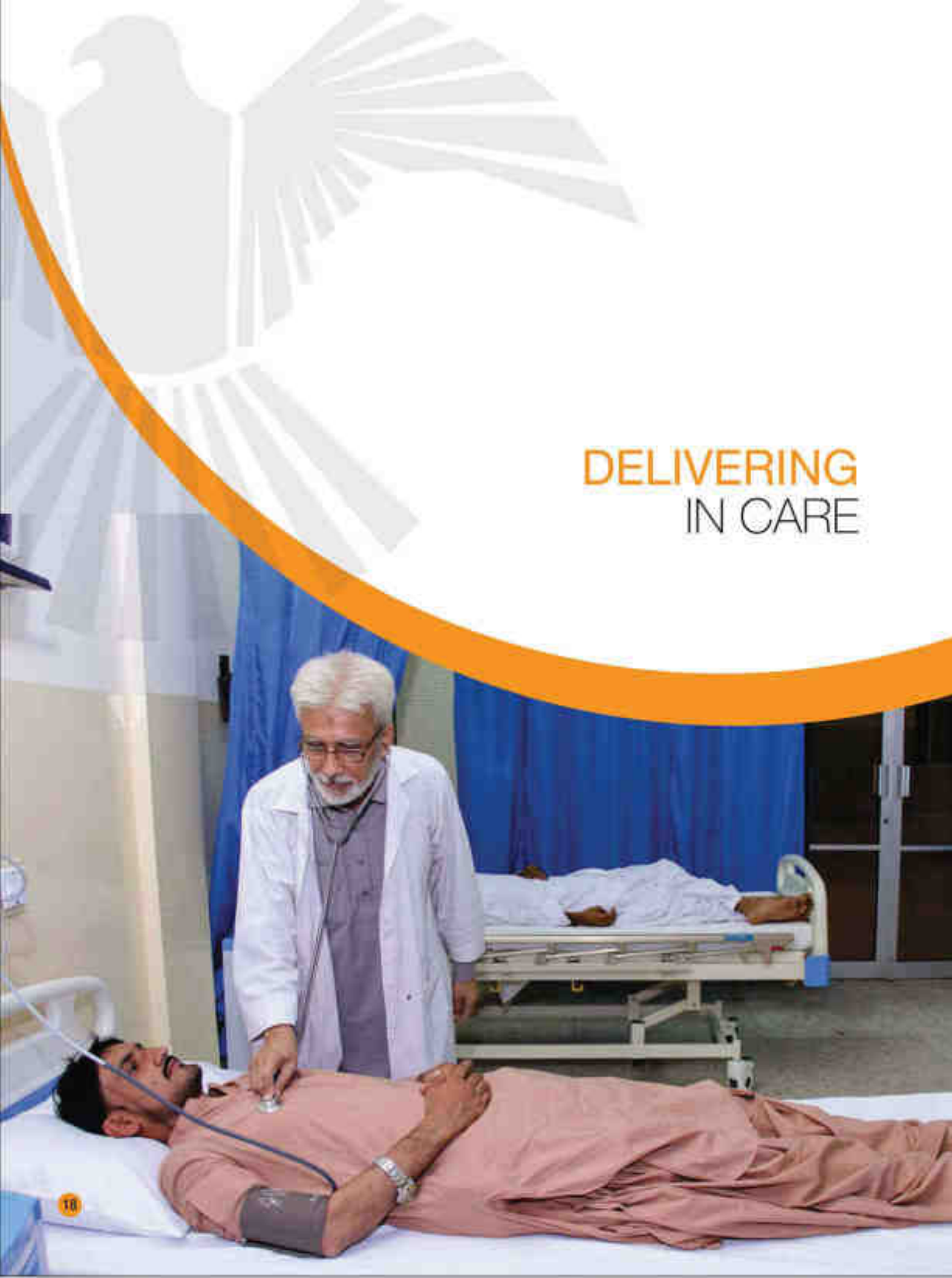
EMPLOYMENT PRACTICES

Attock Cement counted 955 employees as at June 30, 2018. A large share of this number live in communities where we are major employer and source of income.

We pay competitive wages and benefits, including professional development opportunities through internal training and payment of tuition fees for approved external programs.

The company provides continuous training for professional growth and ensures that they should develop pride in their job. Team work and collective decision making is the hall mark of company's investment activities which gives a sense of participation to all its staff members.

DELIVERING
IN CARE



OCCUPATIONAL HEALTH & SAFETY

We are committed to provide healthy and safe workplaces. Towards this end, we have embarked on a comprehensive assessment and renewal of our approach to the management of occupational health and safety and all production facilities are fully compliant with quality standards. The company operates 6 beds hospital in the area near its factory premises. The treatment is free for the local communities.

To extinguish the health related issues of meager socio economic community, medical camps were conducted on 2 different occasions in Hub area in which almost 3000 patients availed the facility of free medicines.

The company on the request of local administration established the first ever Intensive Care Unit (ICU) at Jam Ghulam Qadir Hospital Hub. The ICU is fully air conditioned and it has complete infrastructure and equipments which is needed by any ICU. Recently the Company has also donated a ventilator to this facility.

DELIVERING
IN DIRECTION

COMMUNITY RELATIONS

We are committed to be responsible neighbours. This means operating in compliance with applicable regulations and being an integral part of the life of our communities. We accomplish this through support of local non-profit organizations, providing access to our properties and engaging in constant dialogue dialogue with residents to inform them of our activities and listen and respond to their concerns.

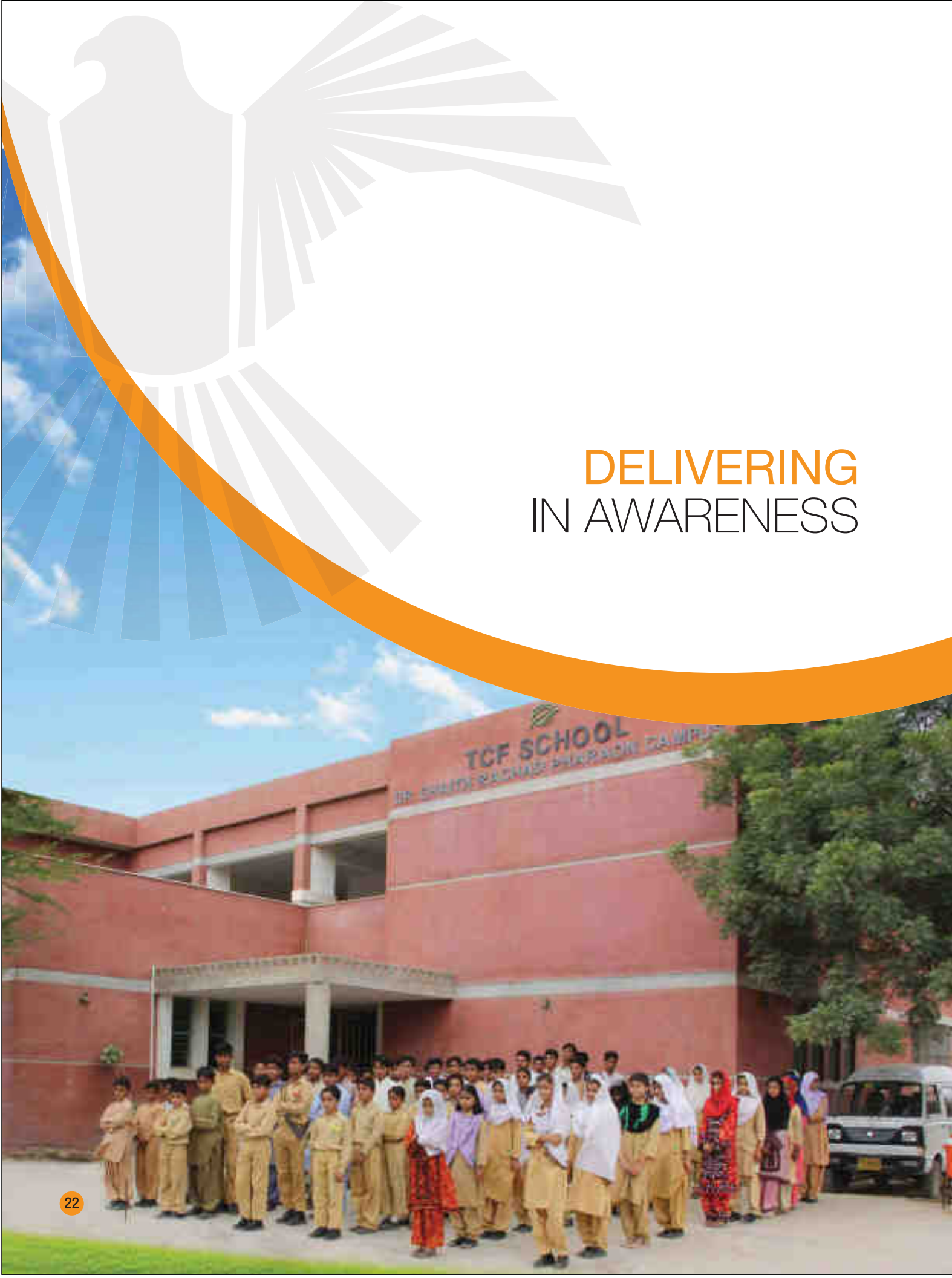
The company provides portable water to many villages in and around its factory area. Through this activity more than 5000 people have been provided free portable water through the year.

Through these and other actions, we seek to make a difference in our community. Our presence has a measurable positive economic impact on our community.

Our products are essential to the construction industry, a key driver of economic activity that generates significant direct and indirect benefits in the value chain. Because our cement is generally consumed in proximity to their source, their utilization benefits local communities.

Combined with the salaries and benefits, direct and indirect taxes that we pay annually, as well as our capital expenditures, our presence has a measurable positive economic impact not only on our communities but also on the country as a whole.

DELIVERING
IN AWARENESS



EDUCATION

The Company currently operates two Primary and Secondary level schools that impart education to children of both plant employees and also those from neighbouring villages.

The Company sponsored TCF – Dr. Gaith R. Pharaon Campus, primary section has started its academic activities from April, 2010 under the supervision of The Citizen Foundation (TCF), a non-profit organization.

Primary and Secondary sections have the capacity of over 600 students. This school has been equipped with all modern facilities including state of the art laboratory.

CODE OF CONDUCT

Attock Cement Pakistan Limited has committed itself to conduct its business in an honest, ethical and legal manner. Our core values shape our corporate culture. They are the fundamentals in developing our corporate strategy. They lead us in building relationships with our customers, shareholders, policy makers and other business networks. The company wants to be seen as a role model in the community by its conduct and business practices. All this depends on the company's personnel, as they are the ones who are at the forefront of company's affairs with the outside world. Every member of the company has to be familiar with his / her obligations in this regard and has to conduct accordingly.

This statement in general is in accordance with company goals and principles that must be interpreted and applied within the framework of laws and customs in which the Company operates. This code will be obligatory for each director and employee to adhere to.

1) **Ethics**
The Company follows highest standards of Ethics with special reference to business integrity and process transparency. All our standards and processes can stand the test of scrutiny. We maintain the highest level of integrity both as individuals and as a corporate organization.

2) **Quality**
The Company is committed to provide its customers quality products that provide them best value for their money, promote high standard and timely delivery of quality products.

3) **Respect, Honesty and Integrity**
Directors and employees are expected to exercise honesty, objectivity and due diligence in the performance of their duties and responsibilities. They are also directed to perform their work with due professionalism.

4) **Compliance with Laws, Rules and Regulations**
The Company is committed to comply, and take all reasonable actions for compliance, with all applicable laws, rules and regulations of state or local jurisdiction in which the Company conducts business. Every director and employee, no matter what position he or she holds, is responsible for ensuring compliance with applicable laws.

5) **Full and Fair Disclosure**
Directors and employees are expected to help the Company in making full, fair, accurate, timely, and understandable disclosure, in compliance with all applicable laws and regulations, in all reports and documents that the Company files with, furnishes to or otherwise submits to, any governmental authorities in the applicable jurisdiction, and in all other public communications made by the Company. Employees or directors who have complaints or concerns regarding accounting, financial reporting, internal accounting control or auditing matters are expected to report such complaints or concerns in accordance with the procedures established by the Company's Board of Directors.

6) Prevent Conflict of Interest

Directors and employees, irrespective of their function, grade or standing, must avoid conflict of interest situations between their direct or indirect (including members of immediate family) personal interests and the interest of the Company.

Employees must notify their direct supervisor of any actual or potential conflict of interest situation and obtain a written ruling as to their individual case. In case of directors, such ruling can only be given by the Board, and will be disclosed to the shareholders.

7) Trading in Company shares

Trading by directors and employees in the Company shares is possible only in accordance with the more detailed guidelines issued from time to time by corporate management in accordance with applicable laws.

8) Inside information

Directors and employees may become aware of information about Company that has not been made public. The use of such non-public or "inside" information about the Company other than in the normal performance of one's work, profession or position is unethical and may also be a violation of law.

Directors and employees becoming aware of information which might be price sensitive with respect to the Company's shares have to make sure that such information is treated strictly confidentially and not disclosed to any colleagues or to third parties other than on a strict need-to know basis.

Potentially price sensitive information pertaining to shares must be brought promptly to the attention of the management, who will deliberate on the need for public disclosure. Only the Management will decide on such disclosure. In case of doubt, seek contact with the CFO.

9) Media relations and disclosures

To protect commercially sensitive information, financial details released to the media should never exceed the level of detail provided in quarterly and annual reports or official statements issued at the presentation of these figures. As regards topics such as financial performance, acquisitions, divestments, joint ventures and major investments, no information should be released to the press without prior consultation with the Management. Employees should not make statements that might make third parties capable of "insider trading" on the stock market.

10) Corporate Opportunities

Directors and Employees are expected not to:

a. take personal use of opportunities that are discovered through the use of Company property, information or position.

b. use Company property, information, or position for personal gains.

c. Directors and employees are expected to put aside their personal interests in favor of the Company interests.

11) Business Excellence, Competition and Fair Dealing

The Company believes in maximizing shareholders' value through strategic investment, sustainable growth and application of best available technology to achieve desired results.

The Company seeks to outperform its competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each director and employee is expected to deal fairly with Company's customers, suppliers, competitors, and other employees. No one is to take unfair advantage of anyone through manipulation, abuse of privileged information, or any other unfair practice.

The Company is committed to selling its products and services honestly and will not pursue any activity that requires to act unlawfully or in violation of this Code.

Bribes, kickbacks, and other improper payments shall not be made on behalf of the Company in connection with any of its businesses. However, tip, gratuity or hospitality may be offered if such act is customary and is not illegal under applicable law. Any commission payment should be justified by a clear and traceable service rendered to the Company. The remuneration of agents, distributors and commissioners cannot exceed normal business rates and practices. All such expenses should be reported and recorded in the company's book of accounts.

12) Equal Employment Opportunity

The Company believes in providing equal opportunity to everyone around. The company laws in this regard have to be complied with and no discrimination upon race, religion, age, national origin, gender, or disability is acceptable. No harassment or discrimination of any kind will be tolerated; directors and employees need to adhere standards with regard to child labor and forced labor

13) Work Environment

The Company ensures that it operates in a safe environment conducive to efficient productivity. The Company is committed to provide an environment free from discrimination for its people, open communication, participative decision making approach and nurturing of the leadership qualities are the values followed by the Company. An employee reward system has been implemented, accordingly "All employees are to be treated with respect".

The company also encourages constructive reasonable criticism by the employees of the management and its policies. Such an atmosphere can only be encouraged in an environment free from any prospects of retaliation due to the expression of honest opinion.

14) Record Keeping

The Company is committed to compliance with all applicable laws and regulations that require the Company to maintain proper records and accounts which accurately and fairly reflect the Company's transactions. It is essential that all transactions be recorded and described truthfully, timely and accurately on the Company's books. No false, artificial or misleading transactions or entries shall be reflected or made in the books or records of the Company for any reason.

Records must always be retained or destroyed in the light of relevant legal provisions.

15) Protection of Privacy and Confidentiality

All directors and employees, both during and after their employment, must respect the exclusivity and trade secrets of the Company, its customers, suppliers and other colleagues and may not disclose any such information unless the individual or firm owning the information properly authorizes the release or disclosure.

All the company's assets (processes, data, designs, etc) are considered as certified information of the company. Any disclosure will be considered as grounds, not only for termination of services/employment, but also for criminal prosecution, legal action or other legal remedies available during or after employment with the company to recover the damages and losses sustained.

16) Protection and Proper use of Company Assets / Data

Each director and employee is expected to be the guardian of the Company's assets and should ensure its efficient use. Theft, carelessness and waste have a direct and negative impact on the Company's profitability. All the Company assets should be used for legitimate business purposes only.

The use, directly or indirectly, of Company funds for political contributions to any organization or to any candidate for public office is strictly prohibited.

Corporate funds and assets will be utilized solely for lawful and proper purposes in line with the Company's objectives.

17) Gift Receiving

Directors and employees will not accept gifts or favors from existing or potential customers, vendors or anyone doing or seeking to do business with the Company, which in any way compromise the decision making.

However, this does not preclude giving or receiving gifts or entertainment which are customary and proper in the circumstances, provided that no obligation could be, or be perceived to be, expected in connection with the gifts or entertainment.

18) Communication

All communications, whether internal or external, should be accurate, forthright and where ever required, confidential. The Company is committed to conduct business in an open and honest manner and provide open communication channels that encourage candid dialogue relative to employee concerns. The company strongly believes in a clean desk policy, and expects its employees to adhere to it not only for neatness but also security purposes.

19) Employee Retention

High quality employee's attraction and retention is very important. The company will offer competitive packages to the deserving candidates. The company strongly believes in personnel development and employee-training programs are arranged regularly.

20) Internet use / Information Technology

As a general rule, all Information Technology related resources and facilities are provided only for internal use and/or business-related matters. Information Technology facilities which have been provided to employees should never be used for personal gain or profit, should not be misused during work time, and remain the property of the Company. Disclosure or dissemination of confidential or proprietary information regarding the Company, its products, or its customers outside the official communication structures is strictly prohibited.

21) Compliance with Business Travel Policies

The safety of employees while on a business trip is of vital importance to the Company. The Company encourages the traveler and his/her supervisor to exercise good judgment when determining whether travel to a high-risk area is necessary and is for the Company's business purposes.

22) Compliance

It is the responsibility of each director and employee to comply with this code. Failure to do so will result in appropriate disciplinary action, including possible warning issuance, suspension, and termination of employment, legal action and reimbursement to the Company for any losses or damages resulting from such violation. Compliance also includes the responsibility to promptly report any apparent violation of the provisions of this code.

DELIVERING IN BUSINESS RESULTS

MAJOR ACHIEVEMENTS

2,482,551 M. Tons
Highest Ever Clinker Production

2,309,345 M. Tons
Highest Ever Cement Production

2,493,754 M. Tons
Highest Ever Sales

Rs. 22.6 Billion
Highest Ever Gross Revenue

Rs. 4.4 Billion
Highest Ever Profit After Tax

Rs. 38.42 Per Share
Highest Ever EPS

CORPORATE STRATEGY

Objectives

The Company follows a duly approved Corporate Objectives, which consists of the following main points:-

- To maintain its position as a leading manufacturer of quality products that surpass both national and international standards.
- Growth, expansion and sustained profitability are the guiding principles of ACPL's business model. Focusing on the strategic plans to grow the business beyond the borders, while enhancing the market share locally in South.
- To retain its lines of processes at highest level of operational efficiency.
- To achieve competitive operating margins with continuous growth both in productivity and profitability.
- To provide competitive rate of return to its shareholders on their investments.
- To remain committed in delivering quality and value to its customers and providing high quality cement products suitable for all construction purposes. To embrace consistency in high standards of service delivery.
- To continue with the commitment to provide a secure and innovative workplace for all its human resources.
- To remain committed by producing products in an environmentally and socially responsible manner.

To achieve these strategic corporate objectives, the Company generally follows the following broad and approved strategy:

Strategy

The Company would continue to invest in the product quality by enhancing and upgrading its production and quality facilities through strategic investments in its plant operations and ensure that such investment results in cost-effective operations. The company would also invest in continuous product development pegged on changing global and national market trends, industrial and hi-tech progression and dynamic customer needs. The company is dedicated to discover and implement change to achieve continuous customer satisfaction.

The Company would supply its products in diverse markets to achieve a healthy and growth oriented sales mix, focus towards a strong presence of its products in all the markets to achieve dynamic financial results, with maximum returns to all the stakeholders.

The Company would continue to invest in projects which ensure a healthy and safer environment for its employees. It would also continue to demonstrate its commitment to better and brighten lives for the community by sponsoring a wide range of community development projects. Over the years, ACPL has played a major role and it will continue its contribution in building the nation.

MANAGEMENT

Management Committee

The Committee meets under the chairmanship of the Group Regional Chief Executive to coordinate the activities and operations of the Company.

Executive Committee

CEO leads the Executive Committee. The Committee is responsible for preparing the strategic plan for the future growth of the Company. The Committee also reviews major projects and formulates recommendations after evaluation from technical and commercial aspects.

Procurement Committee

The Procurement Committee is responsible for ensuring that procurement of assets, goods and services are made in accordance with Company policies and procedures on competitive terms in a transparent manner.

Risk Management Committee

The Risk Management Committee is responsible for ensuring that procedures to identify and continuously update risks are in place. The Committee oversees the process of assessment of the possible impact and likelihood of occurrence of identified risks. The Committee is also responsible for formulating a risk management response to effectively address and manage risks.

IT Steering Committee

IT Steering Committee is responsible for developing and implementing an IT strategy for the Company. The Committee oversees the automation of processes and systems in line with latest technology. The Committee is also responsible for development of contingency and disaster recovery plans.

Budget Committee

The Budget Committee reviews and approves the annual budget proposals prior to being presented for the approval of the Board. The Committee also monitors utilization of the approved budget.

Safety Committee

The Safety Committee reviews and monitors company wide safety practices. It oversees the safety planning function of the Company and is responsible for safety training and awareness initiatives.

CHAIRMAN'S REVIEW

I welcome you all in the 39th Annual General Meeting of the company.

Overview of the Economy

Pakistan has made great strides in improving its economic outlook and reducing its macroeconomic vulnerability in recent years. GDP continued to grow above 5 percent in each of the last 2 years and recorded at 5.80% which is highest in last 13 years. This year strong economic growth has also been supported by favourable macro-economic supply and demand policies, containment of inflation, low interest rate, and increase in government spending on public sector development programs.

Investments in sectors like transport, communication and energy under China Pakistan Economic Corridor (CPEC) Program has now started and in the coming years, it is anticipated that these spending will further increase.

With the successful conclusion of elections in the country, the new Government would soon take over the reins of the country. It is anticipated that incumbent government will pursue an aggressive economic agenda and would bring the much needed fiscal discipline in the economic system which will lead to industrial growth in the country. All economic indicators are positive except trade deficit which is mounting and fluctuating exchange rate. With political stability, the period of uncertainty would soon be over and going forward I expect the demand momentum to continue. Your company has already increased its capacity and has put itself into an ideal position where it can further augment its share both in local and export markets to take the advantage of any enhancement in economic activities.

Industry Review

During the year 2017-2018 the cement sector registered a very healthy growth of 14% as compared to previous year. Local despatches increased by 15% whereas export sales increased by 2%. Even with the double digit growth the industry has surplus capacities of around 3.6 million ton. Therefore, the Industry has aggressively explored the clinker market and I am pleased to report that your company was pioneer in initiating clinker exports from Pakistan after the gap of almost 12 years.

Local market has shown remarkable recovery due to increase in government spending on public sector development program, private sector investments in housing sector and momentum in industrial activities.

Due to increase in demand, the cement industry went into expansion rally in both North and South markets. In next 12- 24 months, additional cement capacities of around 19 million tons will come into operations which stipulate 38% increase from existing capacities. It is anticipated that cement capacity of Pakistan would reach to 70 million tons per annum by 2020.

Operational & Financial Performance

The year 2017-2018 was a remarkable year in terms of Plant's operations. The company, as reported earlier, has expanded its capacity by 1,200,000 tons per annum. The new Line commenced its commercial operations from January 2018 and instantly achieved its rated capacity. I congratulate the entire workforce for such a remarkable achievement. The existing plant operations performed exceptionally well and both line 1 and line 2 recorded highest ever kiln operating days. With this additional capacity, the company achieved record production of 2,482,551 M Tons during the year.

The company also achieved record net sales revenue of Rs. 16.834 billion due to higher despatches. However, the overall cost parameters have increased significantly which have affected the both gross and operating margins of your company.

Acknowledgement

The Company deeply acknowledges and offers its sincere thanks to the support it has received from both Federal and Provincial Governments, regulatory bodies, its customers, bankers and suppliers.

The Company also recognizes the efforts put in by both management and non-management staff and the support it has always received from the Collective Bargaining Agent.

Laith G. Pharaon
Chairman

August 15, 2018
Dubai, UAE.

DIRECTORS' REPORT

The Directors' of your Company have pleasure to present before you the Annual Report of your Company along with the audited financial statements for the year ended June 30, 2018.

PRODUCTION & SALES

The commercial production from Line 3 started from January 2018 and the plant has achieved its operational efficiencies instantly without any major teething issues. During the six months operations, it has produced 538,884 tons Clinker and has met all the guaranteed operational parameters including minimum per day production.

Waste Heat Recovery System, hook up with Line 3, has also started production from April 2018 and is now generating guaranteed power which has also reduced the overall power requirement of the company.

During the year 2017-2018, the Company achieved over 100% of its rated capacity both from line 1 and line 2 and both the lines performed exceptionally well. Kiln 1 and Kiln 2 operated at the highest ever working days and achieved production of 333 days and 340 days respectively.

Despite several challenges faced by your company both in local and export markets, it has been able to make highest ever cement dispatches. The company also initiated export of clinker and was able to sell surplus clinker in export markets. The detailed data has been enumerated below:

CLINKER PRODUCTION

2017-2018	2016-2017
2,482,551 Qty in M tons	1,866,325 Qty in M tons

CEMENT PRODUCTION

2017-2018	2016-2017
2,309,345 Qty in M tons	2,081,858 Qty in M tons

CEMENT DISPATCHES

2017-2018	2016-2017
2,288,613 Qty in M tons	2,082,582 Qty in M tons

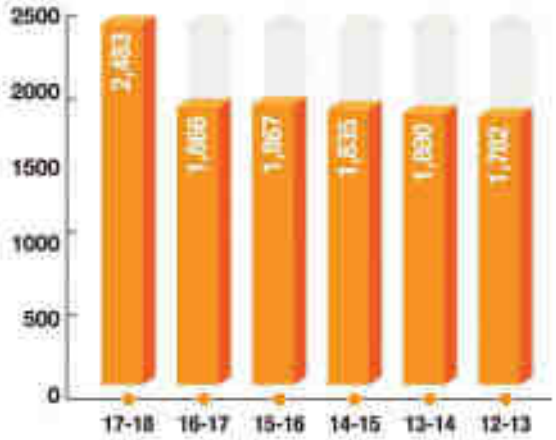
CLINKER DISPATCHES-EXPORT

2017-2018	2016-2017
205,141 Qty in M tons	- Qty in M tons

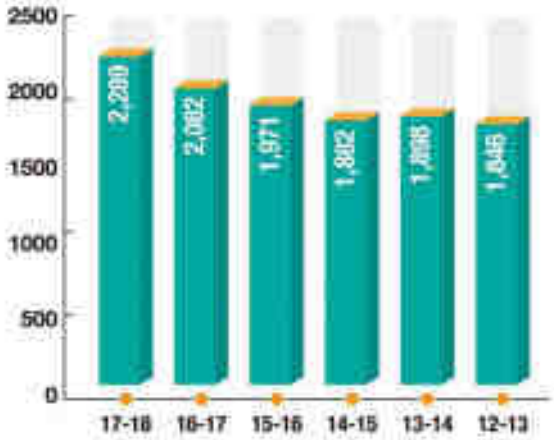
TOTAL DISPATCHES

2017-2018	2016-2017
2,493,754 Qty in M tons	2,082,582 Qty in M tons

The company sold 2,288,613 tons of cement in both local and export markets, showing an increase of 10% as compared to preceding year. During the year under review, the Company sold 1,826,551 MTons (2016-17: 1,582,427 M tons) of Cement in the local market, showing an increase of 15%, which is in line with the growth achieved by the overall industry, however it surpassed the market of South with a fair margin which showed growth of 10%. The company exported 462,062 M tons (2016-17: 500,155 MTons) cement to the regional markets of Sri Lanka, Yemen, India and in other East African and Indian Ocean markets. The main reason behind lower exports was diversion of quantities from low priced export markets to high price local markets.



Clinker Production
(Thousand M. Tonnes)



Cement Sales
(Thousand M. Tonnes)

The company, as a part of its strategy and in view of changing dynamics in local market owing to arrival of upcoming capacities, exported 205,141 MTons clinker in East African markets. Beside this the company aggressively explored the markets of Bangladesh, Kenya, Tanzania and Sri Lanka for export of clinker and has secured sizeable orders in these markets in order to ensure that all its three lines remain operational in foreseeable future.

FINANCIAL PERFORMANCE

A comparison of the key financial results of your Company for the year ended June 30, 2018 with the same period last year are as under:

	2017 - 2018	2016 - 2017	Increase / (Decrease)	Increase / (Decrease)
	Rs. In Million			%
Net Sales	16,884	14,735	2,149	15
Gross Profit	5,187	5,892	(705)	(12)
Profit Before Tax	3,129	4,444	(1,315)	(30)
Profit After Tax	4,400	3,034	1,366	45
EPS in Rupees	38.42	26.49	11.93	45

(i) Sales Performance

The overall sales revenue increased by Rs. 2,149 million (15%) as compared to the previous year. This is mainly attributable to higher quantity of 411,172 tons of cement & clinker sold as compared to same period last year. The sales prices in local markets remained highly competitive and in export markets prices remained at more or less the same level of previous year with a margin of 5% (+/-). Due to aggressive pricing policies of the competitors and influx of low priced north based brands in the market of south, the overall net retention per ton of cement sold reduced by Rs. 50 (1%) as compared to previous year. However, your company continued to monitor its market mix and prioritize its major sales in the high retention market of Karachi to avoid a significant drop in average net retention.

(ii) Profitability

In the year 2017-2018 Company earned a net profit after tax of Rs. 4,400 million as compared to Rs. 3,034 million earned during the corresponding period, showing an increase of Rs. 1,366 million (45%). Though the gross and operating margins of the company reduced to 31% and 20% as compared to 40% and 30% respectively in the corresponding period. The significant improvement in the recorded Profit after Tax was due to:

i) recogniation of tax credit of Rs. 1,072 million under section 65B of the Income Tax Ordinance 2001; and

ii) reversal of prior years' tax provision of Rs. 892 million, as the company successfully defended before Appellate Tribunal Inland Revenue, its position in respect of treatment of expenses between local and export sales on the basis of "gross sales" as compared to "net sales" under rule 13 of Income Tax Rules 2002. It's a land mark judgment and company's appeal had been pending before the various appellate forums for last several years.

The major variances in key cost parameters which resulted into significant dilution in margins during the year under review are as follows:

- The overall fuel cost increased by Rs. 557 per ton (46%) due to rapid increase in coal prices in the international market. The average coal procurement cost of the company increased from US $88 per ton C&F Karachi to US $102 per ton C&F Karachi.

- The overall raw and packing material cost increased by Rs 168 per ton (20%) due to abnormal increase in royalty rates by the Provincial Government of Baluchistan, and incremental transportation cost due to hike in diesel rates. Besides this the paper bag prices have also increased by about 15% over the corresponding period due to increase in paper prices in the international market and significant devaluation of PKR against US dollar. Your company has challenged the abnormal increase in royalty rates before the Baluchistan High Court and at present the case is pending before the honorable court.

(iii) Appropriation

The financial results for the year under review are as follows:

	2018	2017
	Rs. In '000	
Profit after tax	4,399,784	3,034,057
Less: Other Comprehensive income / (loss)	71,269	(101,734)
	4,471,053	2,932,323
Un-appropriated profit b/f	10,802,410	9,301,618
Profit available for appropriation	15,273,463	12,233,941
Appropriation:		
Final Cash Dividend paid for the year 2016-17:		
Rs.13.50 per share (2015-16: Rs.12.50 per share)	(1,546,053)	(1,431,531)
Un-appropriated profit c/f	13,727,410	10,802,410

For the year ended June 30, 2018 the Board in its meeting held on August 15, 2018 has proposed a final cash dividend of Rs. 8.00 per share (2017: Rs.13.50 per share) amounting to Rs. 916.18 million (2017: Rs. 1,546.05 million) and proposed a transfer of Rs. 229.04 Million (2017: Nil) from "unappropriated profit" to "reserves for issuance of bonus shares" for issuance of 20 bonus share for every 100 shares held (2017: Nil) subject to the approval of the Company in the forthcoming annual general meeting.

CONTRIBUTION TO NATIONAL EXCHEQUER

The Company contributed Rs. 6,809 million during the year to the national exchequer on account of payments towards Sales Tax, Income tax, Excise duty and other statutory levies. An amount of approximately Rs. 513 million was also paid as withholding income tax deducted by the Company from shareholders, employees, suppliers and contractors. In addition to that your Company earned precious foreign exchange of approximate US$ 29 million during the year under review from export sales.

MARKETING

During the year under review the market of South where your company markets its product has witnessed a growth of 10%. The core market of Karachi and lower Sindh Markets continue to face influx from cheap North Brands and as a result stiff competition has been witnessed between different players. As a result despite double digit growth in demand the prices remain competitive and your company was unable to pass on the impact of rising costs to the end users.

Despite the adverse market trends and competition from Northern brands in the market of South, the company was able to maintain its local growth and witnessed an increase of 15% in its volumetric growth as compared to last year. The brand continued to dominate in the core market of Karachi as a leading brand both in terms of quantity and price and was able to extend its edge in terms of pricing and market share against competition. As a strategy, the company, while considering the improved local demands, has shifted, wherever possible, low price export quantities to local market without disturbing the pricing equilibrium. In order to ensure maximum penetration in local markets the company, during the period under review, has successfully explored the far flung areas taking the advantage of its brand strength and FALCON is now a visible brand in the markets of Quetta, Gawadar, Pasni, Ormara, Turbat, Sahewal, Melsi and Multan.

In the end of current fiscal year your company has made soft launching of its low price brand with the name of ROCK CEMENT. This brand will primarily be used in far flung markets of Baluchistan where low priced Iranian brands have captured substantial markets.

On export front the markets remained very competitive and company is continuously facing competition from regional capacities. However, because of strong brand image and better quality the company has managed to retain its core customer base in the markets of SriLanka, India and East Africa.

With the additional capacity from line 3 and in consideration of arrival of upcoming local capacities, the company is aggressively exploring the additional export markets of both cement and clinker. The company's efforts brought good results and it has started clinker export to the East African markets. The company has successfully secured the orders of around 300,000 tons from its wide range of customers for the export of clinker in the markets of East Africa, Bangladesh, Tanzania and Kenya. It is the endeavor of the company to remain competitive in its clinker pricing and feed these markets with quality clinker as there is lot of potential available after the withdrawal of Chinese clinker from those markets.

HUMAN RESOURCES

The Company strongly believes in its human resource and understands that with positive attitude, strong skills and creativity its human capital will create value in the overall organizational performance. In this fast paced industry environment the company continues its investment on its manpower and makes flexible plans for their both on the job and for the job trainings which are the corner stone of its human resource policies.

Under the company's talent hunt program, every year company recruits large number fresh graduates and train them for their future responsibilities. The company's training program is very popular among the young engineers and each year company receives huge response for such program.

A proper performance development program has been designed in order to retain and reward every employee with ample opportunities to prove themselves for future leadership role. The Company's compensation packages to its employees are market driven and based on fair assessment of employees' performance. In this regard, regular market surveys are being conducted for bench marking.

The company believes in open communication with its employees and gives all the opportunities to them to express their opinions, ideas and thoughts with their superiors so that they may be heard and valued accordingly. The company is committed to provide rewarding opportunities to its employees both in terms of compensation and career opportunities.

The company regularly arranges employee engagement events and, get-togethers to let employees feel associated with the company as it strongly believes in balanced company staff relationship and provide a conducive work environment.

Regular team building activities and other developmental programs are arranged to encourage inter-departmental coordination which ultimately helps to boost the overall company productivity. Besides this, regular feedback sessions and employee surveys' are conducted related to employee policies, to check on company's overall atmosphere and to take further decisions in order to facilitate employees.

In order to enhance the capacity building of the employees the company's HR department in tandem with its technical and nontechnical management identifies the areas where quality training and development programs including soft skill development programs are conducted. Trainers are also being identified and developed to cater training needs and to customize programs effectively.

CORPORATE SOCIAL RESPONSIBILITY

The company is fully conscious of its responsibilities as good corporate citizen and takes its CSR programs very seriously. Besides providing employment opportunities to local youth, the company actively works in the field of health, education and environment for all the stake holders living in its area of activities. The company provides potable water to many villages in and around its factory area. Through this activity more than 5,000 people have been provided free potable water throughout the year.

The company's two schools i.e. Falcon Public School and TCF sponsored Dr. Ghaith R. Pharaon campus are providing free of cost quality education to almost 600 students. Dr. Ghaith R. Pharaon campus has commenced its secondary classes and work on new science and computer labs is in progress.

Since the establishment of ACPL Factory, Medical department became functional right from the outset & now playing vital role in providing health facilities not only to the employees of the company but also to surrounding community.

The medical team is comprised of fervent, dedicated doctors & nursing officers. They make themselves available for 24 hrs, working in different places in premises and also in nearby Goths.

During the year under review the company sponsored ICU at Jam Ghulam Qadir Civil Hospital at Hub, Baluchistan. This is the first ever ICU in the Lasbella district along with ventilator facility.

Moreover on other end of spectrum welfare activities are being conducted at Medical Centre throughout the week. The turnover is about 150 patients per day. We have the services of Lady Medical & nursing officer who caters the gynae and obs related issues. The lady medical officer conducts the OPD 3 days a week.

Additional welfare clinic has also been established at Peer Bukhsh Goth and since May, 2016 OPD is being performed by medical team four days a week in morning session. The average attendance is about 50 patients a day.

HEALTH, SAFETY AND ENVIRONMENT

The company has implemented an integrated Quality, Environment, Health & Safety management system based on ISO 9001, ISO 14001 and OHSAS 18001 requirements. Emissions of stacks are within permissible limit of NEQ standards due to timely replacement of filter bags and recovery of Waste Heat.

PROGRESS ON PROJECTS

Cement Grinding Unit in Basra, Iraq

Major Plant & Machineries have arrived at Site and civil, electrical and mechanical erection works are at full swing. It is expected, that the plant will start its operation by September 2018.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The Directors hereby confirm that:

a) The annexed financial statements present fairly the state of the affairs of the Company, the result of its operations, cash flows and changes in equity;

b) Proper books of accounts have been maintained by the Company;

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

d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;

e) The system of internal control is sound in design and has been effectively monitored and implemented;

f) There are no significant doubts upon the Company's ability to continue as a going concern;

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

h) The following is the value of investments of terminal benefit schemes based on their respective latest accounts:

	Rupees in million	Year ended
Provident Fund (audited)	528	December, 2017
Gratuity Funds (unaudited)	339	June, 2018
Pension Funds (unaudited)	327	June, 2018

i) During the year five (5) meetings of the Board of Directors were held. Attendance of Directors and Chief Executive is as follows:

Sr. No	Name of the Directors / Chief Executive	Status	No. of meetings attended
1	Mr. Laith G. Pharaon	Chairman / Non Executive Director	5
2	Mr. Wael G. Pharaon	Non Executive Director	5
3	Mr. Shuaib A. Malik	Non Executive Director	5
4	Mr. Abdus Sattar	Non Executive Director	5
5	Agha Sher Shah	Non Executive Independent Director	4
6	Mr. Sajid Nawaz	Non Executive Director	5
7	Mr. Babar Bashir Nawaz	Executive Director & Chief Executive	5

j) During the year four (4) meetings of the Audit committee were held. Attendance of Directors is as follows:

Sr. No.	Name of the Director	Status	No. of meetings attended
1	Agha Sher Shah	Chairman / Non Executive Independent Director	3
2	Mr. Shuaib A. Malik	Non Executive Director	4
3	Mr. Abdus Sattar	Non Executive Director	4

k) The details of shares transacted by Directors, Executives and their spouses and minor children during the year 2017-18 have been given on page 50.

l) The key operating and financial data for the last 6 years is set out on page 57.

HOLDING COMPANY

Pharaon Investment Group Limited Holding S.A.L., Lebanon (PIGL) is a company incorporated in Lebanon having its registered office at Beirut, Lebanon. PIGL holds 84.06% shares of Attock Cement Pakistan Limited.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company as at June 30, 2018 is given on page 50.

AUDITORS

The retiring auditors, Messrs. A.F. Ferguson & Co., Chartered Accountants retire at the conclusion of the 39th Annual General Meeting and offer themselves for reappointment. The Audit Committee has recommended for their reappointment.

AUDIT COMMITTEE

The Board of Directors has established an Audit Committee in compliance with the Code of Corporate Governance with the following members:

Sr. No.	Name of the Directors	Position	Status
1	Agha Sher Shah	Chairman	Non-Executive Independent Director
2	Mr. Shuaib A. Malik	Member	Non-Executive Director
3	Mr. Abdus Sattar	Member	Non-Executive Director

Terms of Reference

1. Determination of appropriate measures to safeguard the assets.
2. Review of preliminary announcements of results prior to external communication and publication.
3. Review of quarterly, half yearly and annual financial statements prior to the approval by the Board of Directors, major focus on:
   - Judgmental areas;
   - Significant adjustments resulting from the audit;
   - Going concern assumption;
   - Any changes in accounting policies and practices;
   - Compliance with applicable accounting standards;
   - Compliance with the listing regulations and other statutory and regulatory requirements, and;
   - All related party transactions.

4. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).
5. Review of management letter issued by external auditors and management response thereto.
6. Ensuring coordination between the internal and external auditors.
7. Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the company.
8. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto.
9. Ascertaining that the internal control system includes financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective.
10. Review of statement on internal control systems prior to the endorsement by the Board of Directors.
11. Instituting special projects, value for money studies or other investigations on any matters specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body.
12. Determination of compliance with relevant statutory requirements.
13. Monitoring compliance with these regulations and identification of significant violations thereof.
14. Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures.
15. Consideration of any other issue or matter as may be assigned by the Board of Directors.
16. External Auditors
    - Recommendations regarding the appointment of External Auditors.
    - Resignation and removal of External Auditors.
    - Audit fees.
    - Provision by external auditors of any services to the company in addition to the audit of the Financial Statements.
    - Facilitating external audit and discussion with external auditors of major observations arising from interim and final audits and any other matter that auditors wish to highlight.

HUMAN RESOURCE & REMUNERATION COMMITTEE

The Board, in compliance with the new Code of Corporate Governance has formed Human Resource & Remuneration Committee comprising of the following members:

Sr. No.	Name of the Members	Position	Status
1	Agha Sher Shah	Chairman	Non-Executive Independent Director
2	Mr. Shuaib A. Malik	Member	Non-Executive Director
3	Mr. Abdus Sattar	Member	Non-Executive Director

Terms of Reference

The broad terms of reference of this committee are as follows:

- Recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;
- Undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;
- Recommending human resource management policies to the board;
- Recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- Consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.

FUTURE OUTLOOK

As the elections have been completed successfully and new Government has now taken over the country, it is anticipated that political uncertainty which gripped the country for last 12-18 months will now be over and focus would again be shifted on economy. There is a serious need to strengthen the macroeconomic stability in order to increase the economic growth. If the broader microeconomic stability is not maintained then growth may be compromised in future resulting the slump in overall demand. The incumbent Government will have to address few major challenges

immediately i.e. widening gap between exports and imports, foreign exchange reserve management, rising inflation and interest rates. The steep decline of PKR vs. US $ in last three months coupled with increase in coal prices in international markets have diluted margins considerably and in short term, we hope that the Government will arrest at least decline in PKR. In the past also exports have been pushed through devaluation but this strategy did not yield any positive results. The only viable option to increase exports is improvement in infrastructure and reduction in energy cost. Your company has been exporting clinker in large quantities without any Government support in the new markets and it is recommended that exports of such non-traditional items into new markets should be acknowledged and supported through suitable incentives.

With the arrival of new capacities the competition in local markets is increasing with every passing day and your company is striving to retain not only its market share but also its premium position through quality products and by providing top class services to its distributors, dealers, sub dealers, retailers and institutional customers. So far the company, despite difficult circumstances, has been able to maintain its dominating position in the core market of Karachi. However, next 2-3 years will be extremely challenging both for the company and for the entire cement industry.

Your management is fully aware of the situation and appropriate measures have already been taken to mitigate the business risks.

On behalf of the Board

BABAR BASHIR NAWAZ
Chief Executive

August 15, 2018
Dubai, UAE

PATTERN OF SHAREHOLDING

AS ON JUNE 30, 2018

No. of Shareholders	Shareholdings From	Shareholdings To	Total Shares Held
428	1	100	17,912
325	101	500	102,624
288	501	1000	238,164
328	1001	5000	827,438
90	5001	10000	686,378
103	10001	100000	3,032,082
30	100001	1000000	7,821,330
2	1000001	2500000	2,841,514
1	2500001	3000000	2,683,077
1	96000001	97000000	96,271,949
1596			114,522,468

	Categories of Shareholder	Shares held	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	121,011	0.11%
2	Associated Companies, Undertakings and related Parties	-	0.00%
3	Executies		
4	Banks, Development Financial Institutions, Non Banking Financial Institutions, Insurance Companies & Takaful	1,799,610	1.57%
5	Modarabas and Mutual Funds	5,031,046	4.39%
6	Share holders holding 10% or more	96,271,949	84.06%
7	Others:		
	- Local	5,637,665	4.94%
	- Foreign	-	
	- Individual	5,661,187	4.92%
		114,522,468	100%

Shareholders holding Five Percent or more voting interest in the listed Company

Total Paid-up Capital of the Company	114,522,468	Shares
5% of the paid-up capital of the Company	5,726,123	Shares

Name of Shareholders	Description	No. of Shares held	
Pharaon Investment Group Limited, Holding S.A.L. Beriut, Lebanon	Falls in Category # 6	96,271,949	84.06%

No transaction has been reported by the Chief Executive and/or any other company's Director(s), Executives and their spouse(s) ans minor Childern from July 01, 2017 to June 30, 2018 in the shares of the Company.

SHAREHOLDERS' INFORMATION

VERTICAL ANALYSIS

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2018

	2018 Rs in million	%	2017 Rs in million	%	2016 Rs in million	%	2015 Rs in million	%	2014 Rs in million	%	2013 Rs in million	%
Revenue	18,804.41	100.00	14,735.17	100.00	13,918.34	100.00	13,086.12	100.00	12,547.25	100.00	11,507.71	100.00
Cost of sales	(11,697.58)	(69.28)	(8,842.96)	(60.01)	(8,331.84)	59.86	(8,689.94)	66.41	(8,843.29)	70.48	(7,970.94)	69.27
Gross profit	5,106.83	30.72	5,892.21	39.99	5,586.50	40.14	4,396.18	33.59	3,703.96	29.52	3,536.76	30.73
Distribution costs	(1,170.97)	(6.94)	(903.53)	(6.13)	(954.75)	6.86	(986.67)	7.54	(806.05)	6.42	(577.52)	5.02
Administrative expenses	(533.11)	(3.16)	(419.38)	(2.85)	(401.79)	2.89	(346.95)	2.65	(307.16)	2.45	(262.85)	2.28
Other expenses	(163.00)	(0.97)	(333.65)	(2.26)	(314.05)	2.26	(238.82)	1.82	(195.42)	1.56	(230.17)	2.00
Other income	80.60	0.36	236.63	1.61	341.10	2.45	422.91	3.23	269.53	2.15	227.03	1.97
Profit from Operations	3,360.55	20.01	4,472.29	30.36	4,257.01	30.59	3,246.65	24.81	2,664.86	21.24	2,693.24	23.40
Finance cost	(231.17)	(1.46)	(28.37)	(0.19)	(21.31)	0.15	(26.00)	0.20	(29.79)	0.24	(14.89)	0.13
Profit before income tax	3,129.38	18.52	4,443.92	30.16	4,235.70	30.43	3,220.65	24.61	2,635.07	21.00	2,678.35	23.27
Income tax credit / (expense)	1,270.41	7.52	(1,409.86)	(9.57)	(1,345.68)	9.67	(1,015.00)	7.76	(621.00)	4.95	(540.00)	4.69
Profit for the year	4,399.79	26.04	3,034.06	20.59	2,890.02	20.76	2,205.65	16.85	2,014.07	16.05	2,138.35	18.58

VERTICAL ANALYSIS

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	2018		2017		2016		2015		2014		2013	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
ASSETS												
Non-current assets												
Fixed assets - property, plant & equipment	17,062.93	68.03	16,660.34	80.45	7,140.51	49.50	5,999.67	49.04	6,125.80	51.37	5,998.66	56.07
Long-term investments	1,435.38	5.44	786.11	3.80	4.50	0.03	4.50	0.04	4.50	0.04	4.50	0.04
Long-term loans and advances - considered good	47.31	0.19	48.59	0.23	41.54	0.29	55.75	0.46	32.97	0.28	28.65	0.27
Long-term deposits	90.04	0.36	42.98	0.21	42.98	0.30	42.98	0.35	42.98	0.36	42.98	0.40
Deferred tax assets	131.04	0.50	-	-	-	-	-	-	-	-	-	-
	18,677.10	74.53	17,538.02	84.69	7,229.53	50.11	6,102.90	49.89	6,206.24	52.05	6,074.80	56.78
Current assets												
Inventories	3,649.07	13.82	1,929.78	9.32	1,916.76	13.29	1,749.87	14.30	1,683.47	14.12	1,521.18	14.22
Trade debts - considered good	709.92	2.69	180.49	0.87	211.11	1.46	124.41	1.02	262.06	2.20	349.28	3.26
Loans and advances - considered good	78.50	0.30	76.38	0.37	81.94	0.57	61.12	0.50	48.73	0.41	35.43	0.33
Short-term deposits and prepayments	22.59	0.09	23.66	0.11	17.52	0.12	16.94	0.14	18.48	0.15	19.42	0.18
Investments	-	-	-	-	4,273.36	29.62	3,104.91	25.38	3,165.43	26.54	2,282.73	21.34
Accrued interest	-	-	-	-	-	-	-	-	-	-	4.30	0.04
Other receivables	201.37	0.76	105.79	0.51	114.86	0.80	68.12	0.56	28.74	0.24	22.59	0.21
Taxation - payment less provisions	1,453.30	5.50	236.66	1.14	-	-	-	-	-	-	-	-
Tax refunds due from government - sales tax	290.27	1.10	496.76	2.40	-	-	147.59	1.21	45.01	0.38	-	-
Cash and bank balances	324.94	1.23	121.85	0.59	581.32	4.03	858.70	7.00	467.84	3.91	389.01	3.64
	6,728.96	25.47	3,171.36	15.31	7,196.87	49.89	6,131.64	50.11	5,719.76	47.95	4,623.95	43.22
Total Assets	26,406.06	100.00	20,709.38	100.00	14,426.40	100.00	12,234.54	100.00	11,926.00	100.00	10,698.75	100.00
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital - issued, subscribed & paid up	1,145.23	4.34	1,145.23	5.53	1,145.23	7.94	1,145.23	9.36	1,145.23	9.60	995.85	9.31
Unappropriated profit	13,727.41	51.99	10,802.41	52.16	9,301.62	64.48	7,789.91	63.67	7,300.83	61.22	6,852.98	64.05
	14,872.64	56.33	11,947.64	57.69	10,446.84	72.41	8,935.13	73.03	8,446.05	70.82	7,848.82	73.36
LIABILITIES												
Non-current liabilities												
Long term loans	3,437.60	13.02	1,500.00	7.24	-	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	10.79	0.04	1.03	0.01	4.03	0.03	7.96	0.07	11.88	0.10	6.52	0.06
Deferred liabilities	-	-	817.75	3.95	809.51	5.61	813.38	6.65	1,003.71	8.42	1,041.98	9.74
Employee benefit obligations	387.09	1.47	489.45	2.36	425.33	2.95	252.34	2.06	240.49	2.02	148.95	1.39
	3,835.39	14.52	2,808.23	13.56	1,238.87	8.59	1,073.67	8.78	1,256.08	10.54	1,197.45	11.19
Current liabilities												
Trade and other payables	4,903.64	18.57	3,816.09	18.43	2,673.95	18.54	1,766.60	12.25	2,015.64	13.97	1,610.24	11.16
Unclaimed dividend	9.00	0.03	7.59	0.04	6.11	0.04	5.30	0.04	6.95	0.06	3.31	0.03
Accrued markup	88.77	0.34	45.99	0.22	-	-	-	-	-	-	-	-
Short term borrowings	2,612.51	9.89	2,080.85	10.05	-	-	-	-	-	-	-	-
Current maturity of liability against assets subject to finance lease	3.91	0.01	2.99	0.01	3.93	0.03	3.93	0.03	3.93	0.03	1.86	0.02
Taxation - provision less payments	-	-	-	-	56.70	0.39	449.71	3.66	197.15	1.65	58.94	0.55
	7,617.83	28.84	5,953.51	28.75	2,740.69	19.00	2,225.73	18.97	2,223.87	18.64	1,652.48	15.45
Total liabilities	11,533.42	43.68	8,761.74	42.31	3,979.55	27.59	3,229.40	26.97	3,479.95	29.18	2,849.92	26.64
Contingency and commitments												
Total Equity and Liabilities	26,406.06	100.00	20,709.38	100.00	14,426.40	100.00	12,234.54	100.00	11,926.00	100.00	10,698.75	100.00

HORIZONTAL ANALYSIS

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2018

	2018 Rs in million	%	2017 Rs in million	%	2016 Rs in million	%	2015 Rs in million	%	2014 Rs in million	%	2013 Rs in million	%
Revenue	16,884.41	14.58	14,735.17	5.87	13,918.34	6.36	13,086.12	4.29	12,547.25	9.03	11,507.71	9.56
Cost of sales	(11,697.56)	32.28	(8,842.96)	6.13	(8,331.64)	(4.12)	(8,689.94)	(1.73)	(8,843.29)	10.94	(7,970.94)	3.63
Gross profit	5,186.85	(11.97)	5,892.21	5.47	5,586.50	27.06	4,396.18	18.69	3,703.96	4.73	3,536.76	25.75
Distribution costs	(1,170.87)	29.60	(903.53)	(5.36)	(954.75)	(3.24)	(986.67)	22.41	(806.05)	39.57	(577.52)	1.14
Administrative expenses	(533.11)	27.12	(419.38)	4.38	(401.79)	15.81	(346.95)	12.95	(307.16)	16.86	(262.85)	18.63
Other expenses	(163.00)	(51.15)	(333.65)	6.24	(314.05)	31.50	(238.82)	22.21	(195.42)	(15.10)	(230.17)	93.14
Other income	60.80	(74.30)	236.63	(30.63)	341.10	(19.35)	422.91	56.91	269.53	18.72	227.03	55.61
Profit from Operations	3,380.55	(24.41)	4,472.29	5.06	4,257.01	31.12	3,246.65	21.83	2,664.86	(1.05)	2,693.24	31.59
Finance cost	(251.17)	785.54	(28.37)	33.13	(21.31)	(18.04)	(26.00)	(12.74)	(29.79)	100.04	(14.89)	28.47
Profit before income tax	3,129.38	(29.58)	4,443.92	4.92	4,235.70	31.52	3,220.65	22.22	2,635.07	(1.62)	2,678.35	31.61
Income tax credit / (expense)	1,270.41	(190.11)	(1,409.86)	4.77	(1,345.68)	32.58	(1,015.00)	63.45	(621.00)	15.00	(540.00)	(9.76)
Profit for the year	4,399.79	40.01	3,034.06	4.98	2,890.02	31.03	2,205.65	9.51	2,014.07	(5.81)	2,138.35	48.84

HORIZONTAL ANALYSIS

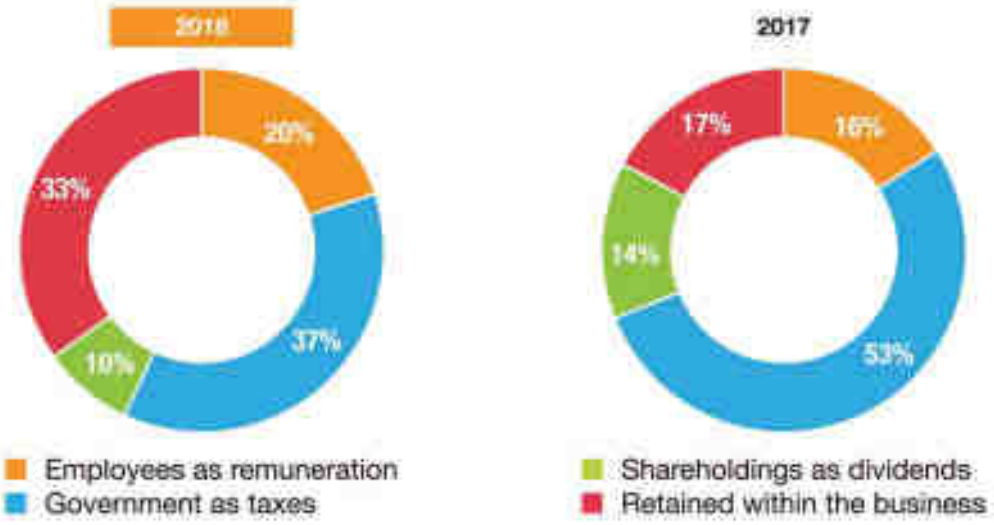
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	2018 Rs in million	%	2017 Rs in million	%	2016 Rs in million	%	2015 Rs in million	%	2014 Rs in million	%	2013 Rs in million	%
ASSETS												
Non-current assets												
Fixed assets - property, plant and equipment	17,982.83	7.02	16,660.34	133.32	7,140.51	19.02	5,999.67	(2.06)	6,125.80	2.12	5,996.66	9.63
Long-term investments	1,435.36	82.05	788.11	-	4.50	-	4.50	-	4.50	-	4.50	-
Long-term loans and advances - considered good	47.31	(2.03)	48.59	16.97	41.54	(25.50)	55.75	69.12	32.97	15.06	28.65	17.68
Long-term deposits	99.94	132.53	42.98	-	42.98	-	42.98	-	42.98	-	42.98	-
Deferred tax assets	131.54	100.00	-	-	-	-	-	-	-	-	-	-
	19,677.10	12.20	17,538.02	142.59	7,229.53	18.46	6,102.90	(1.67)	6,206.24	2.16	6,074.80	9.58
Current assets												
Inventories	3,649.07	89.00	1,929.78	0.68	1,916.76	9.54	1,749.87	3.94	1,683.47	10.67	1,521.18	(22.35)
Trade receivables - considered good	709.92	203.33	180.49	(14.50)	211.11	69.69	124.41	(52.53)	262.06	(24.97)	349.29	83.40
Loans and advances - considered good	78.50	3.77	76.36	(6.79)	81.94	34.07	61.12	25.42	48.73	37.52	35.43	0.12
Short-term deposits and prepayments	22.59	(4.52)	23.66	35.05	17.52	3.42	16.94	(8.33)	18.48	(4.87)	19.42	39.71
Investments	-	-	-	(100.00)	4,273.36	37.63	3,104.91	(1.91)	3,165.43	38.67	2,282.73	159.59
Accrued interest	-	-	-	-	-	-	-	-	-	(100.00)	4.30	100.00
Other receivables	201.37	90.35	105.79	(7.90)	114.86	68.63	68.12	137.04	28.74	27.19	22.59	(18.24)
Taxation - payment less provisions	1,453.30	514.09	236.66	100.00	-	-	-	-	-	-	-	-
Tax refunds due from government - sales tax	289.27	(41.77)	496.76	100.00	-	(100.00)	147.59	227.09	45.01	-	-	(100.00)
Cash and bank balances	324.94	166.67	121.85	(79.04)	581.32	(32.30)	858.70	83.55	467.84	20.26	389.01	77.02
	6,729.96	112.18	3,171.36	(55.93)	7,196.87	17.37	6,131.64	7.20	5,719.76	23.70	4,623.95	38.06
Total Assets	26,406.06	27.51	20,709.38	43.55	14,426.40	17.92	12,234.54	2.59	11,926.00	11.47	10,698.75	20.31
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital - issued, subscribed & paid up	1,145.23	-	1,145.23	-	1,145.23	-	1,145.23	-	1,145.23	15.00	995.85	15.00
Unappropriated profit	13,727.41	97.06	10,802.41	16.13	9,301.62	19.41	7,789.91	6.70	7,300.83	6.54	6,852.98	19.25
	14,872.64	24.40	11,947.64	14.37	10,446.84	16.92	8,935.13	5.79	8,446.05	7.61	7,848.82	18.69
LIABILITIES												
Non-current liabilities												
Long term loans	3,437.50	129.17	1,500.00	100.00	-	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	10.79	947.06	1.03	(74.44)	4.03	(49.36)	7.96	(33.05)	11.88	82.34	6.52	-
Deferred liabilities	-	(100.00)	817.75	1.02	809.51	(0.47)	813.38	(18.96)	1,003.71	(3.67)	1,041.98	11.79
Employee benefit obligations	387.09	(20.91)	489.45	15.08	425.33	68.56	252.34	4.92	240.49	61.46	148.95	1,030.91
	3,835.39	36.59	2,808.23	126.68	1,238.87	15.39	1,073.67	(14.52)	1,256.08	4.90	1,197.45	26.68
Current liabilities												
Trade and other payables	4,992.84	30.56	3,823.68	42.67	2,680.06	51.24	1,772.10	(12.39)	2,022.79	27.09	1,591.67	32.07
Unclaimed dividend	9.00	18.52	7.59	24.34	6.11	15.14	5.30	(23.73)	6.95	110.38	3.31	61.93
Accrued markup	88.77	93.03	45.99	100.00	-	-	-	-	-	-	-	-
Short term borrowings	2,612.51	25.55	2,080.85	100.00	-	-	-	-	-	-	-	-
Current maturity of liability against assets subject to finance lease	3.91	30.77	2.99	(23.92)	3.93	-	3.93	-	3.93	110.90	1.86	-
Taxation - provision less payments	-	-	-	(100.00)	56.70	(87.39)	449.71	128.10	197.15	234.48	58.94	(54.41)
	7,706.03	26.30	5,953.51	117.23	2,740.69	23.14	2,225.73	0.08	2,223.87	34.58	1,652.48	23.83
Total liabilities	11,533.42	31.63	8,761.74	120.17	3,979.55	20.61	3,299.40	(5.19)	3,479.95	22.11	2,849.92	25.01
Contingency and commitments												
Total Equity and Liabilities	26,406.06	27.51	20,709.38	43.55	14,426.40	17.92	12,234.54	2.59	11,926.00	11.47	10,698.75	20.31

STATEMENT OF VALUE ADDITION AND DISTRIBUTION

		2018	2017
		Rupees in Million	
	Gross Sales	22,633	19,290
Less:	Operating expenses	(11,115)	(8,293)
Add:	Income from Investments	2	72
	Other Income	59	164
		61	237
	Total Value Added / wealth created	11,519	11,234
	Distributed as follows:		
	Employees remuneration	2,265	1,824
	Government as:		
	Taxation	(1,270)	1,410
	Workers Funds	163	334
	Sales Tax & Excise Duty	5,424	4,195
		4,317	5,939
	Shareholders as:		
	Dividend	916	1,546
	Bonus Share	229	-
		1,145	1,546
	Retained in business		
	Depreciation	537	437
	Net earnings	3,255	1,488
		3,792	1,925
	Total value distributed	11,519	11,234

Distribution of Value Addition

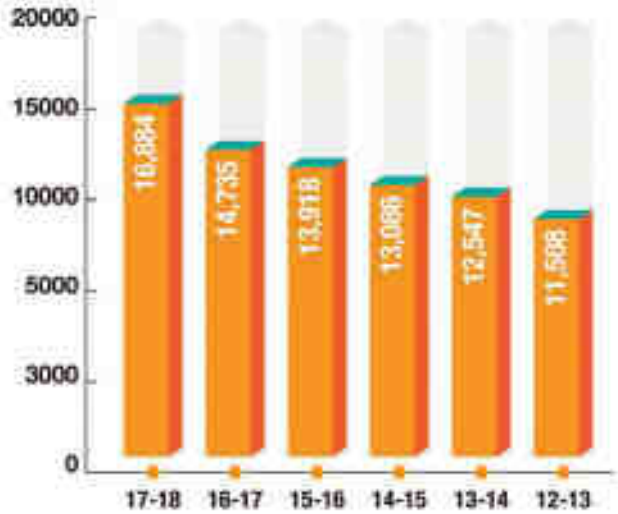


SIX YEARS AT A GLANCE

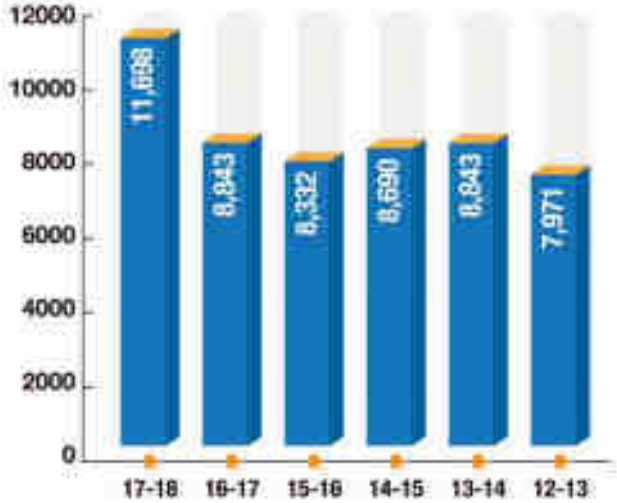
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
	---------- Rupees in million unless otherwise stated ----------					
Productions and Sales						
Clinker production (in tonnes)	2,482,591	1,866,325	1,866,997	1,835,254	1,800,135	1,781,569
Capacity utilization %	109	107	107	105	103	102
Cement production (in tonnes)	2,309,345	2,081,858	1,967,391	1,877,150	1,912,921	1,843,591
Cement sales (in tonnes)	2,286,613	2,082,582	1,970,589	1,881,941	1,898,419	1,845,881
Profit or Loss						
Net sales	16,984.41	14,735	13,918	13,086	12,547	11,508
Cost of sales	11,697.56	8,843	8,332	8,690	8,843	7,971
Gross profit	5,186.83	5892	5,587	4,396	3,704	3,537
Other income	60.80	237	341	423	270	227
Operating profit	3,380.55	4,472	4,257	3,247	2,665	2,693
Profit before tax	3,129.39	4,444	4,236	3,221	2,635	2,678
Profit after tax	4,399.76	3,034	2,890	2,206	2,014	2,138
Financial Position						
Paid-up capital	1,145.23	1,145	1,145	1,145	1,145	996
Unappropriated profit	13,737.41	10,802	9,302	7,790	7,301	6,951
Long term & deferred liabilities	3,835.39	2,808	1,239	1,074	1,256	1,197
Current liabilities	7,696.03	5,954	2,741	2,226	2,224	1,652
Fixed assets less depreciation	17,962.53	16,660	7,141	6,000	6,126	5,999
Other long term assets	1,714.17	878	89	103	80	76
Current assets	6,728.90	3,171	7,197	6,132	5,720	4,624
Key Financial Ratios						
Gross profit %	30.72	39.99	40.14	33.59	29.52	30.73
Operating profit %	20.02	30.35	30.59	24.81	21.24	23.27
Net profit after tax %	26.06	20.59	20.76	16.86	16.05	18.58
Return on equity %	29.58	25.39	27.66	24.69	23.85	27.24
Return on capital employed	22.73	37.43	40.75	36.38	31.55	34.12
No. of days in inventory	22.38	21.80	29.86	27.03	22.46	25.28
No. of days in receivables	9.62	4.85	4.39	5.39	8.89	8.56
Fixed assets turnover ratio (times)	0.95	2.76	2.60	2.35	2.30	2.07
Current ratio (times)	0.87	0.53	2.63	2.75	2.57	2.80
Price earning ratio (times)	5.50	11.43	9.46	9.90	8.97	7.07
Dividend yield ratio %	5.95	4.46	5.24	7.87	8.25	9.85
Dividend payout ratio %	30.82	50.96	49.52	77.88	73.91	69.63
Debt equity ratio	40.98	29.97	-	-	-	-
Interest cover ratio (times)	13.46	157.64	199.78	124.88	89.44	180.83
Shares and Earnings						
Market price per share at June 30 (Rs.)	135	303	239	191	158	132
Earnings per share (Rs.)	38.42	26.49	25.24	19.26	17.59	18.67
Cash dividend per share	8.00	13.50	12.50	15	13	13
Break-up value per share	129.87	104.33	91.22	78.02	73.75	79.80

GRAPHICAL PRESENTATION

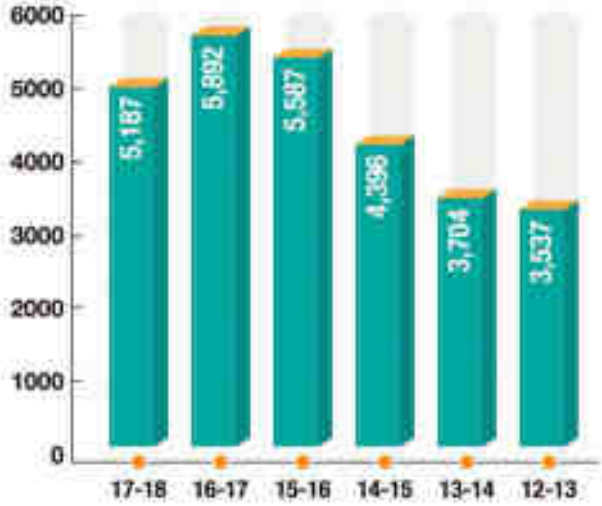
Net Sales (Rs. in Million)



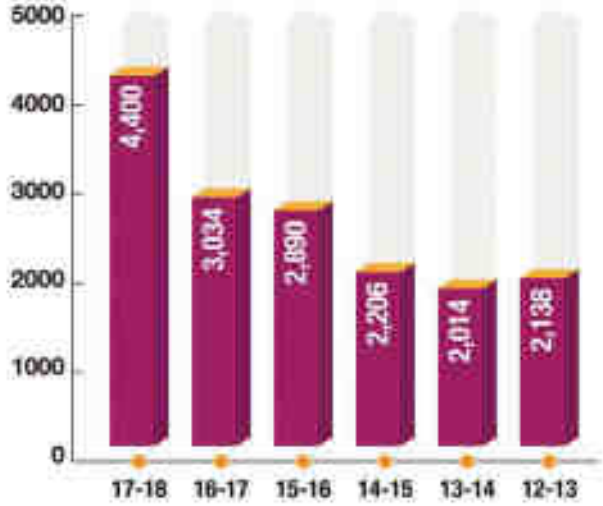
Cost of Sales (Rs. in Million)



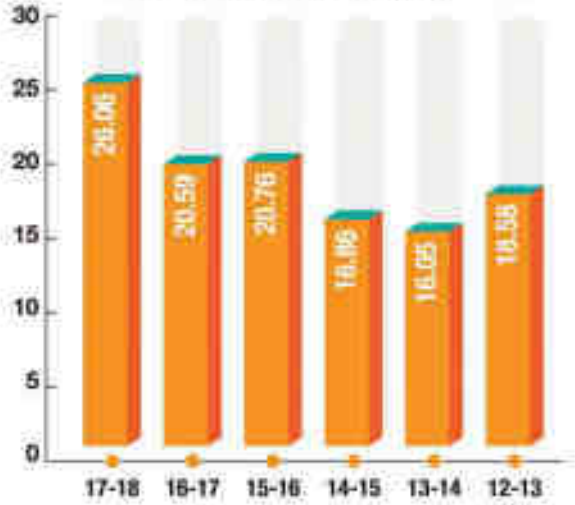
Gross Profit (Rs. in Million)



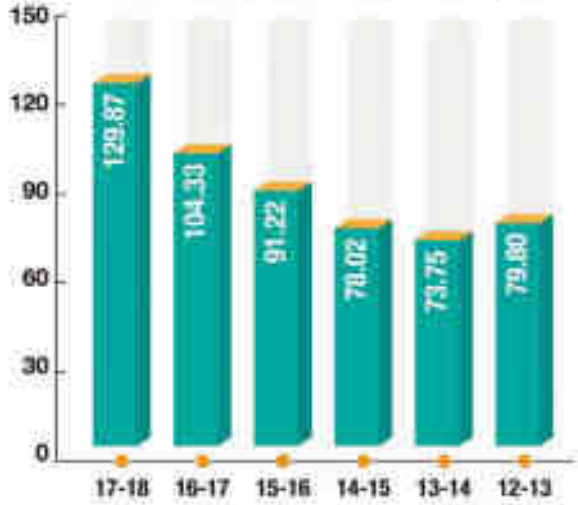
Profit After Tax (Rs. in Million)



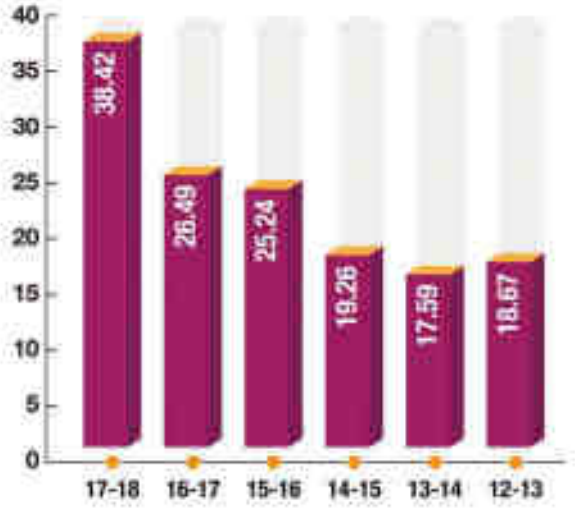
Net Profit After Tax (%)



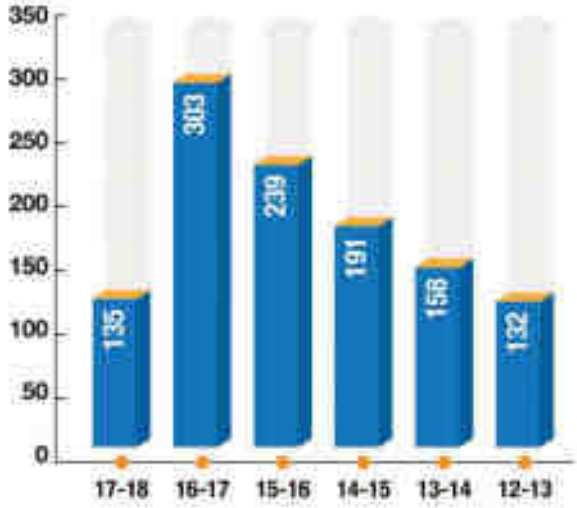
Break-up Value per Share (Rs.)



Earnings per Share (Rs.)

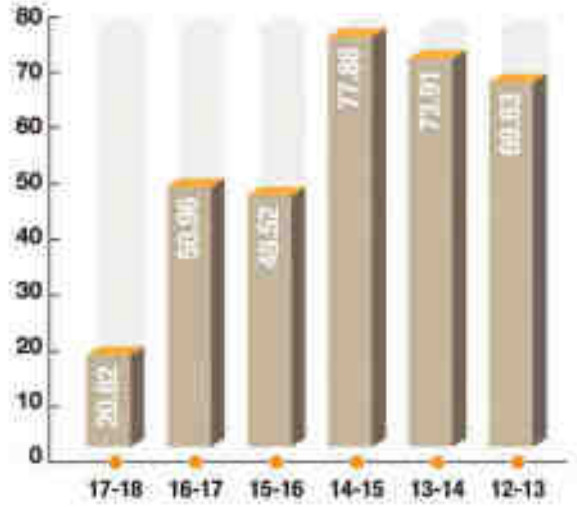


Market Price per Share (Rs.)



Return on equity (%)

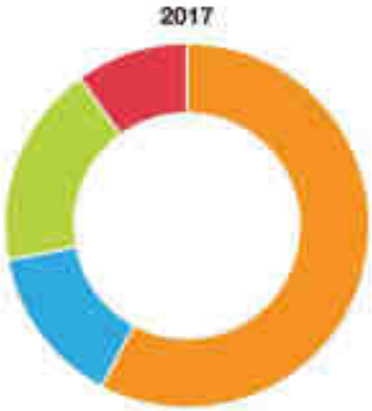
Dividend payout ratio (%)



COMPOSITION OF STATEMENT OF FINANCIAL POSITION

Equity and Liabilities

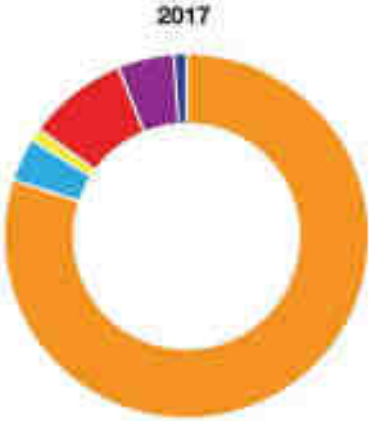
Share Capital and Reserves	56
Other Non-current Liabilities	15
Trade Payable and Others	19
Other Current Liabilities	10



Share Capital and Reserves	58
Other Non-current Liabilities	14
Trade Payable and Others	18
Other Current Liabilities	10

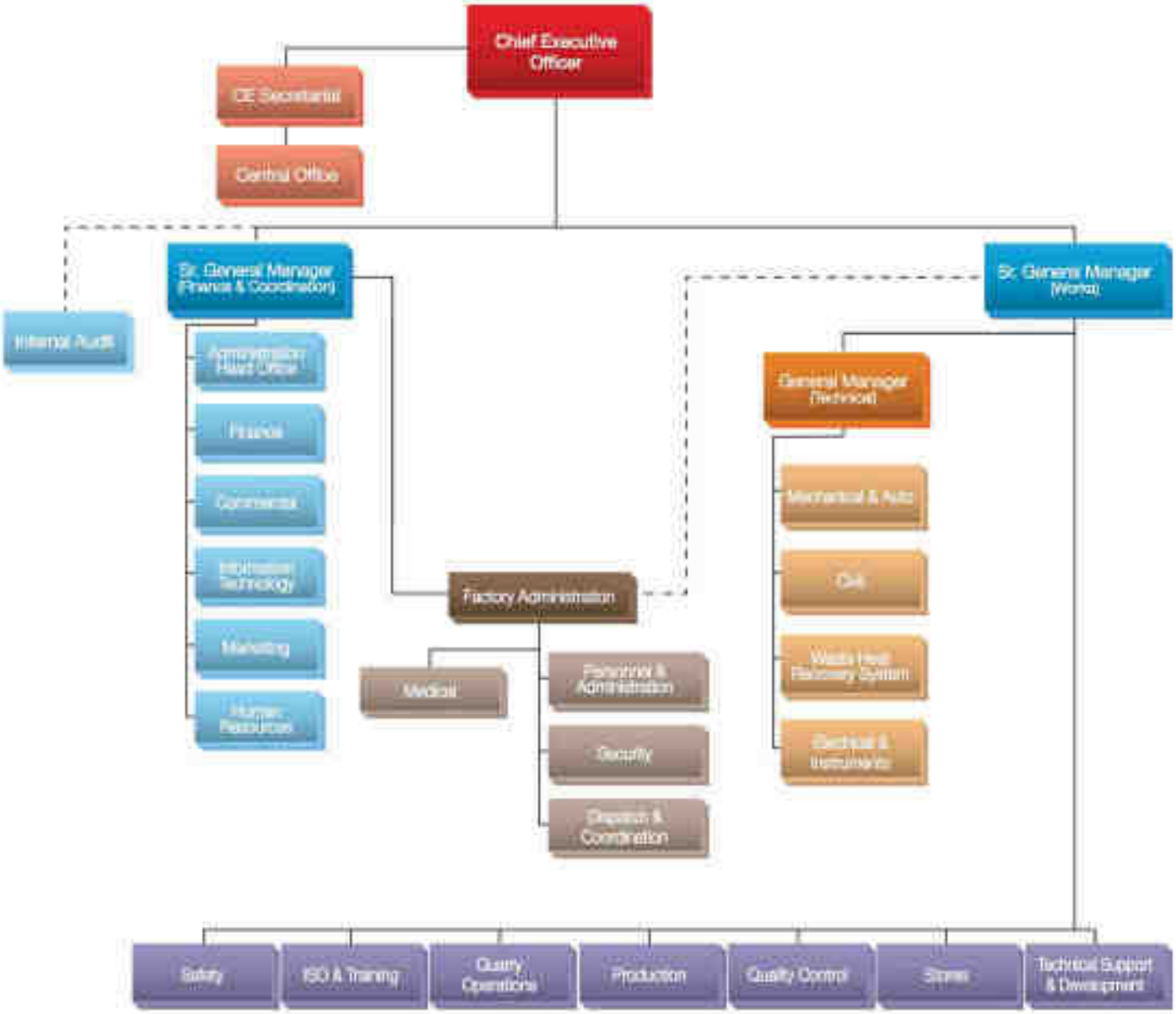
Assets

Property, Plant and Equipment	68
Other Long Term Assets	6
Trade Debts	3
Inventories	14
Other Assets	8
Cash and Bank Balances	1



Property, Plant and Equipment	80
Other Long Term Assets	4
Trade Debts	1
Inventories	9
Other Assets	5
Cash and Bank Balances	1

CORPORATE ORGANOGRAM



NOTICE OF THE THIRTY-NINTH (39TH) ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting of Attock Cement Pakistan Limited (the "Company") will be held on October 18, 2018 at 12:00 hours at Marriott Hotel Karachi to transact the following:

Ordinary Business

1. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2018 together with the Report of Auditors and the directors thereon.

2. To consider and if thought fit, approve the final cash dividend of 80% (Rs. 8.00 per share) as recommended by the Board of Directors for the year ended June 30, 2018.

3. To appoint the auditors for the financial year 2018-19 and to fix their remuneration.

Special Business

4. To consider and if thought fit, pass the following Resolution as an ordinary resolution:

Resolved:

a. that a sum of Rs. 229,044,936 be capitalized out of the free reserves of the Company and applied towards issue of 22,904,493 ordinary shares of Rs. 10/- each as fully paid bonus shares in the proportion of one (1) ordinary share for every five (5) ordinary shares held by the members of the Company whose names appear on the register of members as at the close of business on October 10, 2018;

b. that the bonus shares so allotted shall not be entitled for final cash dividend for the year 2017-18;

c. that the bonus shares so allotted shall rank pari passu in every respect with the existing shares;

d. that the members entitled to fractions of a share shall be given sale proceeds of their fractional entitlement for which purpose the fractions shall be consolidated into whole shares and sold in the stock market; and

e. that the Company Secretary be authorised and empowered to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required for issue, allotment and distribution of bonus shares or payment of the sale proceeds of the fractions. In the case of non-resident member(s), the Secretary is further authorised to issue/export the bonus shares after fulfilling the statutory requirements."

5. To transact any other business with the permission of the Chairman.

By Order of the Board

IRFAN AMANULLAH
Company Secretary

Karachi: September 27, 2018

Notes:

1. The Register of members and share transfer books of the Company will remain close from October 11, 2018 to October 18, 2018 (both days inclusive).

2. Only those members whose names appear in the register of members of the Company as on October 10, 2018 are entitled to attend and vote at the meeting.

3. A member entitled to attend, speak and vote may appoint any other person as his / her proxy to attend, speak and vote on his / her behalf. Proxies must be received at the Registered Office of the Company duly signed not later than 48 hours before the time of holding the meeting. Form of proxy is enclosed herewith.

4. Members who desire to stop deduction of Zakat from their dividends may submit a declaration on non-judicial stamp paper duly signed as required under the law.

5. Members are requested to notify any changes in their addresses immediately.

   CDC Account Holders will have to further follow the under mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

A. For attending the meeting:

i) In case of individuals, the account holder or sub-account holder shall authenticate his / her Original CNIC at the time of attending the meeting.

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

B. For appointing proxies:

i) In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirements.

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

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

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

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

Deduction of the Income Tax from Dividend under Section 150 of the Income Tax Ordinance 2001 ("Income Tax Ordinance")

Pursuant to the provisions of the Finance Act 2017 effective July 1, 2017, the rates of deduction of Income tax from dividend payments under the Income Tax Ordinance, 2001 are as follows:

(a)	Rate of tax deduction for filer of income tax returns	15%
(b)	Rate of tax deduction for non-filers of income tax returns	20%

All shareholders / members of the Company who hold shares in Physical form are therefore requested to send a valid copy of their CNIC and NTN Certificates, to the Company's shares Registrar, M/s. FAMCO Associates (Pvt.) Ltd. 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S, Shahra-e-Faisal Karachi, to allow the Company to ascertain the status of the shareholder/member.

Shareholders/members of the Company who hold shares in the scrip-less form on Central Depository System (CDS) of Central Depository Company Pakistan Limited (CDC) are requested to send valid copies of their CNIC and NTN Certificates to their CDC Participants/CDC Investor Account Services.

TRANSMISSION OF ANNUAL AUDITED FINANCIAL STATEMENTS THROUGH CD / DVD:

The Company has circulated annual financial statements to its members through CD at their registered address. Printed copy of above referred statements can be provided to members upon request. Request Form is available on the website of the Company i.e. www.attockcement.com

TRANSMISSION OF ANNUAL REPORTS THROUGH E-MAIL:

The SECP vide SRO 787 (1)/2014 dated September 08, 2014 has provided an option for shareholders to receive audited financial statements along with notice of annual general meeting electronically through email. Hence, members who are interested in receiving the annual reports and notice of annual general meeting electronically in future are requested to send their email addresses on the consent form placed on the Company's website www.attockcement.com. The Company shall, however additionally provide hard copies of the annual report to such members, on request, free of cost.

AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2018 have been made available on the Company's website www.attockcement.com, in addition to annual and quarterly financial statements for the prior years.

PAYMENT OF DIVIDEND THROUGH BANK ACCOUNT OF THE SHAREHOLDER:

In accordance with Section 242 of the Companies Act, 2017 cash dividend can only be paid through electronic mode directly into the respective bank account designated by the entitled shareholder. Shareholders are requested to provide their bank account details (IBAN format) directly to our share registrar (for physical shares) or to their respective participant / broker (for CDS shares) as the case may be. The subject Form is available at Company's website i.e. www.attockcement.com.

CONSENT FOR VIDEO CONFERENCE FACILITY:

In accordance with Section 132(2) of the Companies Act, 2017 if the company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility a request is to be submitted to the Company Secretary of the Company on given address:

The Company Secretary, Attock Cement Pakistan Limited, D-70, Block-4, Kehkashan-5, Clifton, Karachi.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017:

ISSUE OF BONUS SHARES:

The Directors are of the view that with the existing profitability, the Company's financial position justifies capitalization of Rs. 229,044,936 out of the free reserves as at June 30, 2018, by issuing fully paid bonus shares in the proportion of one share for every five shares held. The Directors of the Company, directly or indirectly, are not personally interested in this issue, except to the extent of their shareholding in the Company.

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

FOR THE YEAR ENDED JUNE 30, 2018

The Company has complied with the requirements of the Regulations in the following manner:

1. The Total Number of Directors are seven as per the following:
   Male 7
   Female -
2. The composition of board is as follows:

Non-Executive Directors	Executive Directors	Independent Director
Mr. Laith G. Pharaon Mr. Wael G. Pharaon Mr. Shuaib A. Malik Mr. Abdus Sattar Mr. Sajid Nawaz	Mr. Babar Bashir Nawaz Mr. Irfan Amanullah (Alternate Director)	Agha Sher Shah

3. 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).
4. 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.
5. 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.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All the directors are either exempted or have attended the required training in prior years.
10. The Board has approved the 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.
11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

Audit Committee

- Agha Sher Shah (Chairman)
- Mr. Shuaib A. Malik
- Mr. Abdus Sattar

HR & Remuneration Committee

- Agha Sher Shah (Chairman)
- Mr. Shuaib A. Malik
- Mr. Abdus Sattar

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

14. The frequency of the meetings of the committees were as following:

Audit Committee	Four quarterly meetings during the financial year ended June 30, 2018
HR & Remuneration Committee	One meeting during the financial year ended June 30, 2018

15. The board has outsourced the internal audit function to EY Ford Rhodes Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (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.

17. 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.

18. We confirm that all requirements of these regulations have been complied with.

On behalf of the Board

LAITH G. PHARAON
Chairman

Dubai, UAE
Date: August 15, 2018

pwc

A·F·FERGUSON&Co.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ATTOCK CEMENT PAKISTAN 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 Attock Cement Pakistan 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.

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

Chartered Accountants
Karachi

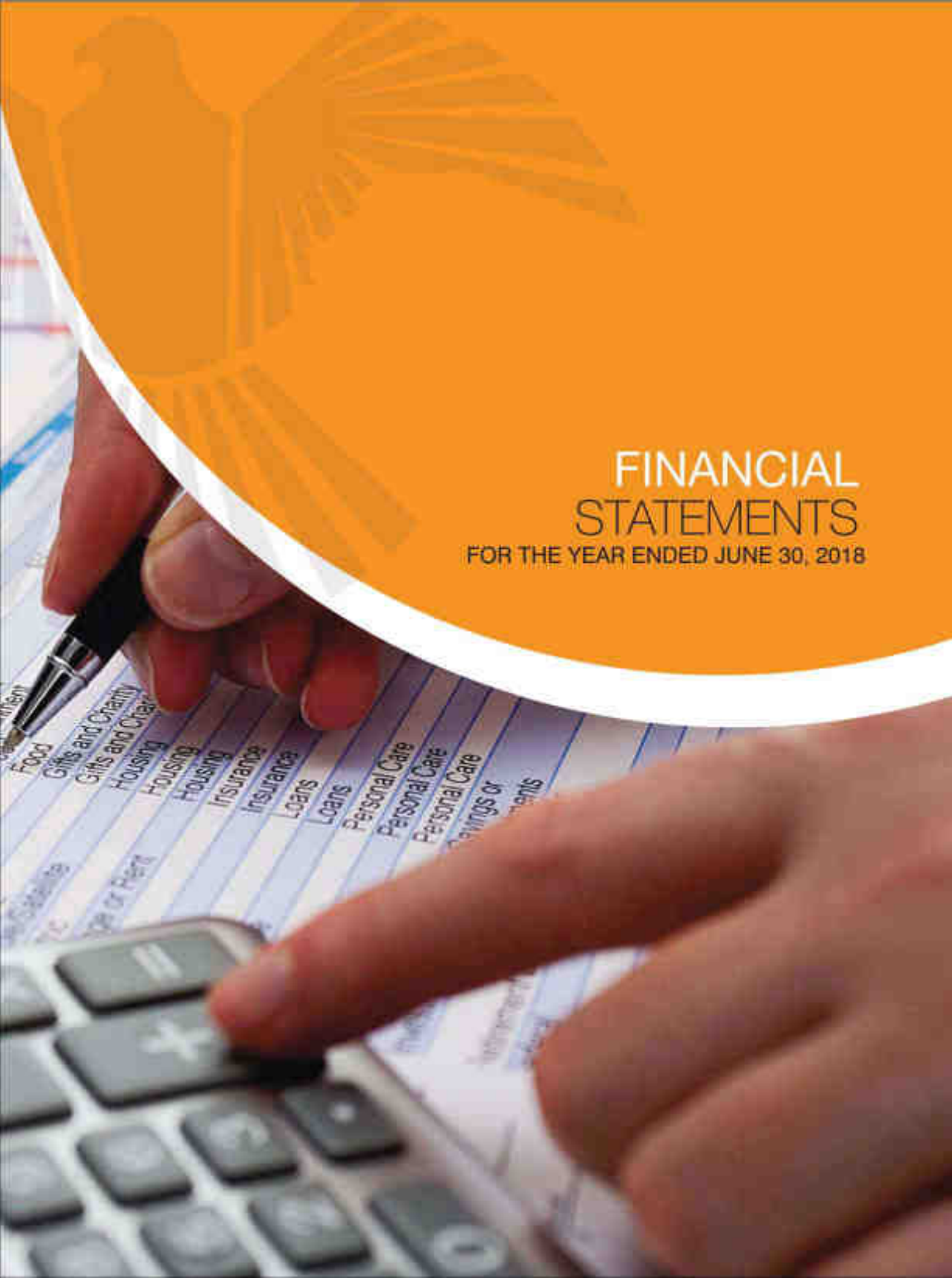
Dated: September 17, 2018

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

Monthly Budget - Detail
Category
Children
Children
Children
Entertainment
Entertainment
Entertainment

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018



pwc

A·F·FERGUSON&Co.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATTOCK CEMENT PAKISTAN LIMITED

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Attock Cement Pakistan Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2018, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated 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, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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 Matters

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

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

Following are the Key Audit Matters:

S. No.	Key Audit Matter	How the matter was addressed in our audit
(i)	**Property, plant and equipment** ***(Refer note 4.1.1 to the unconsolidated financial statements)*** The Company has incurred significant capital expenditure during the year ended June 30, 2018, which primarily comprise of the new production facility (Line 3) amounting to Rs.1.39 billion. Further the amount transferred to operating assets in respect of Line 3 is Rs. 8.92 billion. The incurrence of capital expenditure involves appropriateness of the production facility costs and determining which costs meet the criteria for capitalisation under the accounting and reporting standards. This production facility represents significant transaction during the year and involved management judgment relating to capitalisation of costs as well as estimates the useful life of Line 3 transferred to operating assets. The matter is therefore considered as a key audit matter.	Our audit procedures included the following: • assessed the design, implementation and operating effectiveness of key internal controls over the purchase and accounting of the assets comprising the Line 3; • tested the costs capitalised with the relevant underlying documentation; • verified the capitalisation of borrowing costs based on the relevant criteria and compared interest rates to loan agreements, recalculating the interest capitalisation rate and assessing the calculation of interest capitalised in capital work-in-progress; • assessed the nature of capitalised costs to ensure whether assets capitalised meet the recognition criteria set out in IAS 16; • visited the location to validate the existence and operation of Line 3; and • reviewed the adequacy of the disclosures made by the Company in this area with regard to applicable accounting and reporting standards.

S. No.	Key Audit Matter	How the matter was addressed in our audit
(iii)	**Companies Act, 2017** ***(Refer note 3.1.1 to the unconsolidated financial statements)*** The fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these annexed unconsolidated financial statements. As part of this transition to the requirements, the management performed a gap analysis to identify differences between the previous and current fourth schedules and as a result certain amendments relating to presentation and disclosures have been made in the Company's annexed unconsolidated financial statements. In view of the various additional disclosures in the annexed unconsolidated financial statements due to first time application of the fourth schedule to the Companies Act, 2017, we considered this as a key audit matter.	We reviewed and understood the requirements of the fourth schedule to the Companies Act, 2017. Our audit procedures included the following: • considered the management's process to identify the additional disclosures required in the Company's annexed unconsolidated financial statements; • obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for the sufficient audit evidence; and • verified on test basis the supporting evidence for the additional disclosures and ensured appropriateness of the disclosures made.

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

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

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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.

S. No.	Key Audit Matter	How the matter was addressed in our audit
(ii)	**Income tax** ***(Refer notes 13, 18 and 31 to the unconsolidated financial statements)*** During the year, net income tax credit (income) amounting to Rs. 1,270 million has been recognized. This includes investment tax credit amounting to Rs. 1,072 million arising on the installation of new cement line 3 entitled under the provisions of Income Tax Ordinance, 2001. Such investment tax credit is to be adjusted with the income tax liability for the year. In view of determination of tax loss for the year the investment tax credit could not be adjusted for the year and is carried forward to be adjusted in next two years. The carried forward investment tax credit is recognised as deferred tax asset. Further, the net income tax credit (income) includes reversal of tax provision amounting to Rs. 892.07 million relating to dispute with the income tax department regarding apportionment of expenses between local sales and export sales on the basis of 'Gross Sales' as compared to 'Net Sales' relating to the tax years 2009 to 2015. During the year the Company succeeded in this respect at the level of Appellate Tribunal Inland Revenue (ATIR) and accordingly reversed the provision. The above matters are significant transactions/events affecting the financial statements during the year and in view of the significance of the amounts involved and high level of management judgment we considered this a key audit matter.	**For investment tax credit** We obtained an understanding of the Company's process of preparing the deferred tax working and tested internal controls over management's valuation of deferred tax assets and liabilities. We also obtained an understanding regarding the relevant tax laws with respect to availability of tax credits. We checked the management's analysis regarding the timing of reversal of temporary differences by considering the year wise reversals of the temporary differences and evaluated the selection of the expected corporate tax rate in this regard. We recalculated the amount of investment tax credit in accordance with the provisions of Income Tax Ordinance, 2001. We also involved internal tax specialists to check the income tax computation for the year and assess the management conclusion on carry forward of the investment tax credit. We also reviewed the appropriateness of accounting policy in respect of recognition of such tax credit and reviewed the adequacy of the disclosures made by the Company in this area with regard to applicable accounting and reporting standards. **For reversal of income tax provision** We obtained and reviewed the Order of the ATIR in respect of the matter. The said case was discussed with the relevant management personnel and we obtained and reviewed the litigation documents in order to assess the facts and circumstances. We involved internal tax specialists to review the ATIR decision and assess management conclusion on the reversal of tax provision. We further obtained confirmation from the tax advisor of the Company contesting the matter. We also reviewed the disclosure of the matter in the financial statements to be in accordance with the accounting and reporting standards.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

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

In preparing the unconsolidated 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 Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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 unconsolidated 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

Chartered Accountants
Karachi

Date: September 17, 2018

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

	Note	2018	2017
ASSETS		Rupees '000	
Non-current assets			
Fixed assets - property, plant and equipment	4	17,962,931	16,660,338
Long-term investments	5	1,435,379	786,112
Long-term loans and advances - considered good	6	47,311	48,588
Long-term deposits	7	99,940	42,980
Deferred tax assets	18	131,543	-
		19,677,104	17,538,018
Current assets			
Inventories	8	3,649,066	1,929,782
Trade receivables - considered good	9	709,917	180,490
Loans and advances - considered good	10	76,499	76,383
Short-term deposits and prepayments	11	22,593	23,655
Other receivables	12	201,370	105,787
Taxation - payments less provisions	13	1,453,299	236,663
Tax refunds due from Government - Sales tax		289,270	496,755
Cash and bank balances	14	324,936	121,847
		6,726,950	3,171,362
Total assets		26,406,054	20,709,380
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid-up	15	1,145,225	1,145,225
Unappropriated profit		13,727,410	10,802,410
		14,872,635	11,947,635
LIABILITIES			
Non-current liabilities			
Long term loans	16	3,437,500	1,500,000
Liability against assets subject to finance lease	17	10,793	1,033
Deferred tax liabilities	18	-	817,747
Employee benefit obligations	19	387,093	489,453
		3,835,386	2,808,233
Current liabilities			
Trade and other payables	20	4,983,843	3,816,087
Unclaimed dividend		8,988	7,592
Accrued mark-up	21	88,773	45,990
Short term borrowings	22	2,612,508	2,080,847
Current maturity of liability against assets subject to finance lease	17	3,911	2,996
		7,698,033	5,953,512
Total liabilities		11,533,419	8,761,745
Contingency and commitments	23		
Total equity and liabilities		26,406,054	20,709,380

The annexed notes 1 to 42 form an integral part of these unconsolidated financial statements.

Irfan Amanullah	Babar Bashir Nawaz	Abdus Sattar
Chief Financial Officer	Chief Executive	Director

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
		---------- Rupees '000 ----------	
Revenue	24	16,864,411	14,735,172
Cost of sales	25	(11,697,583)	(8,842,960)
Gross profit		5,166,828	5,892,212
Distribution costs	26	(1,170,970)	(903,531)
Administrative expenses	27	(533,111)	(419,378)
Other expenses	28	(163,000)	(333,645)
Other income	29	60,804	236,632
Profit from operations		3,360,551	4,472,290
Finance cost	30	(251,172)	(28,369)
Profit before income tax		3,129,379	4,443,921
Income tax credit / (expense)	31	1,270,405	(1,409,864)
Profit for the year		4,399,784	3,034,057
Other comprehensive income / (loss):			
Items that will not be reclassified to profit or loss			
Remeasurements of post - employment benefit obligations		71,269	(101,734)
Total comprehensive income for the year		4,471,053	2,932,323
Basic and diluted earnings per share	32	Rs. 38.42	Rs. 26.49

The annexed notes 1 to 42 form an integral part of these unconsolidated financial statements.

Irfan Amanullah
Chief Financial Officer

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

	Issued, subscribed and paid up capital	Unappropriated profit	Total
	Rupees '000		
Balance as at July 01, 2016	1,145,225	9,301,618	10,446,843
Final dividend for the year ended June 30, 2016 @ Rs. 12.50 per share	-	(1,431,531)	(1,431,531)
Total comprehensive income for the year ended June 30, 2017			
Profit for the year ended June 30, 2017	-	3,034,057	3,034,057
Other comprehensive loss for the year ended June 30, 2017	-	(101,734)	(101,734)
	-	2,932,323	2,932,323
Balance as at July 01, 2017	1,145,225	10,802,410	11,947,635
Final dividend for the year ended June 30, 2017 @ Rs. 13.50 per share	-	(1,546,053)	(1,546,053)
Total comprehensive income for the year ended June 30, 2018			
Profit for the year ended June 30, 2018	-	4,399,784	4,399,784
Other comprehensive income for the year ended June 30, 2018	-	71,269	71,269
	-	4,471,053	4,471,053
Balance as at June 30, 2018	1,145,225	13,727,410	14,872,635

The annexed notes 1 to 42 form an integral part of these unconsolidated financial statements.

Irfan Amanullah
Chief Financial Officer

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
		---------- Rupees '000 ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	33	3,356,307	4,412,368
Finance cost paid		(290,191)	(28,369)
Income tax paid		(895,521)	(1,694,992)
Increase in long term deposits		(56,960)	-
Decrease / (increase) in long-term loans and advances		1,277	(7,050)
Employee benefit obligations paid		(127,425)	(115,815)
Net cash generated from operating activities		1,987,487	2,566,142
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(2,076,529)	(8,752,605)
Investment in subsidiary company		(649,267)	(781,612)
Proceeds from disposal of operating assets		9,508	3,750
Purchase of open ended mutual fund units		(165,000)	(2,498,310)
Proceeds from sale of open ended mutual fund units		167,258	6,844,342
Interest received		10,423	11,947
Net cash used in investing activities		(2,703,597)	(5,172,488)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,544,647)	(1,430,045)
Proceeds from long term loan		3,400,000	1,600,000
Repayment of long term loan		(212,500)	-
Current portion of long term loan repaid		(100,000)	-
Lease rentals paid		(5,315)	(3,927)
Net cash generated from financing activities		1,537,538	166,028
Net increase / (decrease) in cash and cash equivalents		821,428	(2,440,318)
Cash and cash equivalents at beginning of the year		(1,859,000)	581,318
Cash and cash equivalents at end of the year	34	(1,037,572)	(1,859,000)

The annexed notes 1 to 42 form an integral part of these unconsolidated financial statements.

Irfan Amanullah	**Babar Bashir Nawaz**	**Abdus Sattar**
Chief Financial Officer	Chief Executive	Director

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1. THE COMPANY AND ITS OPERATIONS

1.1 The company was incorporated in Pakistan on October 14, 1981 as a public limited company and is listed on Pakistan Stock Exchange. Its main business activity is manufacturing and sale of cement.

The company is a subsidiary of Pharaon Investment Group Limited Holding S.A.L., Lebanon.

The geographical locations and addresses of the company's business units, including mills / plant are as under:

- The registered office of the company is at D-70, Block-4, Kehkashan-5, Clifton, Karachi.
- The company's cement manufacturing plant is located in Tehsil Hub, District Lasbella, Balochistan.
- The company also has a representative / liaison office at Plot No. 581-0, Arzoo Building, Al Mararr, Dubai, UAE.

1.2 The company has investment in subsidiary company - Saqr Al Keetan for Cement Production Company Limited (SAKCPCL) incorporated in Basra, Iraq. These unconsolidated financial statements are the separate financial statements of the company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.

2. SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT REPORTING PERIOD

The company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

a) During the year cement production Line 3 and Waste Heat Recovery System (WHRS), an alternate energy project became operational. Refer note 4.1.1.

b) Made further investment in Saqr Al Keetan for Cement Production Company Limited - subsidiary (SAKCPCL). Refer note 5.

c) Obtained loan under the facility of syndicate finance agreement. Refer note 16.

d) Recorded deferred tax asset in respect of tax credit on investment pertaining to Line 3 and WHRS. Refer note 18.

e) Coal prices have increased and Pak Rupee has devalued which resulted in an increase of consumption cost by approximately Rs. 800 million.

f) Reversed prior years' tax provision. Refer notes - 13 & 31.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these unconsolidated financial statements are set out below:

3.1 Basis of preparation

3.1.1 Statement of compliance

These unconsolidated 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:

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

- 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.

3.1.2 Critical accounting estimates and judgements

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. The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the unconsolidated financial statements are:

(i) Income tax - notes 18 & 31
(ii) Staff retirement benefits - note 19.1

Estimates and judgements are continually evaluated and adjusted based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There have been no critical judgements made by the company's management in applying the accounting policies that would have significant effect on the amounts recognised in the unconsolidated financial statements except as stated below.

3.1.3 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that became effective during the year and relevant

IAS 7, 'Statement of Cash Flows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. In the first year of adoption, comparative information need not be provided.

The change has been disclosed in notes 16 & 17 of these unconsolidated financial statements.

The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of financial statements of the Company. These changes also include change in nomenclature of primary statements, etc.

Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with the IFRS disclosure requirements; and
- incorporation of significant additional disclosures.

Keeping in view of the above, the presentation of these unconsolidated financial statements has been realigned with the provisions contained in the Act. The application of the Act, however, does not have any impact on the recognition and measurement of the amounts included in these unconsolidated financial statements of the company.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

There are other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2017 are considered not to be relevant for company's unconsolidated financial statements and hence have not been detailed here.

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

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2018 that may have an impact on the unconsolidated financial statements of the company.

IFRS 9 'Financial instruments' - This standard is effective for periods beginning from or after July 01, 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' - This standard is effective for periods beginning from or after July 01, 2018. IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 16 'Leases' - This standard is effective for periods beginning from or after January 01, 2019. IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by these standards on its unconsolidated financial statements.

3.2 Overall valuation policy

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.

3.3 Fixed Assets - property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses (if any) except freehold land, capital work-in-progress and stores held for capital expenditures which are stated at cost. Depreciation is calculated using the straight-line method on all assets in use to charge off their cost excluding residual value, if not insignificant, over their estimated useful lives.

Depreciation on acquisition is charged from the month of addition whereas no depreciation is charged in the month of disposal.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

Company accounts for impairment, where indications exist, by reducing its carrying value to the estimated recoverable amount.

Maintenance and normal repairs are charged to unconsolidated statement of profit or loss and other comprehensive income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal / retirement of fixed assets are included in unconsolidated statement of profit or loss and other comprehensive income.

3.4 Staff retirement benefits

Defined benefit plans

The company operates approved funded gratuity and pension schemes for all its management and non-management employees. Contributions to the schemes are based on actuarial valuations.

The latest actuarial valuations of the schemes have been carried out as at June 30, 2018 using the Projected Unit Credit method. The amount arising as a result of remeasurements are recognised in the unconsolidated statement of financial position immediately, with a charge or credit to Other Comprehensive Income in the periods in which they occur. Past-service costs are recognised immediately in profit or loss.

Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the schemes.

Defined contribution plan

The company also operates an approved provident fund for its permanent employees. Equal monthly contributions are made, both by company and the employees, at the rate of 10% of basic salary.

3.5 Long-term investments

The company has investments in subsidiary and associated company. Investment in subsidiary is stated at cost. The investment in associated company is also stated at cost. The equity method of accounting has not been followed as the effect of applying this method is immaterial. Impairment loss is recognised whenever the carrying amount of investment exceeds its recoverable amount. An impairment loss is recognised in profit or loss.

3.6 Inventories

Inventories are valued at lower of cost and net realisable value except goods-in-transit which are stated at cost. Raw and packing materials, work-in-process and finished goods are valued at the weighted average cost. Cost of work-in-process and finished stocks comprise of direct costs and appropriate portion of production overheads.

Stores, spares and loose tools are valued at monthly weighted average cost less provision for slow moving and obsolete stores, spares and loose tools. Items in transit are stated at cost.

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs of completion and costs necessarily to be incurred in order to make the sale.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

3.7 Trade and other receivables

Trade and other receivables are recognised and carried at original invoice amount less a provision for impairment. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. Trade and other receivables considered irrecoverable are written-off.

3.8 Cash and cash equivalents

Cash and cash equivalents are carried in the unconsolidated statement of financial position at cost. For the purposes of statement of cashflows, cash and cash equivalents comprise of cash and cheques in hand and in transit, balances with banks on current, saving and deposit accounts and finance under mark-up arrangements.

3.9 Leases

Finance leases

The company leases motor vehicles. Leases of motor vehicles where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased motor vehicles and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The interest element of the finance cost is charged to unconsolidated statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The motor vehicles acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Payments made under operating leases are charged to unconsolidated statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

3.10 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

3.11 Provisions

Provisions are recognised in the unconsolidated statement of financial position when the company has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each unconsolidated statement of financial position date and adjusted to reflect current best estimate.

3.12 Income tax

Current

The charge for current taxation is based on the taxable income at the rate of taxation after taking into account tax credits, rebates available, if any.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the unconsolidated financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged to or credited in the unconsolidated statement of profit or loss and other comprehensive income.

3.13 Borrowings and their cost

Borrowings are recognised initially at fair value and subsequently at amortised cost using the effective interest method. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalised as part of the cost of that asset. Borrowings payable within next twelve months are classified as current liabilities.

3.14 Foreign currencies

Transactions in foreign currencies are recorded in Pakistan Rupee at the rates of exchange approximating those prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupee using the exchange rates approximating those prevailing at the unconsolidated statement of financial position date. Exchange differences are included in profit or loss currently.

The unconsolidated financial statements are presented in Pakistan Rupee, which is the company's functional and presentation currency and figures are rounded off to the nearest thousand of Rupees.

3.15 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amount receivable for goods supplied, stated net of commission, discounts, returns and value added taxes.

Revenue from sale of goods is recognised on despatch of goods to customers i.e. when the significant risks and reward of ownership have been transferred to the customer.

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

3.16 Financial assets and liabilities

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost, as the case may be.

Financial assets and liabilities are off-set and the net amount is reported in the unconsolidated statement of financial position if the company has a legal right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.17 Dividend

Dividend distribution to shareholders is accounted for in the period in which the dividend is declared / approved.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees '000	
4. FIXED ASSETS - property, plant and equipment		
Operating assets - note 4.1	17,141,954	5,327,230
Capital work-in-progress - note 4.3	12,574	10,803,079
Stores held for capital expenditure	808,403	530,029
	17,962,931	16,660,338

4.1 Operating assets

	Freehold land	Buildings and roads on freehold land	Plant and machinery note 4.1.1	Quarry transport and equipment	Furniture and fittings	Office equipments	Vehicles owned	Vehicles held under finance lease	Total
	Rupees in '000								
Year ended 30 June 2018									
Opening net book value	4,554	849,042	4,374,527	29,858	2,203	12,169	48,840	5,937	5,327,230
Additions	-	1,555,028	10,791,157	1,810	2,252	12,309	27,374	15,996	12,414,026
Disposals - note 4.5	-	-	-	(2,290)	-	(959)	(1,964)	(989)	(6,202)
Transfers to stores	-	-	(67,000)	-	-	-	-	-	(67,000)
Depreciation charge	-	(112,962)	(996,712)	(5,229)	(1,095)	(8,658)	(16,556)	(3,867)	(1,145,079)
Closing net book value	4,554	2,291,108	13,902,972	24,149	3,360	15,861	58,694	17,077	16,541,975
At 30 June 2018									
Cost	4,554	2,199,104	19,811,704	217,471	28,705	108,231	108,830	27,445	22,505,044
Accumulated depreciation	-	(919,989)	(5,908,732)	(193,322)	(25,345)	(92,370)	(50,136)	(10,368)	(6,199,262)
Net book value	4,554	2,291,108	13,902,972	24,149	3,360	15,861	58,694	17,077	16,541,975
Year ended 30 June 2017									
Opening net book value	4,554	866,134	4,395,761	12,213	3,241	15,125	36,885	9,768	5,343,479
Additions	-	55,070	373,717	21,554	144	4,676	27,637	-	482,798
Disposals	-	-	-	-	-	-	(2,512)	-	(2,512)
Transfers to stores	-	-	(59,364)	-	-	-	-	-	(59,364)
Depreciation charge	-	(72,162)	(335,567)	(3,909)	(1,182)	(7,632)	(12,870)	(3,829)	(437,171)
Closing net book value	4,554	849,042	4,374,527	29,858	2,203	12,169	48,840	5,937	5,327,230
At 30 June 2017									
Cost	4,554	1,555,028	9,252,870	221,140	26,446	94,585	96,083	21,275	11,271,981
Accumulated depreciation	-	(705,986)	(4,878,343)	(191,282)	(24,243)	(82,416)	(47,143)	(15,338)	(5,944,751)
Net book value	4,554	849,042	4,374,527	29,858	2,203	12,169	48,840	5,937	5,327,230
Rate of depreciation %	-	5%	3.33% - 5%	10%	20%	25%	20%	20%	

4.1.1 This includes additions related to Line 3 and WHRS amounting to Rs. 8.92 billion and Rs. 1.6 billion respectively. The Line 3 and WHRS became operational during the year, therefore, the company became entitled to tax credit on investment under section 65B of the Income Tax Ordinance, 2001.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

4.2 Movement in capital work-in-progress

	Balance as at 1 July 2017	Additions during the year	Transfers to operating assets	Balance as at 30 June 2018	Balance as at 1 July 2016	Additions during the year	Transfers to operating assets	Balance as at 30 June 2017
	Rupees in '000							
Civil works	2,385,322	894,189	(3,271,827)	7,684	159,833	2,373,818	(148,329)	2,385,322
Plant & machinery	8,160,807	461,017	(8,616,934)	4,890	113,946	8,273,784	(226,923)	8,160,807
Others	176,136	88,547	(242,683)	-	25,107	182,809	(31,780)	176,136
	10,722,265	1,521,753	(12,231,444)	12,574	298,886	10,830,411	(407,032)	10,722,265
Advances to suppliers	80,814	-	(80,814)	-	1,054,414	11,240	(984,840)	80,814
	10,803,079	1,521,753	(12,312,258)	12,574	1,353,300	10,841,651	(1,391,872)	10,803,079

4.3 Capital work-in-progress

	2018			2017		
	Project - Line 3	Others	Totals	Project - Line 3	Others	Totals
	Rupees '000					
Civil works	-	7,684	7,684	2,385,322	-	2,385,322
Plant & machinery	-	4,890	4,890	8,112,502	48,305	8,160,807
Advances to suppliers	-	-	-	80,814	-	80,814
Others - note 4.3.1	-	-	-	176,136	-	176,136
	-	12,574	12,574	10,754,774	48,305	10,803,079

4.3.1 During the year, the company has capitalised borrowing costs amounting to Rs. 127.88 million (2017: Rs. 81.99 million). Borrowing costs were capitalised at the current year's weighted average rate of 6.25% (2017: 6.21%) per annum.

4.4 Particulars of immovable property (i.e. land and building) in the name of company are as follows:

Location	Usage of immovable property	Total Area (acres)	Covered Area (acres)
Tehsil Hub, District Lasbella, Balochistan	Manufacturing facility	558	558

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

4.5 The details of operating assets sold, having net book value in excess of Rs. 500,000 each are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceed	Loss	Mode of disposal	Particulars of purchaser
	Rupees '000						
Quarry Transport and Equipment	1,794	103	1,691	1,575	(116)	Insurance Claim	EFU General Insurance Limited
Vehicle	9,800	8,820	980	980	-	Company Policy	Mr. Babar Bashir Nawaz (CEO)
	11,594	8,923	2,671	2,555	(116)		

4.6 Upto previous year depreciation on plant and machinery had been charged to income at useful life of 20 years, whereas with effect from July 1, 2017, the useful life of plant and machinery has been changed to 30 years (except for WHRS and Alternate Fuel Project) in order to better reflect the pattern in which the economic benefits of the plant and machinery are consumed by the company. Had this change in accounting estimates not been made, the depreciation for the year would have been higher by Rs. 123.53 million, profit before Income tax for the year and net book value of the Plant and Machinery would have been lower by the same amount. Accordingly, deferred tax asset would have been higher by Rs. 24.2 million.

	2018	2017
	Rupees '000	
5. LONG-TERM INVESTMENTS		
Investment in subsidiary company		
Saqr Al-Keetan For Cement Production Company Limited - at cost - notes 5.1 & 5.3	1,430,879	781,612
Investment in associated company		
Attock Information Technology Services (Private) Limited - 450,000 (2017: 450,000) fully paid ordinary shares of Rs. 10 each - at cost - notes 5.2 & 5.3	4,500	4,500
	1,435,379	786,112

5.1 The company has a Joint Venture agreement with Al Geetan Commercial Agencies, Iraq, to form a limited liability company in Iraq. The principal activity of the company will be to build and operate a cement grinding plant having production capacity of approximately 900,000 metric tons per annum. The new limited liability company has been established and registered under the Iraqi law on November 3, 2014 by the name Saqr Al-Keetan for Cement Production Company Limited (SAKCPCL) having share capital of 30,000,000 Iraqi Dinar. Attock Cement Pakistan Limited will hold 60% share in the company. The expected investment of the company in foreign subsidiary would be USD 24 million. During the year, the company has invested USD 6 million (2017: USD 7.45 million) making its total investment to USD 13.45 million (2017: USD 7.45 million).

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

Equity investment in Saqr Al-Keetan for Cement Production Company Limited, Basra Iraq has been approved by the members in its Extra Ordinary General Meeting held on May 12, 2015, as was required under section 208 of the repealed Companies Ordinance, 1984.

5.2 The company holds 10% (2017: 10%) of investee's total equity. The break-up value per share is Rs. 53.86 (2017: Rs. 45.53). Total assets and total liabilities of the investee as at June 30, 2018 amounted to Rs. 262.44 million and Rs. 20.09 million (2017: Rs. 222.53 million and Rs. 17.67 million) respectively.

5.3 The investments in associated / subsidiary companies have been made in accordance with the requirements of the Companies Act, 2017.

	2018	2017
	---------- Rupees '000 ----------	
6. LONG-TERM LOANS AND ADVANCES – considered good		
Director - notes 6.2 & 6.3	4,005	7,009
Employees - note 6.4	103,869	101,198
	107,874	108,207
Recoverable within one year - note 10	(60,563)	(59,619)
Long term portion	47,311	48,588

6.1 Amounts receivable from Director and employees represent house rent advances given according to the company's service rules. Executives and other employees are also provided with car, motor cycle, marriage and welfare loans. These loans and advances are recoverable in twelve to sixty monthly installments and are interest free. These loans and advances are secured against the retirement fund balances of employees.

6.2 Rent advance was given to Mr. Irfan Amanullah (Alternate Director) with the prior approval of Securities and Exchange Commission of Pakistan as required under section 182 of the Companies Act, 2017. The maximum amount due at the end of any month was Rs. 6.76 million (2017: Rs. 9.76 million).

6.3 Reconciliation of the carrying amount of loan to Alternate Director is as follows:

	2018	2017
	---------- Rupees '000 ----------	
Opening balance	7,009	10,012
Repayments	(3,004)	(3,003)
	4,005	7,009

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
		---------- Rupees '000 ----------	
6.4	Name of the employees whose outstanding balance is above Rs. 1 million at the end of June 30, 2018 are as follows:		
	Irfan Amanullah	4,005	7,009
	Muhammad Ejaz Husain Qureshi	2,513	676
	Syed Nisar Abbas	2,244	527
	Wali Ur Rehman Khan	2,053	568
	Abu Anas	1,973	2,551
	Shakil Ahmed Khan	1,698	-
	Farrukh Safdar	1,336	2,137
	Khawaja Moizuddin	1,284	97
	Muhammad Asif	1,243	208
	Ghulam Mohammad Sadiq	1,187	-
	Syed Laiq Ali	1,096	504
	Zia Aziz	1,067	322
	Syed Saleem Raza Shah Rizvi	1,063	236
	Mohammad Arif	1,051	1,599

6.5 Long term loans and advances have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these unconsolidated financial statements.

7. LONG-TERM DEPOSITS

These are security deposits held with K-Electric Limited and do not carry any mark up arrangement.

	2018	2017
	---------- Rupees '000 ----------	
8. INVENTORIES		
Stores, spares and loose tools - note 8.1	2,671,379	1,473,181
Raw materials	105,704	76,100
Packing materials	143,214	92,781
Work-in-process	529,009	182,580
Finished goods	199,760	105,140
	3,649,066	1,929,782
8.1 Stores, spares and loose tools		
Coal - note 8.1.1	1,627,122	801,864
Stores and spares - note 8.1.2	984,470	627,848
Bricks	100,862	81,988
Loose tools	6,996	3,252
	2,719,450	1,514,952
Less: Provision for slow moving and obsolete items	(48,071)	(41,771)
	2,671,379	1,473,181

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

8.1.1 This includes coal in transit amounting to Rs. 1.35 billion (2017: Rs. 327.54 million).

8.1.2 This includes stores and spares in transit amounting to Rs. 49.45 million (2017: Rs. 28.04 million).

	2018	2017
	---------- Rupees '000 ----------	
9. TRADE RECEIVABLES – considered good		
Secured	694,064	172,525
Unsecured	15,853	7,965
	709,917	180,490
9.1 The age analysis of trade receivables is as follows:		
Not yet due	644,787	158,310
1 to 30 days	53,871	22,180
31 to 90 days	11,259	-
	709,917	180,490

9.2 Trade receivables include amount relating to export sales under letters of credit as follows:

	2018	2017
	---------- Rupees '000 ----------	
Africa	301,262	33,420
Sri Lanka	164,648	78,204
India	7,808	-
	473,718	111,624
10. LOANS AND ADVANCES – considered good		
Current portion of long-term loans and advances - note 6.5		
Director	3,004	3,004
Employees	57,559	56,615
	60,563	59,619
Other advances - employees	213	145
Advances to suppliers	17,723	16,619
	78,499	76,383

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees '000	
11. SHORT-TERM DEPOSITS AND PREPAYMENTS		
Deposits - considered good	14,119	16,485
Prepayments	8,474	7,170
	22,593	23,655
12. OTHER RECEIVABLES		
Export rebate receivable	21,433	24,557
Receivable from Saqr Al Keetan - notes 12.1 & 12.2	117,507	75,730
Due from related parties - notes 12.1 & 12.3	1,783	2,314
Recoverable from contractor - note 12.4	53,455	-
Others	7,192	3,186
	201,370	105,787

12.1 This amount represents various expenses incurred by the company for its Iraq project that are recoverable from the subsidiary. These are settled in the ordinary course of business without any defined payment terms.

12.2 The maximum amount due from Saqr Al Keetan at the end of any month was Rs. 117.54 million (2017: Rs. 75.73 million).

12.3 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 2.29 million (2017: Rs. 5.74 million).

12.4 This represents the amount recoverable from Hefei Cement Research & Design Institute in respect of payments made by the company on their behalf.

13. TAXATION - PAYMENTS LESS PROVISIONS

During the year, the company has received orders from Appellate Tribunal Inland Revenue (ATIR) in respect of various appeals and disputes for earlier years upto tax years 2015. This majorly includes the apportionment of expenses between local sales and export sales on the basis of 'Gross Sales' as compared to 'Net Sales'. The company has succeeded on the issue of apportionment of expenses on the basis of 'Gross Sales'. Consequently, on the basis of the decision the company has reversed tax liability by Rs. 892.07 million in respect of tax years 2009 through 2015.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	---------- Rupees '000 ----------	
14. CASH AND BANK BALANCES		
Cash at bank		
- On PLS savings accounts		
Local currency - notes 14.1 & 14.3	274,756	55,814
Foreign currency - note 14.2	5,040	1,635
- On current accounts		
Local currency	27,434	63,918
Foreign currency	16,808	-
Cash in hand	898	480
	324,936	121,847

14.1 At June 30, 2018 the mark-up rates on PLS savings accounts range from 3.75% to 5.25% (2017: 3.75% to 5.25%) per annum.

14.2 This includes Rs. 5.04 million (2017: Rs. 1.63 million) corresponding to AED 0.152 million (2017: AED 0.057 million) placed in United Bank Limited - Dubai Branch, UAE to meet representative / liaison office expenses as per the approval of the State Bank of Pakistan.

14.3 This include deposits of Rs. 72.86 million (2017: Rs. 54.17 million) obtained from customers which are kept in a separate bank account in compliance with the section 217 of the Companies Act, 2017.

	2018	2017
	---------- Rupees '000 ----------	
15. SHARE CAPITAL		
Authorised share capital		
200,000,000 ordinary shares of Rs. 10 each (2017: 200,000,000 ordinary shares of Rs. 10 each)	2,000,000	2,000,000
Issued, subscribed and paid-up capital		
Ordinary shares of Rs. 10 each		

2018	2017			
29,747,965	29,747,965	Shares allotted for consideration paid in cash	297,480	297,480
4,132,510	4,132,510	Shares allotted for consideration other than cash - plant and machinery	41,325	41,325
80,641,993	80,641,993	Shares allotted as bonus shares	806,420	806,420
114,522,468	114,522,468		1,145,225	1,145,225

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

15.1 As at June 30, 2018, Pharaon Investment Group Limited (Holding) S.A.L, Lebanon and its nominees held 96,271,960 (2017: 96,271,960) ordinary shares of Rs. 10 each.

16. LONG TERM LOANS

	2018	2017
	Rupees '000	
Long term loans	4,687,500	1,600,000
Less: Current portion of long term loan	(1,250,000)	(100,000)
	3,437,500	1,500,000

16.1 Following are the changes in the long term loans (i.e. for which cash flows have been classified as financing activities in the unconsolidated statement of cashflows):

	2018	2017
	Rupees '000	
Balance as at July 01	1,500,000	-
Disbursements during the year	3,400,000	1,600,000
Repayment during the year	(212,500)	-
Related to current portion of long term loans	(1,250,000)	(100,000)
Balance as at June 30	3,437,500	1,500,000

16.2 The company had entered into a syndicated finance agreement in 2016 with a consortium of banks for a term finance facility of Rs. 7 billion for the installation of cement production line 3 and WHRS. The facility carries a mark-up of 3 months KIBOR plus 0.25% p.a. which will be payable on quarterly basis. The tenure of this facility is 6 years including the grace period of 2 years. Upto June 30, 2018, the company has drawn Rs. 5 billion and repaid Rs. 312.5 million.

16.3 The above syndicated finance agreement is secured by first ranking hypothecation charge over all movable assets of the company.

17. LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2018			2017		
	Minimum lease payment	Financial Charge for future periods	Principal outstanding	Minimum lease payment	Financial Charge for future periods	Principal outstanding
	Rupees '000					
Not later than one year	4,043	132	3,911	3,198	202	2,996
Later than one year but not later than five years	10,982	189	10,793	1,047	14	1,033
	15,025	321	14,704	4,245	216	4,029

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

17.1 Following are the changes in the lease liabilities (i.e. for which cash flows have been classified as financing activities in the unconsolidated statement of cash flows):

	2018	2017
	---------- Rupees '000 ----------	
Balance as at July 01	4,029	7,956
Operating assets acquired during the year	15,990	-
Repayment	(5,315)	(3,927)
Balance as at June 30	14,704	4,029

18. DEFERRED TAX (ASSETS) / LIABILITIES

	Accelerated tax depreciation	Assets held under finance lease	Provision for slow moving and obsolete stores and spares	Liabilities against finance lease	Unabsorbed depreciation	Alternate corporate tax	Tax credit on investment	Total
	Rupees in '000							
July 01, 2017	826,660	1,330	(9,360)	(903)	-	-	-	817,747
Charge / (credit) to unconsolidated statement of profit or loss and other comprehensive income for the year	820,358	1,662	(56)	(1,677)	(162,827)	(534,335)	(1,072,110)	(949,290)
June 30, 2018	1,647,018	2,992	(9,416)	(2,580)	(162,827)	(534,335)	(1,072,110)	(131,543)
July 01, 2016	817,039	2,118	(7,916)	(1,725)	-	-	-	809,516
Charge / (credit) to unconsolidated statement of profit or loss and other comprehensive income for the year	9,641	(788)	(1,444)	822	-	-	-	8,231
June 30, 2017	826,660	1,330	(9,360)	(903)	-	-	-	817,747

18.1 Deferred tax liability is restricted to 78.35% (2017: 74.69%) of the total deferred tax liability based on the assumptions that export sales will continue to fall under Final Tax Regime and historical trend of export and local sales ratio will continue to be the same in foreseeable future.

18.2 The deferred tax asset on unabsorbed depreciation, alternative corporate tax and tax credit on investment will be recoverable based on the estimated future taxable income and approved business plans and budgets.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

18.3 Under the Finance Act, 2018, a change in corporate tax rate from 30% to 29% was enacted for the tax year 2019. The said tax rate will gradually decrease by 1% over a period of 4 years. Therefore, deferred tax assets and liabilities have been recognised accordingly using the expected applicable rate.

19. EMPLOYEE BENEFIT OBLIGATIONS

19.1 Staff retirement benefits

19.1.1 As stated in note 3.4, the company operates approved funded gratuity and pension scheme for all management and non-management employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to minimum service under the scheme. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2018.

19.1.2 Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882; Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the respective trust deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The company appoints the trustees and all trustees are employees of the company.

19.1.3 The latest actuarial valuations of the Plans as at June 30, 2018 were carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuations are as follows:

	2018		2017	
	Pension Funds	Gratuity Funds	Pension Funds	Gratuity Funds
	Rupees '000			
19.1.4 Statement of Financial Position reconciliation as at June 30				
Present value of defined benefit obligation	568,869	435,787	641,606	421,031
Fair value of plan assets	(293,571)	(323,982)	(283,478)	(289,706)
Deficit	275,298	111,805	358,128	131,325
19.1.5 Movement in the defined benefit obligation				
Obligation as at July 01	641,606	421,031	623,063	357,634
Service cost	24,064	27,504	21,860	18,469
Interest expense	60,062	37,949	56,751	31,738
Remeasurement on obligation	(96,671)	(11,111)	40,904	42,755
Benefits paid	(61,202)	(39,586)	(100,972)	(29,565)
Obligation as at June 30	568,869	435,787	641,606	421,031
19.1.6 Movement in the fair value of plan assets				
Fair value as at July 01	283,478	289,706	313,688	241,676
Interest income	27,010	26,235	28,952	21,665
Remeasurement on plan assets	(17,468)	(16,020)	(14,197)	(3,878)
Employer contributions	61,773	63,652	56,007	59,808
Benefits paid	(61,202)	(39,586)	(100,972)	(29,565)
Fair value as at June 30	293,571	323,982	283,478	289,706

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018		2017	
	Pension Funds	Gratuity Funds	Pension Funds	Gratuity Funds
	Rupees '000			
19.1.7 Expense recognised in profit or loss				
Service cost	24,064	27,504	21,860	18,469
Interest expense - net	33,052	11,714	27,799	10,073
	57,116	39,218	49,659	28,542
19.1.8 Remeasurement recognised in other comprehensive income				
Experience (gains) / losses	(95,871)	(11,111)	40,904	42,755
Remeasurement of fair value of plan assets	17,488	19,025	14,197	3,878
Remeasurements	(78,383)	8,914	55,101	46,633
19.1.9 Net recognised liability				
Balance as at July 01	358,128	131,325	309,375	115,958
Expense for the year	57,116	39,218	49,659	28,542
Employer contributions	(61,773)	(65,652)	(56,007)	(59,808)
Remeasurement recognised in other comprehensive income	(78,183)	8,914	55,101	46,633
Balance as at June 30	275,288	111,805	358,128	131,325

19.1.10 Composition of plan assets:

	2018		2017		2018		2017	
	Pension Funds				Gratuity Funds			
	Amount in '000	%	Amount in '000	%	Amount in '000	%	Amount in '000	%
Defense Savings Certificate	-	-	-	-	5,027	1.55	-	-
Market Treasury Bills	32,342	11.32	-	-	55,530	18.41	-	-
Term Deposit Receipts	32,488	11.38	30,593	10.79	20,505	6.33	19,826	6.77
Term Finance Certificates	40,375	13.75	20,921	7.38	35,444	10.94	20,921	7.22
Open Ended Mutual Funds	190,610	61.49	227,855	80.38	194,583	60.06	245,769	84.83
Other (including bank balance)	7,673	2.68	4,109	1.45	8,793	2.71	3,390	1.18
	303,371	100.00	283,478	100.00	323,982	100.00	289,706	100.00

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

19.1.11 Actuarial assumptions

	2018			2017		
	First	Second & Third	Fourth & onwards	First	Second & Third	Fourth & onwards
	Year					
Expected rate of increase in salaries						
- Management staff						
Senior management	8.25%	8.25%	8.25%	20.00%	10.00%	7.50%
Junior management	8.25%	8.25%	8.25%	10.00%	10.00%	7.50%
- Non-management staff	8.25%	8.25%	8.25%	20.00%	10.00%	7.50%

The discount factor used for pension and gratuity funds is 10% (2017: 9.25%)

19.1.12 Pre-Retirement mortality was assumed to be SLIC (2001-05) for males and females, as the case may be, but rated down by one year.

19.1.13 The company ensures asset / liability matching by investing in government securities, bank deposits, mutual funds and does not use derivatives to manage its risk.

19.1.14 The expected return on respective plan assets has been determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the unconsolidated statement of financial position date.

19.1.15 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

At, June 30, 2018	Impact on defined benefit obligation				
		Pension Funds		Gratuity Funds	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
	Rupees '000				
Discount rate	0.5%	(51,553)	57,867	(16,931)	18,217
Future salary increases	0.5%	20,287	19,128	19,482	(18,339)

At, June 30, 2017	Impact on defined benefit obligation				
		Pension Funds		Gratuity Funds	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
	Rupees '000				
Discount rate	0.5%	(58,589)	65,878	(16,076)	17,281
Future salary increases	0.5%	15,507	(14,640)	13,001	(12,236)

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

If longevity increases by 1 year, the resultant increase in obligation is insignificant.

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the gratuity liability recognised within the unconsolidated statement of financial position.

19.1.16 Historical information

	2018	2017	2016	2015	2014
	Rupees '000				
Pension Funds As at June 30					
Present value of defined benefit obligation	566,669	641,606	623,063	394,211	295,259
Fair value of plan assets	(293,571)	(283,478)	(313,688)	(265,651)	(206,748)
Deficit	275,098	358,128	309,375	128,560	88,511
Experience adjustments					
Gain / (loss) on obligation	95,671	(40,904)	(194,359)	(66,266)	(20,119)
(Loss) / gain on plan assets	(17,488)	(14,197)	(9,586)	(2,492)	7,413
	78,183	(55,101)	(203,945)	(68,758)	(12,706)
Gratuity Funds As at June 30					
Present value of defined benefit obligation	435,787	421,031	357,634	358,435	318,685
Fair value of plan assets	(323,982)	(289,706)	(241,676)	(234,659)	(166,703)
Deficit	111,805	131,325	115,958	123,776	151,982
Experience adjustments					
Gain / (loss) on obligation	11,111	(42,755)	(16,776)	(2,199)	(86,260)
Loss on plan assets	(18,025)	(3,878)	(3,789)	(365)	(7,725)
	(6,914)	(46,633)	(20,565)	(2,564)	(93,985)

19.1.17 As per actuarial advice, the company is expected to recognise a service cost of Rs. 44.77 million in 2019 (2018: Rs. 45.64 million).

19.1.18 The weighted average service duration of employees is as follows:

	Pension Fund	Gratuity Fund
	No. of years	
Management	19.16	7.93
Non-management	19.20	8.51

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

19.1.19 Expected maturity analysis of undiscounted retirement benefit plan.

At June 30, 2018	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Over 10 years	Total
	Rupees '000					
Pension Funds	67,326	61,209	225,237	568,012	780,418	1,703,204
Gratuity Funds	51,027	42,060	139,400	295,877	361,262	892,676

At June 30, 2017	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Over 10 years	Total
	Rupees '000					
Pension Funds	51,078	69,472	222,967	534,373	804,664	1,682,554
Gratuity Funds	43,619	50,143	129,358	243,622	338,128	804,870

20. TRADE AND OTHER PAYABLES

	2018	2017
	Rupees '000	
Creditors - note 20.1	461,269	286,576
Accrued liabilities - note 20.1	3,053,173	1,526,473
Electricity charges payable	175,342	101,994
Royalty payable - note 20.2	183,851	68,448
Excise duty payable	7,148	1,260
Advances from customers - unsecured	190,084	230,508
Retention money - note 20.3	465,774	1,100,389
Security deposits - note 14.3	72,856	54,172
Workers' Profits Participation Fund - note 20.4	183,000	241,000
Workers' Welfare Fund - note 20.5	196,000	196,000
Payable to provident fund - note 20.6	8	650
Taxes deducted at source and payable to statutory authorities	8,256	1,591
Others - note 20.1	7,080	7,026
	4,983,843	3,816,087

20.1 Creditors, accrued liabilities and other liabilities include Rs. 27.8 million, Nil and Rs. 5.8 million (2017: Rs. 8.5 million, Rs. 6.5 million and Rs. 5.8 million) respectively in respect of amounts due to related parties.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

20.2 During the year, royalty amounting to Rs. 102.2 million (2017: Rs. 67 million) has been paid by the company to Mines and Minerals Department, Government of Balochistan, Quetta.

20.3 This includes retention money amounting to Rs. 149.46 million (2017: Rs. 1.09 billion) in respect of Project line 3.

	2018	2017
	---------- Rupees '000 ----------	
20.4 Workers' Profits Participation Fund		
At beginning of the year	241,000	227,600
Charge for the year - note 28	163,000	241,000
	404,000	468,600
Interest on funds utilised in company's business - note 30	8,025	3,846
	412,025	472,446
Less: Amount paid to the Fund	(249,025)	(231,446)
	163,000	241,000

20.5 This includes provision of Rs. 92.64 million, Rs. 63.31 million and Rs. 40.05 million pertaining to the year 2017, 2016 and 2015 respectively. The company has not paid this amount until it is ascertained as to whether the same is required to be paid to Federal or Provincial government.

20.6 All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

21. ACCRUED MARK-UP

Accrued mark-up comprises of mark-up on short term borrowings and mark-up on syndicated finance facility payable.

	2018	2017
	---------- Rupees '000 ----------	
22. SHORT TERM BORROWINGS		
Short term running finance - notes 22.1 & 22.2	1,362,508	1,980,847
Current maturity of long-term loan - note 16	1,250,000	100,000
	2,612,508	2,080,847

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

22.1 The facilities available from various banks amount to Rs. 4.34 billion (2017: Rs. 3.24 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Company's stock in trade and trade receivables. The facilities expiring within one year are annual facilities subject to review at various dates during 2018 and 2019.

22.2 The rates of mark-up ranging between one month KIBOR minus 0.4% and 3 months KIBOR plus 0.25% (2017: one month KIBOR minus 0.4% and 3 months KIBOR plus 0.25%) per annum.

22.3 The facilities for opening letters of credit and guarantee as at June 30, 2018 amounted to Rs. 4.85 billion (2017: Rs. 4.60 billion) of which unutilised balance at year end amounted to Rs. 2.94 billion (2017: Rs. 4.21 billion).

23. CONTINGENCY AND COMMITMENTS

23.1 The Competition Commission of Pakistan (CCP) passed an order on August 27, 2009 levying penalty of Rs. 374 million on the company alleging that it was involved with other cement manufacturing companies in price fixing arrangements. The company along with other cement manufacturers challenged the vires of CCP order before the Lahore High Court which directed the CCP not to take any adverse action against the company under the aforementioned order passed by CCP till the completion of the case proceedings in the Lahore High Court.

Based on the opinion of the company's legal advisors, the management is hopeful that the ultimate outcome of these petitions / appeal will be in favour of the company and hence no provision has been recognised in these unconsolidated financial statements for the aforementioned amount of penalty.

23.2 Commitments for capital expenditure outstanding as at June 30, 2018 amounted to Rs. 67.6 million (2017: Rs. 981 million).

24. REVENUE

	2018	2017
	---------- Rupees '000 ----------	
Local sale of goods	19,028,159	16,316,388
Sales tax	(3,106,362)	(2,618,498)
Federal excise duty	(2,318,038)	(1,576,973)
	(5,424,400)	(4,195,471)
Commission	(324,246)	(359,526)
Net local sale of goods	13,279,513	11,761,391
Export sales	3,604,898	2,973,781
	16,884,411	14,735,172

24.1 The company's customer base is diverse with no single customer accounting for more than 10% of net revenue.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

24.2 Export sales comprise of sales made in the following regions:

	2018	2017
	---------- Rupees '000 ----------	
Africa	1,444,800	680,062
Middle East Asia	50,734	-
Sri Lanka	1,614,268	1,896,033
Others	495,010	397,686
	3,604,896	2,973,781

25. COST OF SALES

Raw materials consumed	1,447,363	912,078
Packing materials consumed	982,597	837,231
Cement packaging and loading charges	31,257	25,693
Salaries, wages and benefits - note 25.1	1,786,962	1,418,237
Fuel	4,424,277	2,534,424
Electricity and water	2,029,654	1,712,671
Stores and spares consumed	466,041	463,232
Repairs and maintenance	126,869	115,263
Insurance	54,301	51,071
Vehicle running and maintenance	107,406	86,347
Security expenses	127,527	108,612
Depreciation	521,917	422,775
Other expenses - note 25.2	22,241	39,591
	12,138,632	8,727,225
Add: Opening work-in-process	182,580	302,245
Less: Closing work-in-process	(529,009)	(182,580)
Cost of goods manufactured	11,792,203	8,846,890
Add: Opening stock of finished goods	105,140	101,210
Less: Closing stock of finished goods	(199,760)	(105,140)
	11,697,583	8,842,960

25.1 Salaries, wages and benefits include Rs. 75.94 million and Rs. 33.68 million (2017: Rs. 60.48 million and Rs. 28.02 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

25.2 This includes provision for slow moving and obsolete items amounting to Rs. 6.3 million (2017: Rs. 5.27 million).

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

26. DISTRIBUTION COSTS

	2018	2017
	---------- Rupees '000 ----------	
Salaries, wages and benefits - note 26.1	109,051	93,760
Handling and other export related expenses	626,058	472,693
Carriage outward on export sales	283,061	225,151
Commission on export sales	51,353	40,588
Carriage outward on local sales	72,146	50,794
PSI marking fee	17,214	15,210
Advertisement and sales promotion	6,937	774
Travelling and entertainment	2,384	2,027
Other expenses	2,746	2,534
	1,170,970	903,531

26.1 Salaries, wages and benefits include Rs. 5.23 million and Rs. 2.23 million (2017: Rs. 4.66 million and Rs. 1.95 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

27. ADMINISTRATIVE EXPENSES

	2018	2017
	---------- Rupees '000 ----------	
Salaries, wages and benefits - note 27.1	369,457	311,928
Depreciation	14,891	14,396
Rent, rates and taxes	17,634	15,715
Utilities	4,615	4,844
Insurance	1,943	2,073
Repairs and maintenance	16,710	9,308
Communication and printing	20,252	14,749
Travelling and entertainment	5,991	5,655
Legal and professional charges	31,665	15,112
Auditors' remuneration - note 27.2	6,048	4,428
Donations - note 27.3	9,062	4,151
Other expenses	34,623	17,019
	533,111	419,378

27.1 Salaries, wages and benefits include Rs. 15.14 million and Rs. 6.04 million (2017: Rs. 13.06 million and Rs. 5.28 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	---------- Rupees '000 ----------	
27.2 Auditors' remuneration		
Audit fee (including consolidation)	2,500	2,500
Fee for review of interim financial information and Statement of Compliance with Code of Corporate Governance	1,150	1,150
Taxation services	1,873	430
Other certifications, attestations and other services	350	85
Out-of-pocket expenses	175	263
	6,048	4,428

27.3 This represents donation given to The Citizens Foundation. None of the directors or their spouses had any interest in the donee.

	2018	2017
	---------- Rupees '000 ----------	
28. OTHER EXPENSES		
Workers' Profits Participation Fund - note 20.4	163,000	241,000
Workers' Welfare Fund	-	92,645
	163,000	333,645
29. OTHER INCOME		
Income from financial assets		
Income on PLS savings accounts under interest / markup arrangements	10,423	11,947
Gain on sale of open ended mutual fund units	2,298	72,670
Exchange gain	-	117
Income from non-financial assets		
Gain on disposal of operating assets	4,005	1,238
Others		
Export rebate	14,486	15,680
Scrap sales	27,876	36,191
Others	1,746	98,789
	60,604	236,632

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	---------- Rupees '000 ----------	
30. FINANCE COST		
Bank charges and commission	26,043	23,996
Mark-up on:		
Long term loans	160,224	-
Short term borrowings	10,365	-
Exchange loss - net	46,076	-
Interest on Workers' Profits Participation Fund - note 20.4	8,025	3,846
Finance charges on finance lease	437	527
	251,172	28,369
31. INCOME TAX CREDIT / (EXPENSE)		
Current		
- for the year	(570,953)	(1,424,484)
- prior years - note 31.1	892,068	22,851
Deferred	949,290	(8,231)
	1,270,405	(1,409,864)

31.1 This represents tax provision reversals pertaining to prior years from tax years 2009 to 2015. For details, refer note 13.

31.2 In view of the management, sufficient tax provision has been made in the Company's unconsolidated financial statements. Comparison of tax provision as per the unconsolidated financial statements viz-a-viz tax assessment for last three years is as follows:

	2017	2016	2015
	---------- Rupees '000 ----------		
Tax assessed as per most recent tax assesment	1,135,223	1,032,721	758,270
Provision in account for income tax	1,424,484	1,342,694	758,270

The assessed value for tax years 2016 & 2017 represents return value.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	---------- Rupees '000 ----------	
31.3 Relationship between tax expense and accounting profit		
Profit before income tax	3,129,379	4,443,921
Tax at the applicable rate of 30% (2017: 31%)	(938,814)	(1,377,616)
Effect of final tax regime	(38,654)	73,843
Effect of change in tax rate	382,930	-
Tax credits	1,072,116	-
Super tax	-	(125,603)
Reversal of prior years' tax provision	892,068	22,851
Others	(99,241)	(3,339)
	1,270,405	(1,409,864)
32. BASIC AND DILUTED EARNINGS PER SHARE		
Profit for the year	4,399,784	3,034,057
Weighted average number of outstanding shares at the end of year (in thousands)	114,522	114,522
Basic and diluted earnings per share - note 32.1	Rs. 38.42	Rs. 26.49

32.1 Diluted earnings per share has not been presented as the company did not have any convertible instruments in issue as at June 30, 2018 and 2017 which would have any effect on the earnings per share if the option to convert is exercised.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	---------- Rupees '000 ----------	
33. CASH GENERATED FROM OPERATIONS		
Profit before income tax	3,129,379	4,443,921
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation	536,808	437,171
Gain on disposal of property, plant and equipment	(4,005)	(1,238)
Gain on sale of open ended mutual fund units	(2,266)	(72,670)
Provision for stores, spares and loose tools	6,300	5,269
Interest income	(10,423)	(11,947)
Finance cost	205,094	28,369
Employee benefit obligations	96,334	78,201
Profit before working capital changes	3,957,219	4,907,076
Effect on cash flow due to working capital changes		
(Increase) / Decrease in current assets		
Inventories	(1,725,584)	(18,286)
Trade receivables	(529,427)	30,622
Loans and advances	(2,116)	5,552
Short term deposits and prepayments	1,062	(6,137)
Tax refunds due from Government - Sales tax	207,465	(496,755)
Other receivables	(95,563)	9,077
	(2,144,163)	(475,927)
Increase / (Decrease) in current liabilities		
Trade and other payables	1,543,251	(18,781)
	(600,912)	(494,708)
Cash generated from operations	3,356,307	4,412,368
34. CASH AND CASH EQUIVALENTS		
Cash and bank balances - note 14	324,936	121,847
Short-term running finance - note 22	(1,362,508)	(1,980,847)
	(1,037,572)	(1,859,000)

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

35. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these unconsolidated financial statements for remuneration to Chief Executive, Executive Directors and Executives are as follows:

	Chief Executive		Executive Director		Executives *	
	2018	2017	2018	2017	2018	2017
	Rupees '000					
Managerial remuneration	30,333	25,269	16,815	12,747	133,959	98,729
Housing allowance	8,270	8,040	4,533	4,317	45,259	36,742
Utility allowance	3,675	3,063	1,007	822	10,058	7,451
Bonus	23,810	20,419	13,192	10,965	97,923	99,344
Retirement benefits	-	-	3,861	3,152	32,565	23,361
Others	3,092	3,310	2,687	2,767	16,942	20,904
	68,980	60,101	41,095	34,770	336,706	286,531
Number of persons	1	1	1	1	48	36

** Comparative figures have been restated to reflect changes in the definition of executive as per the Companies Act, 2017.*

The Chief Executive, Executive Director and certain Executives are provided with free use of company maintained cars and are also provided with medical facilities in accordance with their entitlements.

In addition to the above, fee paid to 4 (2017: 4) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 3.0 million (2017: Rs. 2.39 million).

36. TRANSACTIONS WITH RELATED PARTIES

	2018	2017
	Rupees '000	
Transactions with related parties during the year are as follows:		
Holding company		
Dividend paid	1,299,871	1,203,400
Recovery of expenses	2,511	2,599
Subsidiary company		
Investment	649,267	781,612
Expense incurred on behalf of subsidiary company	41,777	12,686
Group companies		
Purchase of goods	336,968	227,880
Reimbursement of expenses	3,065	4,399
Recovery of expenses from related parties	9,604	12,268
Other related parties		
Payments made to retirement benefit funds	169,994	144,067
Key management personnel		
Loans and advances recovered during the year	3,004	3,003
Salaries and other short-term employee benefits	106,214	93,404
Post-employment benefits	3,861	3,152

The related party status of outstanding balances as at June 30, 2018 is included in other receivables, loans & advances and trade and other payables. These are settled in the ordinary course of business.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

36.1 Following are the related parties including associated companies with whom the company had entered into transactions or have arrangement / agreement in place:

S.No.	Company Name	Basis of relationship	Aggregate % of Shareholding
1.	Pharaon Investment Group Limited Holding S.A.L., Lebanon (PIGL) - note 36.1.1	Parent / Holding Company	84.06%
2.	Saqr Al Keetan for Cement Production Company Limited (SAKCPCL) - note 36.1.2	Subsidiary Company	60.00%
3.	Attock Petroleum Limited	Group Company / Common directorship	N/A
4.	Attock Refinery Limited	Group Company / Common directorship	N/A
5.	Falcon Pakistan (Private) Limited	Group Company / Common directorship	N/A
6.	National Refinery Limited	Group Company / Common directorship	N/A
7.	Pakistan Oilfields Limited	Group Company / Common directorship	N/A
8.	The Attock Oil Company Limited	Group Company / Common directorship	N/A

36.1.1 PIGL is a Company incorporated in Lebanon having registered address at 221, Sami Solh Avenue, PO Box 116-5418, Beirut, Lebanon. The Chief Executive Officer of PIGL is Mr. Laith G. Pharaon. As per the latest available financial statements which are prepared on going concern basis, PIGL's auditors have expressed an unmodified opinion.

36.1.2 SAKCPCL is a Company incorporated in Iraq having registered address House # 35, Square 29, Near Al Buradia Super Market, Al Rbeea District Al Buradia, Basra. The Executive Manager of SAKCPCL is Mr. Abdul Latheef Al Keetan. The company is currently incurring capital expenditure on its manufacturing facility and is yet to commence its production. As per the latest available financial statements which are prepared on going concern basis, SAKCPCL's auditors have expressed an unmodified opinion.

37. NUMBER OF EMPLOYEES

	2018	2017
Number of employees at June 30		
- Regular	908	841
- Contractual	47	47
	*955	*888
* This includes 856 (2017: 828) number of factory employees		
Average number of employees during the year		
- Regular	841	811
- Contractual	30	42
	**871	**853

** This includes 790 (2017: 804) number of factory employees

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

38. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

38.1 Financial risk factors

The company's activities expose it to variety of financial risks namely market risk (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The company's overall risk management programme focuses on having cost effective funding as well as manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

38.2 Financial assets and liabilities by category and their respective maturities

	2018			2017		
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total
	Rupees '000					
Financial assets						
Loans and receivables						
Loans, advances and deposits	74,895	147,251	222,146	76,249	91,568	167,817
Trade receivables	709,917	-	709,917	180,490	-	180,490
Other receivables	201,370	-	201,370	105,787	-	105,787
Bank balances	324,038	-	324,038	121,367	-	121,367
Cash in hand	898	-	898	480	-	480
Long term investment	-	1,435,379	1,435,379	-	786,112	786,112
	1,311,119	1,582,630	2,893,748	484,373	877,680	1,362,053
Financial liabilities						
Long term finance	1,250,000	3,437,500	4,687,500	100,000	1,500,000	1,600,000
Trade and other liabilities	4,419,353	-	4,419,353	3,145,728	-	3,145,728
Unclaimed dividend	8,998	-	8,998	7,592	-	7,592
Short term borrowings	1,362,508	-	1,362,508	1,980,847	-	1,980,847
Accrued markup	88,773	-	88,773	45,990	-	45,990
	7,129,632	3,437,500	10,567,132	5,280,157	1,500,000	6,780,157
On statement of financial position date gap	(5,818,514)	(1,854,870)	(7,673,384)	(4,795,784)	(622,320)	(5,418,104)
Net financial liabilities						
Interest bearing	(2,426,523)	(1,854,870)	(4,281,393)	(2,071,023)	(622,320)	(2,693,343)
Non-interest bearing	(3,391,991)	-	(3,391,991)	(2,724,761)	-	(2,724,761)
	(5,818,514)	(1,854,870)	(7,673,384)	(4,795,784)	(622,320)	(5,418,104)

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

a) Market Risk

i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. As per market practices Company borrowings are on variable interest rate exposing company to interest rate risk.

At June 30, 2018, the company has variable interest bearing financial liabilities of Rs. 6.14 billion (2017: Rs. 3.63 billion), and had the interest rate varied by 200 basis points with all the other variables held constant, profit before income tax for the year would have been approximately Rs. 122.78 million (2017: Rs. 72.54 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

ii) Foreign exchange risk

Foreign currency risk arises mainly where payables and receivables exist due to transactions in foreign currencies. The company's exposure to exchange risk comprise mainly due to receivable, payable and bank balance maintained in foreign currency account. At June 30, 2018, trade and other payables of Rs. 1,269.28 million (2017: Rs. 307.62 million), trade receivables of Rs. 497.33 million (2017: Rs. 116.65 million) and bank balance of Rs. 22.21 million (2017: Rs. 6.19 million) are exposed to foreign currency risk.

As at June 30, 2018, if the Pakistan Rupee had weakened / strengthened by 2% against US Dollar with all other variables held constant, profit before income tax for the year would have been lower / higher by Rs. 15.1 million (2017: Rs. 3.73 million), as a result of foreign exchange gains / losses on translation of US Dollar denominated trade and other payables and trade receivables.

As at June 30, 2018, if the Pakistan Rupee had weakened / strengthened by 2% against AED with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 0.1 million (2017: Rs. 0.03 million), mainly as a result of foreign exchange losses / gains on translation of AED denominated bank balances.

The sensitivity of foreign exchange rates looks at the outstanding foreign exchange balances of the company only as at the statement of financial position date and assumes this is the position for a full twelve-month period. The volatility percentages for movement in foreign exchange rates have been used due to the fact that historically (five years) rates have moved on average basis by the mentioned percentages per annum.

iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to individual financial instrument company, its issuer, or factors affecting all similar financial instrument traded in the market. The Company has no investment at June 30, 2018 which is subject to change in market price.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparts failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs. 2,888 million (2017: Rs. 1,362 million) the financial assets exposed to the credit risk amounts to Rs. 1,457 million (2017: Rs. 575.46 million). The carrying values of financial assets are as under:

	2018	2017
	Rupees '000	
Trade receivables	709,917	180,490
Deposits, loans, advances and other receivables	423,516	273,604
Bank balances	324,038	121,367
	1,457,471	575,461

Trade receivables of the company are not exposed to significant credit risk as the company trades with credit worthy third parties and obtains bank guarantees from its credit customers. As of June 30, 2018, secured and unsecured trade receivables amounted to Rs. 694.06 million and Rs. 15.85 million (2017: Rs. 172.53 million and Rs. 7.96 million) respectively. Moreover, there is no impaired balance and the carrying amount of trade debts relates to customers for whom there is no history of default.

Deposits, loans, advances and other receivables are not exposed to any material credit risk as deposits of Rs. 99.94 million (2017: Rs. 42.98 million) are maintained with the K-Electric Limited and loans & advances to employees amounting to Rs. 108.09 million (2017: Rs. 108.35 million) are secured against their retirement benefits.

The cash and bank balances represent low credit risk as major balances are placed with banks having credit ratings of A or above as assigned by PACRA or JCR-VIS.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management believes that it will be able to fulfill its financial obligations.

d) Fair values of the 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.

The carrying values of all financial assets and liabilities reflected in the unconsolidated financial statements approximate their fair value.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

38.3 Capital Risk Management

The company's objectives when managing capital are to safeguard company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

The debt to capital ratio at June 30, 2018 was as follows:

	2018	2017
	Rupees '000	
Total borrowings	6,050,008	3,580,847
Cash and bank - note 14	(324,936)	(121,847)
Net debt	5,725,072	3,459,000
Equity	14,872,635	11,947,635
Total capital	20,597,707	15,406,635
Debt to capital ratio	28%	22%

39. CAPACITY AND PRODUCTION

	2018	2017
	(Metric tons)	
Production capacity		
- Clinker	2,883,000	1,740,000
- Cement	3,027,000	1,827,000
Actual production		
- Clinker	2,482,551	1,866,325
- Cement	2,309,345	2,081,858

39.1 During the year, the company has increased its clinker and cement production capacity by 3,810 and 4,000 Metric Tons per day respectively. Such annual designed capacity represents the enhanced capacity as at June 30, 2018 which was increased from the month of January 2018. Consequently, the enhanced capacity was not available to the company for the whole year.

39.2 The production capacity is based on standard 300 days basis. Actual production is based on actual production days.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

40. CORRESPONDING FIGURES

Due to revision in Fourth Schedule to the Companies Act, 2017, following required changes have been made:

- Unclaimed dividend which was previously classified under trade and other payables has been separately disclosed as unclaimed dividend on the face of the unconsolidated statement of financial position.

- Stores, spares and loose tools which was separately classified on the face of the unconsolidated statement of financial position has been presented under Inventories.

41. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on August 15, 2018 has proposed cash dividend of Rs. 8 per share (2017: Rs. 13.5 per share) and issue of 20 bonus shares for every 100 shares (2017: Nil) amounting to Rs. 916 million (2017: Rs. 1,546 million) and Rs. 229 million (2017: Nil) respectively subject to the approval of the Company in the forthcoming annual general meeting.

42. DATE OF AUTHORISATION FOR ISSUE

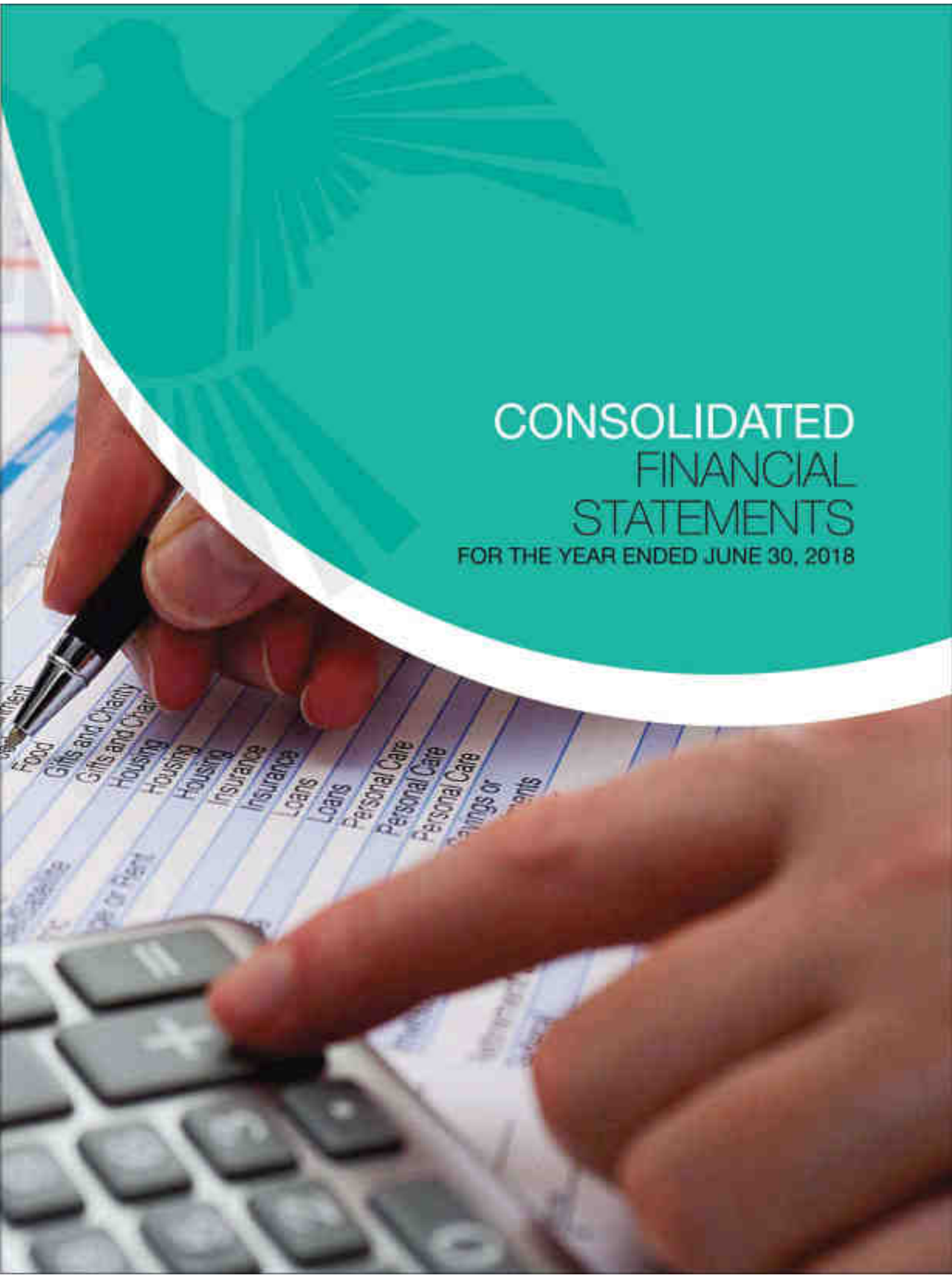
These unconsolidated financial statements were approved and authorised for issue by the Board of Directors on August 15, 2018.

Irfan Amanullah	**Babar Bashir Nawaz**	**Abdus Sattar**
Chief Financial Officer	Chief Executive	Director

Monthly Budget - Detail
Description
Category
Children
Children
Children
Entertainment
Entertainment
Entertainment

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018



pwc

A·F·FERGUSON&Co.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATTOCK CEMENT PAKISTAN LIMITED

Opinion

We have audited the annexed consolidated financial statements of Attock Cement Pakistan Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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 Consolidated Financial Statements* section of our report. We are independent of the Group 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 Matters

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

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

Following are the Key Audit Matters:

S. No.	Key Audit Matter	How the matter was addressed in our audit
(i)	**Property, plant and equipment** ***(Refer notes 4.1.1 & 4.3.2 to the consolidated financial statements)*** The Group has incurred significant capital expenditure during the year ended June 30, 2018, which primarily comprise of the new production facility (Line 3) amounting to Rs.1.39 billion. Further the amount transferred to operating assets in respect of Line 3 is Rs. 8.92 billion. The Group has also incurred significant capital expenditure in respect of cement grinding plant in Iraq amounting to Rs. 1.88 billion. The incurrence of capital expenditure involves appropriateness of the production facility costs and determining which costs meet the criteria for capitalisation under the accounting and reporting standards. This production facility represents significant transaction during the year and involved management judgment relating to capitalisation of costs as well as estimates the useful life of Line 3 transferred to operating assets. The matter is therefore considered as a key audit matter.	Our audit procedures included the following: • assessed the design, implementation and operating effectiveness of key internal controls over the purchase and accounting of the assets comprising Line 3 and cement grinding plant; • tested the costs capitalised with the relevant underlying documentation; • verified the capitalisation of borrowing costs based on the relevant criteria and compared interest rates to loan agreements, recalculating the interest capitalisation rate and assessing the calculation of interest capitalised in capital work-in-progress; • assessed the nature of capitalised costs to ensure whether assets capitalised meet the recognition criteria set out in IAS 16; • visited the location to validate the existence and operation of Line 3; and • reviewed the adequacy of the disclosures made by the Group in this area with regard to applicable accounting and reporting standards.

S. No.	Key Audit Matter	How the matter was addressed in our audit
(ii)	**Income tax** ***(Refer notes 13, 18 and 31 to the consolidated financial statements)*** During the year, net income tax credit (income) amounting to Rs. 1,270 million has been recognized. This includes investment tax credit amounting to Rs. 1,072 million arising on the installation of new cement line 3 entitled under the provisions of Income Tax Ordinance, 2001. Such investment tax credit is to be adjusted with the income tax liability for the year. In view of determination of tax loss for the year the investment tax credit could not be adjusted for the year and is carried forward to be adjusted in next two years. The carried forward investment tax credit is recognised as deferred tax asset. Further, the net income tax credit (income) includes reversal of tax provision amounting to Rs. 892.07 million relating to dispute with the income tax department regarding apportionment of expenses between local sales and export sales on the basis of 'Gross Sales' as compared to 'Net Sales' relating to the tax years 2009 to 2015. During the year the Group succeeded in this respect at the level of Appellate Tribunal Inland Revenue (ATIR) and accordingly reversed the provision. The above matters are significant transactions/events affecting the consolidated financial statements during the year and in view of the significance of the amounts involved and high level of management judgment we considered this a key audit matter.	**For investment tax credit** We obtained an understanding of the Group's process of preparing the deferred tax working and tested internal controls over management's valuation of deferred tax assets and liabilities. We also obtained an understanding regarding the relevant tax laws with respect to availability of tax credits. We checked the management's analysis regarding the timing of reversal of temporary differences by considering the year wise reversals of the temporary differences and evaluated the selection of the expected corporate tax rate in this regard. We recalculated the amount of investment tax credit in accordance with the provisions of Income Tax Ordinance, 2001. We also involved internal tax specialists to check the income tax computation for the year and assess the management conclusion on carry forward of the investment tax credit. We also reviewed the appropriateness of accounting policy in respect of recognition of such tax credit and reviewed the adequacy of the disclosures made by the Group in this area with regard to applicable accounting and reporting standards. **For reversal of income tax provision** We obtained and reviewed the Order of the ATIR in respect of the matter. The said case was discussed with the relevant management personnel and we obtained and reviewed the litigation documents in order to assess the facts and circumstances. We involved internal tax specialists to review the ATIR decision and assess management conclusion on the reversal of tax provision. We further obtained confirmation from the tax advisor of the Group contesting the matter. We also reviewed the disclosure of the matter in the consolidated financial statements to be in accordance with the accounting and reporting standards.

S. No.	Key Audit Matter	How the matter was addressed in our audit
(iii)	**Companies Act, 2017** ***(Refer note 3.1.1 to the consolidated financial statements)*** The fourth schedule to the Companies Act, 2017 became applicable to the Group for the first time for the preparation of these annexed consolidated financial statements. As part of this transition to the requirements, the management performed a gap analysis to identify differences between the previous and current fourth schedules and as a result certain amendments relating to presentation and disclosures have been made in the Group's annexed consolidated financial statements. In view of the various additional disclosures in the annexed consolidated financial statements due to first time application of the fourth schedule to the Companies Act, 2017, we considered this as a key audit matter.	We reviewed and understood the requirements of the fourth schedule to the Companies Act, 2017. Our audit procedures included the following: • considered the management's process to identify the additional disclosures required in the Group's annexed consolidated financial statements; • obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for the sufficient audit evidence; and • verified on test basis the supporting evidence for the additional disclosures and ensured appropriateness of the disclosures made.

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

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

pwc

A·F·FERGUSON&Co.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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.

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

Chartered Accountants
Karachi

Date: September 17, 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

	Note	2018	2017
ASSETS		Rupees '000	
Non-current assets			
Fixed assets - property, plant and equipment	4	20,425,000	17,019,667
Long-term investment	5	4,500	4,500
Long-term loans and advances - considered good	6	47,311	48,588
Long-term deposits	7	99,940	42,980
Deferred tax assets	18	131,543	-
		20,708,294	17,115,735
Current assets			
Inventories	8	3,649,056	1,929,782
Trade receivables - considered good	9	709,917	180,490
Loans and advances - considered good	10	78,499	76,383
Short-term deposits and prepayments	11	28,258	28,550
Other receivables	12	83,863	30,057
Taxation - payments less provisions	13	1,453,299	236,663
Tax refunds due from Government - Sales tax		289,270	496,755
Cash and bank balances	14	634,395	1,246,125
		6,926,557	4,224,805
Total assets		27,634,851	21,340,540
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid-up	15	1,145,225	1,145,225
Unappropriated profit		13,727,410	10,802,410
Exchange revaluation reserve		217,129	(577)
Attributable to owners of Attock Cement Pakistan Limited - Holding company		15,089,764	11,947,058
Non-controlling interests		946,558	624,285
		16,036,322	12,571,343
LIABILITIES			
Non-Current liabilities			
Long term loans	16	3,437,500	1,500,000
Liability against assets subject to finance lease	17	10,793	1,033
Deferred tax liabilities	18	-	817,747
Employee benefit obligations	19	387,093	489,453
		3,835,386	2,808,233
Current liabilities			
Trade and other payables	20	5,048,963	3,823,539
Unclaimed dividend		8,998	7,592
Accrued mark-up	21	88,773	45,990
Short term borrowings	22	2,612,508	2,080,847
Current maturity of liability against assets subject to finance lease	17	3,911	2,996
		7,763,153	5,960,964
Total liabilities		11,598,539	8,769,197
Contingency and commitments	23		
Total equity and liabilities		27,634,861	21,340,540

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

Irfan Amanullah
Chief Financial Officer

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
		---------- Rupees '000 ----------	
Revenue	24	16,884,411	14,735,172
Cost of sales	25	(11,697,583)	(8,842,960)
Gross profit		5,186,828	5,892,212
Distribution costs	26	(1,170,970)	(903,531)
Administrative expenses	27	(533,111)	(419,378)
Other expenses	28	(163,000)	(333,645)
Other income	29	60,804	236,632
Profit from operations		3,360,551	4,472,290
Finance cost	30	(251,172)	(28,369)
Profit before income tax		3,129,379	4,443,921
Income tax credit / (expense)	31	1,270,405	(1,409,864)
Profit for the year		4,399,784	3,034,057
Other comprehensive income / (loss):			
Items that will not be reclassified to profit or loss			
Remeasurements of post - employment benefit obligations		71,269	(101,734)
Items that will be reclassified to profit or loss			
Exchange revaluation reserve		341,870	(962)
Total comprehensive income for the year		4,812,923	2,931,361
Total comprehensive income attributable to:			
Owners of Attock Cement Pakistan Limited - Holding Company		4,688,759	2,931,746
Non-controlling interests		124,164	(385)
		4,812,923	2,931,361
Basic and diluted earnings per share	32	Rs. 35.42	Rs. 26.49

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

Irfan Amanullah
Chief Financial Officer

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

	Attributable to the owners of the Holding Company					
	Issued, subscribed and paid up capital	Unappropriated profit	Exchange revaluation reserve	Sub-Total	Non-controlling interests	Total Equity
	Rupees '000					
Balance as at July 01, 2016	1,145,225	9,301,618	-	9,301,618	-	10,446,843
Final dividend for the year ended June 30, 2016 @ Rs. 12.50 per share	-	(1,431,531)	-	(1,431,531)	-	(1,431,531)
Equity contribution by Non-controlling interests	-	-	-	-	624,670	624,670
Total comprehensive income for the year ended June 30, 2017						
Profit for the year ended June 30, 2017	-	3,034,057	-	3,034,057	-	3,034,057
Other comprehensive loss for the year ended June 30, 2017	-	(101,734)	(577)	(102,311)	(385)	(102,696)
	-	2,932,323	(577)	2,931,746	(385)	2,931,361
Balance as at July 01, 2017	1,145,225	10,802,410	(577)	10,801,833	624,285	12,571,343
Final dividend for the year ended June 30, 2017 @ Rs. 13.50 per share	-	(1,546,053)	-	(1,546,053)	-	(1,546,053)
Equity contribution by Non-controlling interests	-	-	-	-	198,109	198,109
Total comprehensive income for the year ended June 30, 2018						
Profit for the year ended June 30, 2018	-	4,399,784	-	4,399,784	-	4,399,784
Other comprehensive income for the year ended June 30, 2018	-	71,269	217,706	288,975	124,164	413,139
	-	4,471,053	217,706	4,688,759	124,164	4,812,923
Balance as at June 30, 2018	1,145,225	13,727,410	217,129	13,944,539	946,558	16,036,322

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

Irfan Amanullah
Chief Financial Officer

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
		Rupees '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	33	3,450,730	4,433,217
Finance cost paid		(290,191)	(28,369)
Income tax paid		(895,521)	(1,694,992)
Increase in long term deposits		(56,960)	-
Decrease / (increase) in long-term loans and advances		1,277	(7,050)
Employee benefit obligations paid		(127,425)	(115,815)
Net cash generated from operating activities		2,081,910	2,586,991
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(3,983,172)	(8,960,745)
Proceeds from disposal of operating assets		9,508	3,750
Purchase of open ended mutual fund units		(165,000)	(2,498,310)
Proceeds from sale of open ended mutual fund units		167,268	6,844,342
Interest received		10,423	11,947
Net cash used in investing activities		(3,960,973)	(4,599,017)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,544,647)	(1,430,045)
Amount received from Non-controlling interests		198,109	529,010
Proceeds from long term loan		3,400,000	1,600,000
Repayment of long term loan		(212,500)	-
Current portion of long term loan repaid		(100,000)	-
Lease rentals paid		(5,315)	(3,927)
Net cash generated from financing activities		1,735,647	695,038
Net decrease in cash and cash equivalents		(143,416)	(1,316,987)
Cash and cash equivalents at beginning of the year		(734,722)	581,318
Cash and cash equivalents at recognition of subsidiary		-	947
Effects of exchange rate changes in cash and cash equivalents		150,025	-
Cash and cash equivalents at end of the year	34	(728,113)	(734,722)

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

Irfan Amanullah
Chief Financial Officer

Babar Bashir Nawaz
Chief Executive

Abdus Sattar
Director

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of:

Holding Company - Attock Cement Pakistan Limited (the "Company")

The company was incorporated in Pakistan on October 14, 1981 as a public limited company and is listed on Pakistan Stock Exchange. Its main business activity is manufacturing and sale of cement.

Pharaon Investment Group Limited Holding S.A.L., Lebanon is the ultimate holding company as it holds 84.06% of the total paid-up share capital of the company.

The geographical locations and addresses of the Holding Company's business units, including mills / plant are as under:

- The registered office of the Holding Company is at D-70, Block-4, Kehkashan-5, Clifton, Karachi.
- The Holding Company's cement manufacturing plant is located in Tehsil Hub, District Lasbella, Balochistan.
- The Holding Company also has a representative / liaison office at Plot No. 581-0, Arzoo Building, Al Maram, Dubai, UAE.

Subsidiary Company - Saqr Al Keetan for Cement Production Company Limited (SAKCPCL)

SAKCPCL was incorporated under Iraqi law on November 3, 2014. Its main business activity is manufacturing and sale of cement and the principal place of business is in Iraq.

The Company is in the process of constructing the plant which is expected to be completed by next year.

The geographical locations and addresses of the Subsidiary's business units, including mills / plant are as under:

- The registered office of SAKCPCL is at House # 35, Square 29, Near Al Buradia Super Market, Al Rbeea District Al Buradia, Basra, Iraq.
- SAKCPCL's cement manufacturing plant is located in Industrial Sector, Land No. 1/7, Sector 56, Al-Arquli Al Janobi, Khor Al-Zubair, Basra, Iraq.

2. SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT REPORTING PERIOD

The Group's financial position and performance was particularly affected by the following events and transactions during the reporting period:

a) During the year cement production Line 3 and Waste Heat Recovery System (WHRS), an alternate energy project became operational. Refer note - 4.1.1.
b) Obtained loan under the facility of syndicate finance agreement. Refer note - 16.
c) Recorded deferred tax asset in respect of tax credit on investment pertaining to Line 3 and WHRS. Refer note - 18.
d) Coal prices have increased and Pak Rupee has devalued which resulted in an increase of consumption cost by approximately Rs. 800 million.
e) Reversed prior years' tax provision. Refer notes - 13 & 31.
f) The Group has incurred capital expenditure relating to cement grinding plant in Iraq amounting to Rs. 1.88 billion. Refer note - 4.3.2.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

3.1 Basis of preparation

3.1.1 Statement of compliance

These consolidated 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.

3.1.2 Critical accounting estimates and judgements

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 Group's accounting policies. The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are:

i) Income tax - notes 18 & 31
ii) Staff retirement benefits - note 19.1

Estimates and judgements are continually evaluated and adjusted based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There have been no critical judgements made by the Group's management in applying the accounting policies that would have significant effect on the amounts recognised in the consolidated financial statements except as stated below.

3.1.3 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that became effective during the year and relevant

IAS 7, 'Statement of Cash Flows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. In the first year of adoption, comparative information need not be provided.

The change has been disclosed in notes 16 & 17 of these consolidated financial statements.

The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of financial statements of the Company. These changes also include change in nomenclature of primary statements, etc.

Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with the IFRS disclosure requirements; and
- incorporation of significant additional disclosures.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

Keeping in view of the above, the presentation of these consolidated financial statements has been realigned with the provisions contained in the Act. The application of the Act, however, does not have any impact on the recognition and measurement of the amounts included in these consolidated financial statements of the Group.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

There are other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2017 are considered not to be relevant for Group's consolidated financial statements and hence have not been detailed here.

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

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2018 that may have an impact on the consolidated financial statements of the Group.

IFRS 9 'Financial instruments' - This standard is effective for periods beginning from or after July 01, 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' - This standard is effective for periods beginning from or after July 01, 2018. IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 16 'Leases' - This standard is effective for periods beginning from or after January 01, 2019. IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The Group's management is in the process of assessing the impact of changes laid down by these standards on its consolidated financial statements.

3.2 Overall valuation policy

These consolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.

3.3 Basis of consolidation

i) Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

- it has power to direct the relevant activities of the subsidiaries;
- is exposed to variable returns from the subsidiaries; and
- decision making power allows the Group to affect its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognised from the date the control ceases. These consolidated financial statements include Attock Cement Pakistan Limited (the Holding Company) and Saqr Al-Keetan for Cement Production Company Limited (the Subsidiary Company).

The financial statements of the subsidiaries have been consolidated on a line by line basis. Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealised) are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

ii) Where the ownership of a subsidiary is less than hundred percent and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

The Group treats transactions with NCI that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to NCI are also recorded in equity.

3.4 Fixed Assets - property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses (if any) except freehold land, capital work-in-progress and stores held for capital expenditures which are stated at cost. Depreciation is calculated using the straight-line method on all assets in use to charge off their cost excluding residual value, if not insignificant, over their estimated useful lives.

Depreciation on acquisition is charged from the month of addition whereas no depreciation is charged in the month of disposal.

Group accounts for impairment, where indications exist, by reducing its carrying value to the estimated recoverable amount.

Maintenance and normal repairs are charged to consolidated statement of profit or loss and other comprehensive income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal / retirement of fixed assets are included in consolidated statement of profit or loss and other comprehensive income.

3.5 Staff retirement benefits

Defined benefit plans

The Group operates approved funded gratuity and pension schemes for all its management and non-management employees. Contributions to the schemes are based on actuarial valuations.

The latest actuarial valuations of the schemes have been carried out as at June 30, 2018 using the Projected Unit Credit method. The amount arising as a result of remeasurements are recognised in the consolidated statement of financial position immediately, with a charge or credit to Other Comprehensive Income in the periods in which they occur. Past-service costs are recognised immediately in profit or loss.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the schemes.

Defined contribution plan

The Group also operates an approved provident fund for its permanent employees. Equal monthly contributions are made, both by the Group and the employees, at the rate of 10% of basic salary.

3.6 Long-term investment

The Group has investment in associated company. The investment in associated company is stated at cost. The equity method of accounting has not been followed as the effect of applying this method is immaterial. Impairment loss is recognised whenever the carrying amount of investment exceeds its recoverable amount. An impairment loss is recognised in profit or loss.

3.7 Inventories

Inventories are valued at lower of cost and net realisable value except goods-in-transit which are stated at cost. Raw and packing materials, work-in-process and finished goods are valued at the weighted average cost. Cost of work-in-process and finished stocks comprise of direct costs and appropriate portion of production overheads.

Stores, spares and loose tools are valued at monthly weighted average cost less provision for slow moving and obsolete stores, spares and loose tools. Items in transit are stated at cost.

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs of completion and costs necessarily to be incurred in order to make the sale.

3.8 Trade and other receivables

Trade and other receivables are recognised and carried at original invoice amount less a provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Trade and other receivables considered irrecoverable are written-off.

3.9 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost. For the purposes of statement of cash flows, cash and cash equivalents comprise of cash and cheques in hand and in transit, balances with banks on current, saving and deposit accounts and finance under mark-up arrangements.

3.10 Leases

Finance leases

The Group leases motor vehicles. Leases of motor vehicles where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased motor vehicles and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The interest element of the finance cost is charged to consolidated statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The motor vehicles acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

Operating leases

Leases in which a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Payments made under operating leases are charged to consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

3.11 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

3.12 Provisions

Provisions are recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each consolidated statement of financial position date and adjusted to reflect current best estimate.

3.13 Income tax

Current

The charge for current taxation is based on the taxable income at the rate of taxation after taking into account tax credits, rebates available, if any.

Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged to or credited in the consolidated statement of profit or loss and other comprehensive income.

3.14 Borrowings and their cost

Borrowings are recognised initially at fair value and subsequently at amortised cost using the effective interest method. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalised as part of the cost of that asset. Borrowings payable within next twelve months are classified as current liabilities.

3.15 Foreign currencies

3.15.1 Transactions in foreign currencies are recorded in Pakistan Rupee at the rates of exchange approximating those prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupee using the exchange rates approximating those prevailing at the consolidated statement of financial position date. Exchange differences are included in profit or loss.

3.15.2 The results and financial position of subsidiary that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position,
- income and expenses for each consolidated statement of profit or loss account and other comprehensive income are translated at average exchange rates and
- all resulting exchange differences are recognised in other comprehensive income.

3.15.3 The consolidated financial statements are presented in Pakistan Rupee, which is the Holding Company's functional and presentation currency and figures are rounded off to the nearest thousand of Rupees.

3.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amount receivable for goods supplied, stated net of commission, discounts, returns and value added taxes.

Revenue from sale of goods is recognised on dispatch of goods to customers i.e. when the significant risks and reward of ownership have been transferred to the customer.

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

3.17 Financial assets and liabilities

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost, as the case may be.

Financial assets and liabilities are off-set and the net amount is reported in the consolidated statement of financial position if the Group has a legal right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.18 Dividend

Dividend distribution to shareholders is accounted for in the period in which the dividend is declared / approved.

	2018	2017
	Rupees '000	
4. FIXED ASSETS - property, plant and equipment		
Operating assets - note 4.1	17,184,187	5,343,547
Capital work-in-progress - note 4.3	2,432,410	11,146,091
Stores held for capital expenditure	808,403	530,029
	20,425,000	17,019,667

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

4.1 Operating assets

	Freehold land	Buildings and roads on freehold land	Plant and machinery note 4.1.1	Quarry transport and equipment	Furniture and fittings	Office equipments	Vehicles owned	Vehicles held under finance lease	Total
	Rupees in '000								
Year ended 30 June 2018									
Opening net book value	4,554	849,042	4,374,527	35,256	3,640	18,274	52,317	5,937	5,343,547
Additions	-	1,693,078	10,721,157	2,263	5,240	36,701	39,466	15,300	12,443,660
Disposals - note 4.5	-	-	-	(2,200)	-	(268)	(1,984)	(980)	(5,432)
Transfers to stores	-	-	(57,000)	-	-	-	-	-	(57,000)
Depreciation charge	-	(113,903)	(390,712)	(6,938)	(1,327)	(12,075)	(16,583)	(3,657)	(544,915)
Net exchange differences	-	-	-	828	383	2,346	611	-	4,168
Closing net book value	4,554	2,428,215	14,647,972	30,018	7,336	44,977	63,837	17,280	17,184,187
At 30 June 2018									
Cost	4,554	3,168,104	19,811,709	226,087	34,868	144,275	116,289	27,455	23,533,341
Accumulated depreciation	-	(819,889)	(5,163,737)	(196,045)	(27,532)	(99,298)	(52,452)	(10,175)	(6,369,138)
Net book value	4,554	2,348,215	14,647,972	30,018	7,336	44,977	63,837	17,280	17,184,187
Year ended 30 June 2017									
Opening net book value	4,554	866,134	4,395,761	12,213	3,241	15,125	36,685	9,766	5,343,479
Additions	-	55,070	373,717	21,668	456	8,063	29,807	-	488,782
Subsidiary recognition	-	-	-	5,822	1,374	3,880	1,531	-	12,407
Disposals	-	-	-	-	-	-	(2,512)	-	(2,512)
Transfers to stores	-	-	(59,364)	-	-	-	-	-	(59,364)
Depreciation charge	-	(72,162)	(335,587)	(4,262)	(1,434)	(8,803)	(13,168)	(3,829)	(439,275)
Net exchange differences	-	-	-	14	3	9	4	-	30
Closing net book value	4,554	849,042	4,374,527	35,256	3,640	18,274	52,317	5,937	5,343,547
At 30 June 2017									
Cost	4,554	1,555,028	9,252,870	228,392	29,184	105,555	100,763	21,275	11,297,621
Accumulated depreciation	-	(705,986)	(4,878,343)	(193,136)	(25,544)	(87,281)	(48,446)	(15,338)	(5,954,074)
Net book value	4,554	849,042	4,374,527	35,256	3,640	18,274	52,317	5,937	5,343,547
Rate of depreciation %	-	5%	3.33% - 5%	10%	20%	25%	20%	20%	

4.1.1 This includes additions related to Line 3 and WHRS amounting to Rs. 8.92 billion and Rs. 1.6 billion respectively. The Line 3 and WHRS became operational during the year, therefore, the Group became entitled to tax credit on investment under section 65B of the Income Tax Ordinance, 2001.

4.2 Movement in capital work-in-progress

	Balance as at 1 July 2017	Additions during the year	Transfers to operating assets	Net exchange differences	Balance as at 30 June 2018	Balance as at 1 July 2016	Additions during the year	Transfers to operating assets	Net exchange differences	Balance as at 30 June 2017
	Rupees in '000									
Civil works	2,455,046	1,588,594	(3,371,227)	54,458	726,871	159,833	2,443,462	(148,329)	83	2,455,046
Plant and machinery	8,280,243	1,637,034	(8,016,934)	104,821	1,405,164	113,946	8,393,083	(226,823)	137	8,280,243
Others	329,988	181,017	(342,863)	30,653	300,795	25,107	336,485	(31,780)	176	329,988
	11,065,277	3,406,645	(12,231,444)	191,932	2,432,410	298,886	11,173,030	(407,032)	393	11,065,277
Advances to suppliers	80,814	-	(80,814)	-	-	1,054,414	11,240	(984,840)	-	80,814
	11,146,091	3,406,645	(12,312,258)	191,932	2,432,410	1,353,300	11,184,270	(1,391,872)	393	11,146,091

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

4.3 Capital work-in-progress

	2018			2017		
	Project Line 3	Others - note 4.3.2	Total	Project Line 3	Others	Total
	Rupees '000					
Civil works	-	726,271	726,271	2,385,322	69,724	2,455,046
Plant & machinery	-	1,405,164	1,405,164	8,112,502	167,740	8,280,242
Advances to suppliers	-	-	-	80,814	-	80,814
Others - note 4.3.1	-	300,975	300,975	176,136	153,853	329,989
	-	2,432,410	2,432,410	10,754,774	391,317	11,146,091

4.3.1 During the year, the Group has capitalised borrowing costs amounting to Rs. 127.88 million (2017: Rs. 81.99 million). Borrowing costs were capitalised at the current year's weighted average rate of 6.25% (2017: 6.21%) per annum.

4.3.2 This includes Rs. 2.42 billion (2017: Rs. 343 million) incurred for construction of Cement Grinding Plant in Iraq.

4.4 Particulars of immovable property (i.e. land and building) in the name of Group are as follows:

Location	Usage of immovable property	Total Area (acres)	Covered Area (acres)
Tehsil Hub, District Lasbella, Balochistan	Manufacturing facility	558	558
Land No. 1/7, Sector 56, Al-Arquli Al Janobi, Khor Al-Zubair, Basra, Iraq	Cement grinding unit	60	60

4.5 The details of operating assets sold, having net book value in excess of Rs. 500,000 each are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceed	Loss	Mode of disposal	Particulars of purchaser
	Rupees '000						
Quarry Transport and Equipment	1,794	103	1,691	1,575	(116)	Insurance Claim	EFU General Insurance Limited
Vehicle	9,800	8,820	980	980	-	Company Policy	Mr. Babar Bashir Nawaz (CEO)
	11,594	8,923	2,671	2,555	(116)		

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

4.6 Upto previous year depreciation on plant and machinery had been charged to profit or loss at useful life of 20 years, whereas with effect from July 1, 2017, the useful life of plant and machinery has been changed to 30 years (except for WHRS and Alternate Fuel Project) in order to better reflect the pattern in which the economic benefits of the plant and machinery are consumed by the Group. Had this change in accounting estimates not been made, the depreciation for the year would have been higher by Rs. 123.53 million, profit before income tax for the year and net book value of the Plant and Machinery would have been lower by the same amount. Accordingly, deferred tax asset would have been higher by Rs. 24.2 million.

	2018	2017
	---------- Rupees '000 ----------	
5. LONG-TERM INVESTMENTS		
Investment in associated company		
Attock Information Technology Services (Private) Limited - 450,000 (2017: 450,000) fully paid ordinary shares of Rs. 10 each - at cost - notes 5.1 & 5.2	4,500	4,500

5.1 The Group holds 10% (2017: 10%) of investee's total equity. The break-up value per share is Rs. 53.86 (2017: Rs. 45.53). Total assets and total liabilities of the investee as at June 30, 2018 amounted to Rs. 262.44 million and Rs. 20.09 million (2017: Rs. 222.53 million and Rs. 17.67 million) respectively.

5.2 The investment in associated company has been made in accordance with the requirements of the Companies Act, 2017.

	2018	2017
	---------- Rupees '000 ----------	
6. LONG-TERM LOANS AND ADVANCES – considered good		
Director - notes 6.2 & 6.3	4,005	7,009
Employees - note 6.4	103,869	101,198
	107,874	108,207
Recoverable within one year - note 10	(60,563)	(59,619)
Long term portion	47,311	48,588

6.1 Amounts receivable from Director and employees represent house rent advances given according to the Group's service rules. Executives and other employees are also provided with car, motor cycle, marriage and welfare loans. These loans and advances are recoverable in twelve to sixty monthly installments and are interest free. These loans and advances are secured against the retirement fund balances of employees.

6.2 Rent advance was given to Mr. Irfan Amanullah (Alternate Director) with the prior approval of Securities and Exchange Commission of Pakistan as required under section 182 of the Companies Act, 2017. The maximum amount due at the end of any month was Rs. 6.76 million (2017: Rs. 9.76 million).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

6.3 Reconciliation of the carrying amount of loan to Alternate Director is as follows:

	2018	2017
	---------- Rupees '000 ----------	
Opening balance	7,009	10,012
Repayments	(3,004)	(3,003)
	4,005	7,009

6.4 Name of the employees whose outstanding balance is above Rs. 1 million at the end of June 30, 2018 are as follows:

Irfan Amanullah	4,005	7,009
Muhammad Ejaz Husain Qureshi	2,513	676
Syed Nisar Abbas	2,244	527
Wali Ur Rehman Khan	2,053	568
Abu Anas	1,973	2,551
Shakil Ahmed Khan	1,696	-
Farrukh Safdar	1,336	2,137
Khawaja Moizuddin	1,284	97
Muhammad Asif	1,243	208
Ghulam Mohammad Sadiq	1,187	-
Syed Laiq Ali	1,096	504
Zia Aziz	1,067	322
Syed Saleem Raza Shah Rizvi	1,063	236
Mohammad Arif	1,051	1,599

6.5 Long term loans and advances have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these consolidated financial statements.

7. LONG-TERM DEPOSITS

These are security deposits held with K-Electric Limited and do not carry any mark up arrangement.

8. INVENTORIES

	2018	2017
	---------- Rupees '000 ----------	
Stores, spares and loose tools - note 8.1	2,671,379	1,473,181
Raw materials	105,704	76,100
Packing materials	143,214	92,781
Work-in-process	529,009	182,580
Finished goods	199,760	105,140
	3,649,066	1,929,782

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees '000	
8.1 Stores, spares and loose tools		
Coal - note 8.1.1	1,627,122	801,864
Stores and spares - note 8.1.2	984,470	627,848
Bricks	100,862	81,988
Loose tools	6,996	3,252
	2,719,450	1,514,952
Less: Provision for slow moving and obsolete items	(48,071)	(41,771)
	2,671,379	1,473,181

8.1.1 This includes coal in transit amounting to Rs. 1.35 billion (2017: Rs. 327.54 million).

8.1.2 This includes stores and spares in transit amounting to Rs. 49.45 million (2017: Rs. 28.04 million).

	2018	2017
	Rupees '000	
9. TRADE RECEIVABLES – considered good		
Secured	694,064	172,525
Unsecured	15,853	7,965
	709,917	180,490
9.1 The age analysis of trade receivables is as follows:		
Not yet due	644,787	158,310
1 to 30 days	53,871	22,180
31 to 90 days	11,259	-
	709,917	180,490

9.2 Trade receivables include amount relating to export sales under letters of credit as follows:

	2018	2017
	Rupees '000	
Africa	301,262	33,420
Sri Lanka	164,648	78,204
India	7,808	-
	473,718	111,624

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
10. LOANS AND ADVANCES – considered good	Rupees '000	
Current portion of long-term loans and advances - note 6.5		
Director	3,004	3,004
Employees	57,559	56,615
	60,563	59,619
Other advances - employees	213	145
Advances to suppliers	17,723	16,619
	78,499	76,383
11. SHORT-TERM DEPOSITS AND PREPAYMENTS		
Deposits - considered good	14,118	16,485
Prepayments	14,139	12,065
	28,256	28,550
12. OTHER RECEIVABLES		
Export rebate receivable	21,433	24,557
Due from related parties - notes 12.1 & 12.2	1,783	2,314
Recoverable from contractor - note 12.3	53,455	-
Others	7,192	3,186
	83,863	30,057

12.1 These are settled in the ordinary course of business without any defined payment terms.

12.2 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 2.29 million (2017: Rs. 5.74 million).

12.3 This represents the amount recoverable from Hefei Cement Research & Design Institute in respect of payments made by the Group on their behalf.

13. TAXATION - PAYMENTS LESS PROVISIONS

During the year, the Group has received orders from Appellate Tribunal Inland Revenue (ATIR) in respect of various appeals and disputes for earlier years upto tax years 2015. This majorly includes the apportionment of expenses between local sales and export sales on the basis of 'Gross Sales' as compared to 'Net Sales'. The Group has succeeded on the issue of apportionment of expenses on the basis of 'Gross Sales'. Consequently, on the basis of the decision the Group has reversed tax liability by Rs. 892.07 million in respect of tax years 2009 through 2015.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	---------- Rupees '000 ----------	
14. CASH AND BANK BALANCES		
Cash at bank		
- On PLS savings accounts		
Local currency - notes 14.1 & 14.3	274,758	55,614
Foreign currency - note 14.2	8,391	932,207
- On current accounts		
Local currency	27,434	252,822
Foreign currency	312,374	-
Cash in hand	11,438	5,281
	634,395	1,246,125

14.1 At June 30, 2018 the mark-up rates on PLS savings accounts range from 3.75% to 5.25% (2017: 3.75% to 5.25%) per annum.

14.2 This includes Rs. 5.04 million (2017: Rs. 1.63 million) corresponding to AED 0.152 million (2017: AED 0.057 million) placed in United Bank Limited - Dubai Branch, UAE to meet representative / liaison office expenses as per the approval of the State Bank of Pakistan.

14.3 This include deposits of Rs. 72.86 million (2017: Rs. 54.17 million) obtained from customers which are kept in a separate bank account in compliance with the section 217 of the Companies Act, 2017.

	2018	2017
15. SHARE CAPITAL	---------- Rupees '000 ----------	
Authorised share capital		
200,000,000 ordinary shares of Rs. 10 each (2017: 200,000,000 ordinary shares of Rs. 10 each)	2,000,000	2,000,000
Issued, subscribed and paid-up capital		
Ordinary shares of Rs. 10 each		

2018	2017		2018	2017
29,747,965	29,747,965	Shares allotted for consideration paid in cash	297,480	297,480
4,132,510	4,132,510	Shares allotted for consideration other than cash - plant and machinery	41,325	41,325
80,641,993	80,641,993	Shares allotted as bonus shares	806,420	806,420
114,522,468	114,522,468		1,145,225	1,145,225

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

15.1 As at June 30, 2018, Pharaon Investment Group Limited (Holding) S.A.L, Lebanon and its nominees held 96,271,960 (2017: 96,271,960) ordinary shares of Rs. 10 each.

	2018	2017
	Rupees '000	

16. LONG TERM LOANS

Long term loans	4,687,500	1,600,000
Less: Current portion of long term loan	(1,250,000)	(100,000)
	3,437,500	1,500,000

16.1 Following are the changes in the long term loans (i.e. for which cash flows have been classified as financing activities in the consolidated statement of cash flows):

	2018	2017
	Rupees '000	
Balance as at July 01	1,500,000	-
Disbursements during the year	3,400,000	1,600,000
Repayment during the year	(212,500)	-
Related to current portion of long term loans	(1,250,000)	(100,000)
Balance as at June 30	3,437,500	1,500,000

16.2 The Group had entered into a syndicated finance agreement in 2016 with a consortium of banks for a term finance facility of Rs. 7 billion for the installation of cement production line 3 and WHRS. The facility carries a mark-up of 3 months KIBOR plus 0.25% p.a. which will be payable on quarterly basis. The tenure of this facility is 6 years including the grace period of 2 years. Upto June 30, 2018, the Group has drawn Rs. 5 billion and repaid Rs. 312.5 million.

16.3 The above syndicated finance agreement is secured by first ranking hypothecation charge over all movable assets of the Holding Company.

17. LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2018			2017		
	Minimum lease payment	Financial Charge for future periods	Principal outstanding	Minimum lease payment	Financial Charge for future periods	Principal outstanding
	Rupees '000					
Not later than one year	4,043	132	3,911	3,198	202	2,996
Later than one year but not later than five years	10,982	189	10,793	1,047	14	1,033
	15,025	321	14,704	4,245	216	4,029

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

17.1 Following are the changes in the lease liabilities (i.e. for which cash flows have been classified as financing activities in the consolidated statement of cash flows):

	2018	2017
	Rupees '000	
Balance as at July 01	4,029	7,956
Operating assets acquired during the year	15,990	-
Repayment	(5,315)	(3,927)
Balance as at June 30	14,704	4,029

18. DEFERRED TAX (ASSETS) / LIABILITIES

	Accelerated tax depreciation	Assets held under finance lease	Provision for slow moving and obsolete stores and spares	Liabilities against finance lease	Unabsorbed depreciation	Alternate corporate tax	Tax credit on investment	Total
	Rupees in '000							
July 01, 2017	826,560	1,330	(9,360)	(903)	-	-	-	817,747
Charge / (credit) to consolidated statement of profit or loss and other comprehensive income for the year	820,369	1,662	(56)	(1,977)	(102,827)	(534,335)	(1,072,116)	(949,290)
June 30, 2018	1,647,029	2,992	(9,416)	(2,880)	(102,827)	(534,335)	(1,072,116)	(131,543)
July 01, 2016	817,039	2,118	(7,916)	(1,725)	-	-	-	809,516
Charge / (credit) to consolidated statement of profit or loss and other comprehensive income for the year	9,641	(788)	(1,444)	822	-	-	-	8,231
June 30, 2017	826,680	1,330	(9,360)	(903)	-	-	-	817,747

18.1 Deferred tax liability is restricted to 78.35% (2017: 74.69%) of the total deferred tax liability based on the assumptions that export sales will continue to fall under Final Tax Regime and historical trend of export and local sales ratio will continue to be the same in foreseeable future.

18.2 The deferred tax asset on unabsorbed depreciation, alternative corporate tax and tax credit on investment will be recoverable based on the estimated future taxable income and approved business plans and budgets.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

18.3 Under the Finance Act, 2018, a change in corporate tax rate from 30% to 29% was enacted for the tax year 2019. The said tax rate will gradually decrease by 1% over a period of 4 years. Therefore, deferred tax assets and liabilities have been recognised accordingly using the expected applicable rate.

19. EMPLOYEE BENEFIT OBLIGATIONS

19.1 Staff retirement benefits

19.1.1 As stated in note 3.4, the Group operates approved funded gratuity and pension scheme for all management and non-management employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to minimum service under the scheme. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2018.

19.1.2 Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882; Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the respective trust deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Group appoints the trustees and all trustees are employees of the Group.

19.1.3 The latest actuarial valuations of the Plans as at June 30, 2018 were carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuations are as follows:

	2018		2017	
	Pension Funds	Gratuity Funds	Pension Funds	Gratuity Funds
	Rupees '000			
19.1.4 Statement of financial position reconciliation as at June 30				
Present value of defined benefit obligation	568,859	435,787	641,606	421,031
Fair value of plan assets	(293,571)	(323,982)	(283,478)	(289,706)
Deficit	275,288	111,805	358,128	131,325
19.1.5 Movement in the defined benefit obligation				
Obligation as at July 01	641,606	421,031	623,063	357,634
Service cost	24,064	27,504	21,860	18,469
Interest expense	60,062	37,949	56,751	31,738
Remeasurement on obligation	(95,671)	(11,111)	40,904	42,755
Benefits paid	(61,202)	(39,586)	(100,972)	(29,565)
Obligation as at June 30	568,859	435,787	641,606	421,031
19.1.6 Movement in the fair value of plan assets				
Fair value as at July 01	283,478	289,706	313,888	241,676
Interest income	27,010	26,235	26,952	21,665
Remeasurement on plan assets	(17,468)	(18,025)	(14,197)	(3,878)
Employer contributions	61,773	65,652	56,007	59,808
Benefits paid	(61,202)	(39,586)	(100,972)	(29,565)
Fair value as at June 30	293,571	323,982	283,478	289,706

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018		2017	
	Pension Funds	Gratuity Funds	Pension Funds	Gratuity Funds
	Rupees '000			
19.1.7 Expense recognised in profit or loss				
Service cost	24,064	27,504	21,860	18,469
Interest expense - net	33,052	11,714	27,799	10,073
	57,116	39,218	49,659	28,542
19.1.8 Remeasurement recognised in other comprehensive income				
Experience (gains) / losses	(95,671)	(11,111)	40,904	42,755
Remeasurement of fair value of plan assets	17,488	18,025	14,197	3,878
Remeasurements	(78,183)	6,914	55,101	46,633
19.1.9 Net recognised liability				
Balance as at July 01	358,128	131,325	309,375	115,958
Expense for the year	57,116	39,218	49,659	28,542
Employer contributions	(61,773)	(65,652)	(56,007)	(59,808)
Remeasurement recognised in other comprehensive income	(78,183)	6,914	55,101	46,633
Balance as at June 30	275,288	111,805	358,128	131,325

19.1.10 Composition of plan assets:

	2018		2017		2018		2017	
	Pension Funds				Gratuity Funds			
	Amount in '000	%	Amount in '000	%	Amount in '000	%	Amount in '000	%
Defense Savings Certificate	-	-	-	-	5,027	1.55	-	-
Market Treasury Bills	32,342	11.02	-	-	58,630	18.41	-	-
Term Deposit Receipts	32,468	11.06	30,593	10.79	22,505	6.33	19,626	6.77
Term Finance Certificates	40,378	13.75	20,921	7.38	35,444	10.94	20,921	7.22
Open Ended Mutual Funds	180,510	61.49	227,855	80.38	154,583	60.00	245,769	84.83
Other (including bank balance)	7,073	2.68	4,109	1.45	8,793	2.71	3,390	1.18
	293,571	100.00	283,479	100.00	323,982	100.00	289,706	100.00

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

19.1.11 Actuarial assumptions

	2018			2017		
	First	Second & Third	Fourth & onwards	First	Second & Third	Fourth & onwards
	Year					
Expected rate of increase in salaries						
- Management staff						
Senior management	8.25%	8.25%	8.25%	20.00%	10.00%	7.50%
Junior management	8.25%	8.25%	8.25%	10.00%	10.00%	7.50%
- Non-management staff	8.25%	8.25%	8.25%	20.00%	10.00%	7.50%

The discount factor used for pension and gratuity funds is 10% (2017: 9.25%)

19.1.12 Pre-Retirement mortality was assumed to be SLIC (2001-05) for males and females, as the case may be, but rated down by one year.

19.1.13 The Group ensures asset / liability matching by investing in government securities, bank deposits, mutual funds and does not use derivatives to manage its risk.

19.1.14 The expected return on respective plan assets has been determined by considering the expected returns available on the assets undertying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the consolidated statement of financial position date.

19.1.15 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

At, June 30, 2018	Impact on defined benefit obligation				
		Pension Funds		Gratuity Funds	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
	Rupees '000				
Discount rate	0.5%	(51,583)	57,867	(16,931)	18,217
Future salary increases	0.5%	20,287	19,126	19,482	(18,238)

At, June 30, 2017	Impact on defined benefit obligation				
		Pension Funds		Gratuity Funds	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
	Rupees '000				
Discount rate	0.5%	(58,589)	65,878	(16,078)	17,281
Future salary increases	0.5%	15,507	(14,640)	13,001	(12,236)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

If longevity increases by 1 year, the resultant increase in obligation is insignificant.

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the gratuity liability recognised within the consolidated statement of financial position.

19.1.16 Historical information

	2018	2017	2016	2015	2014
	Rupees '000				
Pension Funds As at June 30					
Present value of defined benefit obligation	568,859	641,606	623,063	394,211	295,259
Fair value of plan assets	(293,571)	(283,478)	(313,688)	(265,651)	(206,748)
Deficit	275,288	358,128	309,375	128,560	88,511
Experience adjustments					
Gain / (loss) on obligation	95,671	(40,904)	(194,359)	(66,266)	(20,119)
(Loss) / gain on plan assets	(17,488)	(14,197)	(9,586)	(2,492)	7,413
	78,183	(55,101)	(203,945)	(68,758)	(12,706)
Gratuity Funds As at June 30					
Present value of defined benefit obligation	435,787	421,031	357,634	358,435	318,685
Fair value of plan assets	(323,982)	(289,706)	(241,676)	(234,659)	(166,703)
Deficit	111,805	131,325	115,958	123,776	151,982
Experience adjustments					
Gain / (loss) on obligation	11,111	(42,755)	(16,776)	(2,199)	(86,260)
Loss on plan assets	(18,025)	(3,878)	(3,789)	(365)	(7,725)
	(6,914)	(46,633)	(20,565)	(2,564)	(93,985)

19.1.17 As per actuarial advice, the Group is expected to recognise a service cost of Rs. 44.77 million in 2019 (2018: Rs. 45.64 million).

19.1.18 The weighted average service duration of employees is as follows:

	Pension Fund	Gratuity Fund
	No. of years	
Management	**19.16**	**7.93**
Non-management	**19.20**	**8.51**

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

19.1.19 Expected maturity analysis of undiscounted retirement benefit plan.

At June 30, 2018	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Over 10 years	Total
	Rupees '000					
Pension Funds	67,328	61,209	225,237	568,012	780,418	1,703,204
Gratuity Funds	51,027	42,090	138,400	298,677	361,282	892,676

At June 30, 2017	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Over 10 years	Total
	Rupees '000					
Pension Funds	51,078	69,472	222,967	534,373	804,664	1,682,554
Gratuity Funds	43,619	50,143	129,358	243,622	338,128	804,870

20. TRADE AND OTHER PAYABLES

	2018	2017
	Rupees '000	
Creditors - note 20.1	461,269	286,576
Accrued liabilities - note 20.1	3,118,293	1,533,925
Electricity charges payable	175,342	101,994
Royalty payable - note 20.2	183,851	68,448
Excise duty payable	7,148	1,260
Advances from customers - unsecured	190,084	230,508
Retention money - note 20.3	465,774	1,100,389
Security deposits - note 14.3	72,856	54,172
Workers' Profits Participation Fund - note 20.4	163,000	241,000
Workers' Welfare Fund - note 20.5	196,000	195,000
Payable to provident fund - note 20.6	8	650
Taxes deducted at source and payable to statutory authorities	8,258	1,591
Others - note 20.1	7,080	7,026
	5,048,963	3,823,539

20.1 Creditors, accrued liabilities and other liabilities include Rs. 27.8 million, Nil and Rs. 5.8 million (2017: Rs. 8.5 million, Rs. 6.5 million and Rs. 5.8 million) respectively in respect of amounts due to related parties.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

20.2 During the year, royalty amounting to Rs. 102.2 million (2017: Rs. 67 million) has been paid by the Group to Mines and Minerals Department, Government of Balochistan, Quetta.

20.3 This includes retention money amounting to Rs. 149.46 million (2017: Rs. 1.09 billion) in respect of project Line 3.

	2018	2017
	---------- Rupees '000 ----------	
20.4 Workers' Profits Participation Fund		
At beginning of the year	241,000	227,600
Charge for the year - note 28	163,000	241,000
	404,000	468,600
Interest on funds utilised in Group's business - note 30	8,025	3,846
	412,025	472,446
Less: Amount paid to the Fund	(249,025)	(231,446)
	163,000	241,000

20.5 This includes provision of Rs. 92.64 million, Rs. 63.31 million and Rs. 40.05 million pertaining to the year 2017, 2016 and 2015 respectively. The Group has not paid this amount until it is ascertained as to whether the same is required to be paid to Federal or Provincial government.

20.6 All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

21. ACCRUED MARK-UP

Accrued mark-up comprises of mark-up on short term borrowings and mark-up on syndicated finance facility payable.

	2018	2017
	---------- Rupees '000 ----------	
22. SHORT TERM BORROWINGS		
Short term running finance - notes 22.1 & 22.2	1,362,508	1,980,847
Current maturity of long-term loan - note 16	1,250,000	100,000
	2,612,508	2,080,847

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

22.1 The facilities available from various banks amount to Rs. 4.34 billion (2017: Rs. 3.24 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Group's inventories and trade receivables. The facilities expiring within one year are annual facilities subject to review at various dates during 2018 and 2019.

22.2 The rates of mark-up ranging between one month KIBOR minus 0.4% and 3 months KIBOR plus 0.25% (2017: one month KIBOR minus 0.4% and 3 months KIBOR plus 0.25%) per annum.

22.3 The facilities for opening letters of credit and guarantee as at June 30, 2018 amounted to Rs. 4.85 billion (2017: Rs. 4.60 billion) of which unutilised balance at year end amounted to Rs. 2.94 billion (2017: Rs. 4.21 billion).

23. CONTINGENCY AND COMMITMENTS

23.1 The Competition Commission of Pakistan (CCP) passed an order on August 27, 2009 levying penalty of Rs. 374 million on the Holding Company alleging that it was involved with other cement manufacturing companies in price fixing arrangements. The Holding Company along with other cement manufacturers challenged the vires of CCP order before the Lahore High Court which directed the CCP not to take any adverse action against the Holding Company under the aforementioned order passed by CCP till the completion of the case proceedings in the Lahore High Court.

Based on the opinion of the company's legal advisors, the management is hopeful that the ultimate outcome of these petitions / appeal will be in favour of the Holding Company and hence no provision has been recognised in these consolidated financial statements for the aforementioned amount of penalty.

23.2 Commitments for capital expenditure outstanding as at June 30, 2018 amounted to Rs. 729.32 million (2017: Rs. 1.901 billion).

24. REVENUE

	2018	2017
	---------- Rupees '000 ----------	
Local sale of goods	19,028,159	16,316,388
Sales tax	(3,106,362)	(2,618,498)
Federal excise duty	(2,318,038)	(1,576,973)
	(5,424,400)	(4,195,471)
Commission	(324,246)	(359,526)
Net local sale of goods	13,279,513	11,761,391
Export sales	3,604,898	2,973,781
	16,884,411	14,735,172

24.1 The Group's customer base is diverse with no single customer accounting for more than 10% of net revenue.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

24.2 Export sales comprise of sales made in the following regions:

	2018	2017
	---------- Rupees '000 ----------	
Africa	1,444,880	680,062
Middle East Asia	90,734	-
Sri Lanka	1,614,268	1,896,033
Others	495,016	397,686
	3,644,898	2,973,781

25. COST OF SALES

Raw materials consumed	1,447,363	912,078
Packing materials consumed	992,597	837,231
Cement packaging and loading charges	31,257	25,693
Salaries, wages and benefits - note 25.1	1,786,982	1,418,237
Fuel	4,424,277	2,534,424
Electricity and water	2,029,854	1,712,671
Stores and spares consumed	466,041	463,232
Repairs and maintenance	126,869	115,263
Insurance	54,301	51,071
Vehicle running and maintenance	107,406	86,347
Security expenses	127,527	108,612
Depreciation	521,917	422,775
Other expenses - note 25.2	22,241	39,591
	12,138,632	8,727,225
Add: Opening work-in-process	182,580	302,245
Less: Closing work-in-process	(529,009)	(182,580)
Cost of goods manufactured	11,792,203	8,846,890
Add: Opening stock of finished goods	105,140	101,210
Less: Closing stock of finished goods	(199,760)	(105,140)
	11,697,583	8,842,960

25.1 Salaries, wages and benefits include Rs. 75.94 million and Rs. 33.68 million (2017: Rs. 60.48 million and Rs. 28.02 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

25.2 This includes provision for slow moving and obsolete items amounting to Rs. 6.3 million (2017: Rs. 5.27 million).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

26. DISTRIBUTION COSTS

	2018	2017
	Rupees '000	
Salaries, wages and benefits - note 26.1	109,051	93,760
Handling and other export related expenses	626,058	472,693
Carriage outward on export sales	283,081	225,151
Commission on export sales	51,353	40,588
Carriage outward on local sales	72,146	50,794
PSI marking fee	17,214	15,210
Advertisement and sales promotion	6,937	774
Travelling and entertainment	2,384	2,027
Other expenses	2,746	2,534
	1,170,970	903,531

26.1 Salaries, wages and benefits include Rs. 5.23 million and Rs. 2.23 million (2017: Rs. 4.66 million and Rs. 1.95 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

27. ADMINISTRATIVE EXPENSES

	2018	2017
	Rupees '000	
Salaries, wages and benefits - note 27.1	369,457	311,928
Depreciation	14,891	14,396
Rent, rates and taxes	17,634	15,715
Utilities	4,815	4,844
Insurance	1,943	2,073
Repairs and maintenance	16,710	9,308
Communication and printing	20,252	14,749
Travelling and entertainment	5,991	5,655
Legal and professional charges	31,885	15,112
Auditors' remuneration - note 27.2	6,048	4,428
Donations - note 27.3	9,062	4,151
Other expenses	34,623	17,019
	533,111	419,378

27.1 Salaries, wages and benefits include Rs. 15.14 million and Rs. 6.04 million (2017: Rs. 13.06 million and Rs. 5.28 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	---------- Rupees '000 ----------	
27.2 Auditors' remuneration		
Audit fee (including consolidation)	2,500	2,500
Fee for review of interim financial information and Statement of Compliance with Code of Corporate Governance	1,150	1,150
Taxation services	1,873	430
Other certifications, attestations and other services	350	85
Out-of-pocket expenses	175	263
	6,048	4,428

27.3 This represents donation given to The Citizens Foundation. None of the directors or their spouses had any interest in the donee.

	2018	2017
	---------- Rupees '000 ----------	
28. OTHER EXPENSES		
Workers' Profits Participation Fund - note 20.4	163,000	241,000
Workers' Welfare Fund	-	92,645
	163,000	333,645
29. OTHER INCOME		
Income from financial assets		
Income on PLS savings accounts under interest / markup arrangements	10,423	11,947
Gain on sale of open ended mutual fund units	2,268	72,670
Exchange gain	-	117
Income from non-financial assets		
Gain on disposal of operating assets	4,005	1,238
Others		
Export rebate	14,486	15,680
Scrap sales	27,876	36,191
Others	1,746	98,789
	60,804	236,632

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees '000	
30. FINANCE COST		
Bank charges and commission	26,043	23,996
Mark-up on:		
Long term loans	160,224	-
Short term borrowings	10,365	-
Exchange loss - net	46,078	-
Interest on Workers' Profits Participation Fund - note 20.4	8,025	3,846
Finance charges on finance lease	437	527
	251,172	28,369
31. INCOME TAX CREDIT / (EXPENSE)		
Current		
- for the year	(570,953)	(1,424,484)
- prior years - note 31.1	892,068	22,851
Deferred	949,290	(8,231)
	1,270,405	(1,409,864)

31.1 This represents tax provision reversals pertaining to prior years from tax years 2009 to 2015. For details, refer note 13.

31.2 In view of the management, sufficient tax provision has been made in the Group's consolidated financial statements. Comparison of tax provision as per the consolidated financial statements viz-a-viz tax assessment for last three years is as follows:

	2017	2016	2015
	Rupees '000		
Tax assessed as per most recent tax assessment	1,135,223	1,032,721	758,270
Provision in accounts for income tax	1,424,484	1,342,694	758,270

The assessed value for tax years 2016 & 2017 represents return value.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	---------- Rupees '000 ----------	
31.3 Relationship between tax expense and accounting profit		
Profit before income tax	3,129,379	4,443,921
Tax at the applicable rate of 30% (2017: 31%)	(938,814)	(1,377,616)
Effect of final tax regime	(38,654)	73,843
Effect of change in tax rate	382,930	-
Tax credits	1,072,116	-
Super tax	-	(125,603)
Reversal of prior years' tax provision	892,068	22,851
Others	(98,241)	(3,339)
	1,270,405	(1,409,864)
32. BASIC AND DILUTED EARNINGS PER SHARE		
Profit for the year	4,399,784	3,034,057
Weighted average number of outstanding shares at the end of year (in thousands)	114,522	114,522
Basic and diluted earnings per share - note 32.1	Rs. 38.42	Rs. 26.49

32.1 Diluted earnings per share has not been presented as the Group did not have any convertible instruments in issue as at June 30, 2018 and 2017 which would have any effect on the earnings per share if the option to convert is exercised.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	---------- Rupees '000 ----------	
33. CASH GENERATED FROM OPERATIONS		
Profit before income tax	3,129,379	4,443,921
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation	536,808	437,171
Gain on disposal of property, plant and equipment	(4,005)	(1,238)
Gain on sale of open ended mutual fund units	(2,268)	(72,670)
Provision for stores, spares and loose tools	6,300	5,269
Interest income	(10,423)	(11,947)
Finance cost	205,094	28,369
Employee benefit obligations	96,334	78,201
Profit before working capital changes	3,957,219	4,907,076
Effect on cash flow due to working capital changes		
(Increase) / Decrease in current assets		
Inventories	(1,725,584)	(18,286)
Trade receivables	(529,427)	30,622
Loans and advances	(2,116)	5,552
Short term deposits and prepayments	1,064	103
Tax refunds due from Government - Sales tax	207,485	(496,755)
Other receivables	(53,806)	84,807
	(2,102,384)	(393,957)
Increase / (Decrease) in current liabilities		
Trade and other payables	1,595,895	(79,902)
	(506,489)	(473,859)
Cash generated from operations	3,450,730	4,433,217
34. CASH AND CASH EQUIVALENTS		
Cash and bank balances - note 14	634,395	1,246,125
Short-term running finance - note 22	(1,362,508)	(1,980,847)
	(728,113)	(734,722)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

35. REMUNERATION TO CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The aggregate amounts charged in these consolidated financial statements for remuneration to Chief Executive, Executive Director and Executives are as follows:

	Chief Executive		Executive Director		Executives *	
	2018	2017	2018	2017	2018	2017
	Rupees '000					
Managerial remuneration	30,333	25,269	15,615	12,747	177,585	110,727
Housing allowance	8,270	8,040	4,533	4,317	45,259	36,742
Utility allowance	3,675	3,063	1,007	822	10,056	7,451
Bonus	23,610	20,419	13,192	10,965	97,923	99,344
Retirement benefits	-	-	3,861	3,152	32,565	23,361
Others	3,092	3,310	2,887	2,767	18,942	20,904
	68,980	60,101	41,095	34,770	382,332	298,529
Number of persons	1	1	1	1	56	44

* *Comparative figures have been restated to reflect changes in the definition of executive as per the Companies Act, 2017.*

The Chief Executive, Executive Director and certain Executives are provided with free use of Group maintained cars and are also provided with medical facilities in accordance with their entitlements.

In addition to the above, fee paid to 4 (2017: 4) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 3.0 million (2017: Rs. 2.39 million).

36. TRANSACTIONS WITH RELATED PARTIES

	2018	2017
	Rupees '000	
Transactions with related parties during the year are as follows:		
Ultimate holding company		
Dividend paid	1,299,671	1,203,400
Recovery of expenses	2,511	2,599
Group companies		
Purchase of goods	336,968	227,880
Reimbursement of expenses	3,065	4,399
Recovery of expenses from related parties	9,504	12,268
Other related parties		
Payments made to retirement benefit funds	169,994	144,067
Key management personnel		
Loans and advances recovered during the year	3,004	3,003
Salaries and other short-term employee benefits	106,214	93,404
Post-employment benefits	3,861	3,152

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

The related party status of outstanding balances as at June 30, 2018 is included in other receivables, loans and advances and trade and other payables. These are settled in the ordinary course of business.

36.1 Following are the related parties including associated companies with whom the Group had entered into transactions or have arrangement / agreement in place:

S.No.	Company Name	Basis of relationship	Aggregate % of Shareholding
1.	Pharaon Investment Group Limited Holding S.A.L., Lebanon (PIGL) - note 36.1.1	Ultimate Parent / Holding Company	84.06%
2.	Attock Petroleum Limited	Group Company / Common directorship	N/A
3.	Attock Refinery Limited	Group Company / Common directorship	N/A
4.	Falcon Pakistan (Private) Limited	Group Company / Common directorship	N/A
5.	National Refinery Limited	Group Company / Common directorship	N/A
6.	Pakistan Oilfields Limited	Group Company / Common directorship	N/A
7.	The Attock Oil Company Limited	Group Company / Common directorship	N/A

36.1.1 PIGL is a Company incorporated in Lebanon having registered address at 221, Sami Solh Avenue, PO Box 116-5418, Beirut, Lebanon. The Chief Executive Officer of PIGL is Mr. Laith G. Pharaon. As per the latest available financial statements which are prepared on going concern basis, PIGL's auditors have expressed an unmodified opinion.

37. NUMBER OF EMPLOYEES

	2018	2017
Number of employees at June 30		
- Regular	926	850
- Contractual	47	47
	*973	*897

* This includes 864 (2017: 833) number of factory employees

Average number of employees during the year		
- Regular	855	817
- Contractual	30	42
	**885	**859

** This includes 798 (2017: 807) number of factory employees

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

38. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

38.1 Financial risk factors

The Group's activities expose it to variety of financial risks namely market risk (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on having cost effective funding as well as manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

38.2 Financial assets and liabilities by category and their respective maturities

	2018			2017		
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total
	Rupees '000					
Financial assets						
Loans and receivables						
Loans, advances and deposits	74,895	147,251	222,146	76,249	91,568	167,817
Trade receivables	709,917	-	709,917	180,490	-	180,490
Other receivables	83,863	-	83,863	30,057	-	30,057
Bank balances	622,957	-	622,957	1,240,844	-	1,240,844
Cash in hand	11,438	-	11,438	5,281	-	5,281
Long term investment	-	4,500	4,500	-	4,500	4,500
	1,503,070	151,751	1,654,821	1,532,921	96,068	1,628,989
Financial liabilities						
Long term finance	1,250,000	3,437,500	4,687,500	100,000	1,500,000	1,600,000
Trade and other liabilities	4,484,473	-	4,484,473	3,153,180	-	3,153,180
Unclaimed dividend	8,998	-	8,998	7,592	-	7,592
Short term borrowings	1,362,508	-	1,362,508	1,980,847	-	1,980,847
Accrued markup	88,773	-	88,773	45,990	-	45,990
	7,194,752	3,437,500	10,632,252	5,287,609	1,500,000	6,787,609
On statement of financial position date gap	(5,691,682)	(3,285,749)	(8,977,431)	(3,754,688)	(1,403,932)	(5,158,620)
Net financial liabilities						
Interest bearing	(2,418,132)	(3,285,749)	(5,703,881)	(1,140,450)	(1,403,932)	(2,544,382)
Non-interest bearing	(3,273,550)	-	(3,273,550)	(2,614,238)	-	(2,614,238)
	(5,691,682)	(3,285,749)	(8,977,431)	(3,754,688)	(1,403,932)	(5,158,620)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

a) Market Risk

i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. As per market practices Group borrowings are on variable interest rate exposing Group to interest rate risk.

At June 30, 2018, the Group has variable interest bearing financial liabilities of Rs. 6.14 billion (2017: Rs. 3.63 billion), and had the interest rate varied by 200 basis points with all the other variables held constant, profit before income tax for the year would have been approximately Rs. 122.78 million (2017: Rs. 72.54 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

ii) Foreign exchange risk

Foreign currency risk arises mainly where payables and receivables exist due to transactions in foreign currencies. The Group's exposure to exchange risk comprise mainly due to receivable, payable and bank balance maintained in foreign currency account. At June 30, 2018, trade and other payables of Rs. 1,334.40 million (2017: Rs. 315.37 million), trade receivables of Rs. 497.33 million (2017: Rs. 116.65 million) and bank balance of Rs. 320.77 million (2017: Rs. 1,129.3 million) are exposed to foreign currency risk.

As at June 30, 2018, if the Pakistan Rupee had weakened / strengthened by 2% against US Dollar with all other variables held constant, profit before income tax for the year would have been lower / higher by Rs. 10.43 million (2017: Rs. 18.59 million), as a result of foreign exchange gains / losses on translation of US Dollar denominated trade and other payables and trade receivables.

As at June 30, 2018, if the Pakistan Rupee had weakened / strengthened by 2% against AED with all other variables held constant, profit before income tax for the year would have been higher / lower by Rs. 0.1 million (2017: Rs. 0.03 million), mainly as a result of foreign exchange losses / gains on translation of AED denominated bank balances.

The sensitivity of foreign exchange rates looks at the outstanding foreign exchange balances of the Group only as at the consolidated statement of financial position date and assumes this is the position for a full twelve-month period. The volatility percentages for movement in foreign exchange rates have been used due to the fact that historically (five years) rates have moved on average basis by the mentioned percentages per annum.

iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to individual financial instrument of Group, its issuer, or factors affecting all similar financial instrument traded in the market. The Group has no investment at June 30, 2018 which is subject to change in market price.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparts failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs. 1,655 million (2017: Rs. 1,629 million) the financial assets exposed to the credit risk amounts to Rs. 1,639 million (2017: Rs. 1,619.21 million). The carrying values of financial assets are as under:

	2018	2017
	---------- Rupees '000 ----------	
Trade receivables	709,917	180,490
Deposits, loans, advances and other receivables	306,009	197,874
Bank balances	622,957	1,240,844
	1,638,883	1,619,208

Trade receivables of the company are not exposed to significant credit risk as the company trades with credit worthy third parties and obtains bank guarantees from its credit customers. As of June 30, 2018, secured and unsecured trade receivables amounted to Rs. 694.06 million and Rs. 15.85 million (2017: Rs. 172.53 million and Rs. 7.96 million) respectively. Moreover, there is no impaired balance and the carrying amount of trade receivables relates to customers for whom there is no history of default.

Deposits, loans, advances and other receivables are not exposed to any material credit risk as deposits of Rs. 99.94 million (2017: Rs. 42.98 million) are maintained with the K-Electric Limited and loans & advances to employees amounting to Rs. 108.09 million (2017: Rs. 108.35 million) are secured against their retirement benefits.

The cash and bank balances represent low credit risk as major balances are placed with banks having credit ratings of A or above as assigned by PACRA or JCR-VIS.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management believes that it will be able to fulfill its financial obligations.

d) Obtained loan under the facility of syndicate finance agreement. Refer note - 16.

Recorded deferred tax asset in respect of tax credit on investment pertaining to Line 3 and WHRS. Refer note - 18.

The carrying values of all financial assets and liabilities reflected in the consolidated financial statements approximate their fair value.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

38.3 Capital Risk Management

The Group's objectives when managing capital are to safeguard Group's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

The debt to capital ratio at June 30, 2018 was as follows:

	2018	2017
	---------- Rupees '000 ----------	
Total borrowings	6,050,008	3,580,847
Cash and bank - note 14	(634,395)	(1,246,125)
Net debt	5,415,613	2,334,722
Equity	15,089,764	12,571,343
Total capital	20,505,377	14,906,065
Debt to capital ratio	26%	16%

	2018	2017
	---------- (Metric tons) ----------	
39. CAPACITY AND PRODUCTION		
Production capacity		
- Clinker	2,883,000	1,740,000
- Cement	3,027,000	1,827,000
Actual production		
- Clinker	2,482,551	1,866,325
- Cement	2,309,345	2,081,858

39.1 During the year, the Group has increased its clinker and cement production capacity by 3,810 and 4,000 Metric Tons per day respectively. Such annual designed capacity represents the enhanced capacity as at June 30, 2018 which was increased from the month of January 2018. Consequently, the enhanced capacity was not available to the Group for the whole year.

39.2 The production capacity is based on standard 300 days basis. Actual production is based on actual production days.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

40. DETAILS OF SUBSIDIARY COMPANY

Name of Subsidiary	Financial Year end
Saqr Al-Keetan for Cement Production Company Limited	June 30

40.1 Set out below is summarised financial information of subsidiary that has NCI:

	2018	2017
	---------- Rupees '000 ----------	
Percentage Holding	60.00%	60.00%
Total Assets	2,777,193	1,488,501
Total Liabilities	65,120	7,452
Total Comprehensive Income / (Loss)	-	-
Allocated to NCI	-	-
Accumulated NCI	-	-
Cash and Cash Equivalent	309,458	1,124,278

41. CORRESPONDING FIGURES

Due to revision in Fourth Schedule to the Companies Act, 2017, following required changes have been made:

- Unclaimed dividend which was previously classified under trade and other payables has been separately disclosed as unclaimed dividend on the face of the consolidated statement of financial position.
- Stores, spares and loose tools which was separately classified on the face of the consolidated statement of financial position has been presented under Inventories.

42. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on August 15, 2018 has proposed a cash dividend of Rs. 8 per share (2017: Rs. 13.5 per share) and issue of 20 bonus share for every 100 shares (2017: Nil) amounting to Rs. 916 million (2017: Rs. 1,546 million) and Rs. 229 million (2017: Nil) repectively subject to the approval of the Holding Company in the forthcoming annual general meeting.

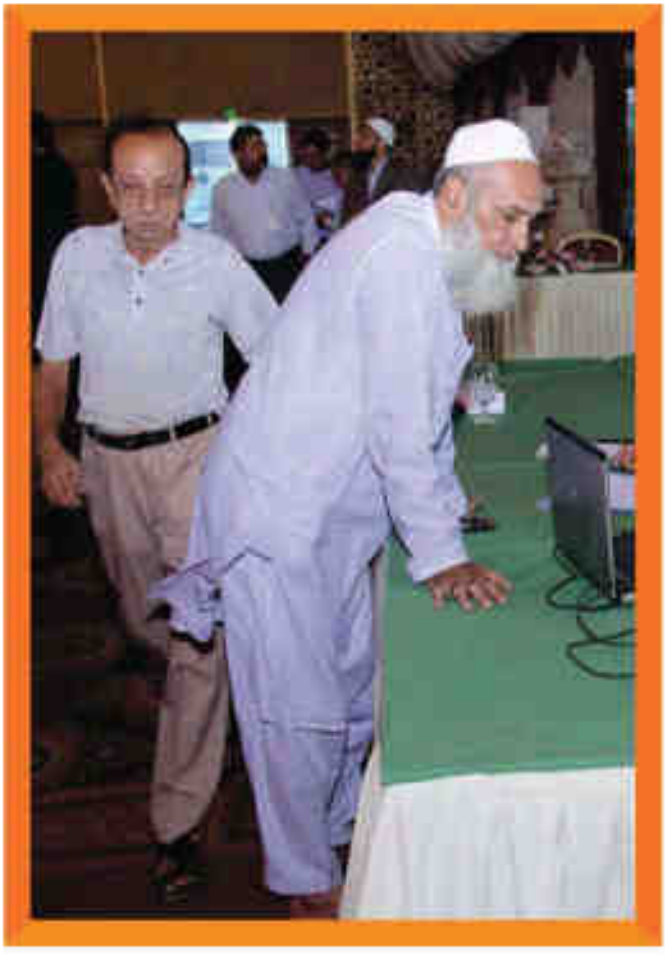
43. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were approved and authorised for issue by the Board of Directors on August 15, 2018.

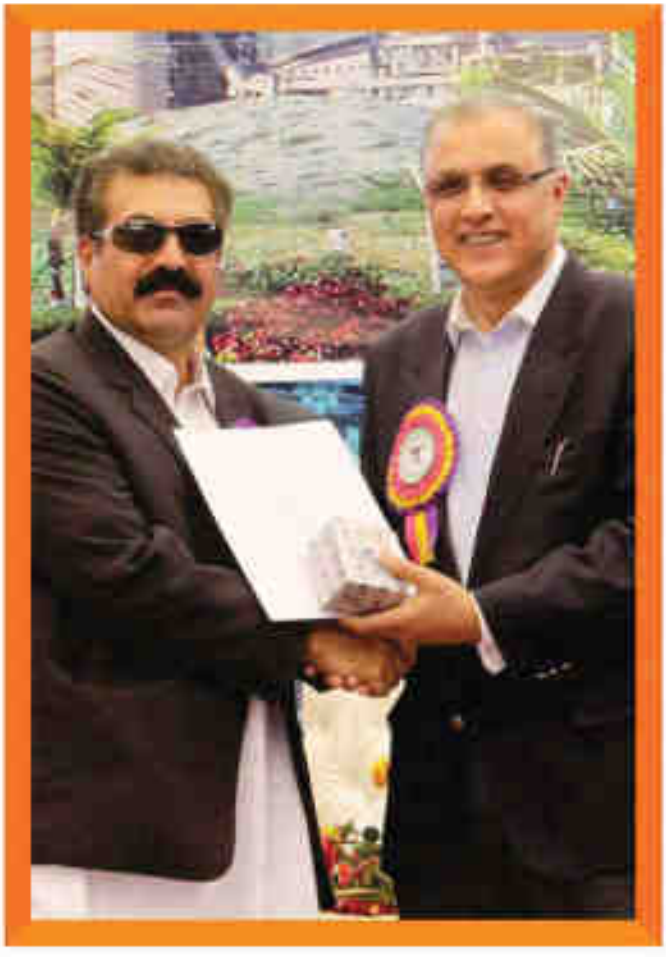
Irfan Amanullah	Babar Bashir Nawaz	Abdus Sattar
Chief Financial Officer	Chief Executive	Director

EVENTS

38th ANNUAL GENERAL MEETING



LONG SERVICE AWARD



ANNUAL PICNIC

کمپنیز ایکٹ، 2017 کے سیکشن 134(3) کے تحت بیان

بونس حصص کا اجراء

ڈائریکٹر کا خیال ہے کہ کمپنی کی فائدہ مندی کے پیش نظر کمپنی کی مالی حیثیت کے عین مطابق ہے کہ 30 جون، 2018 تک موجود کمپنی کے محفوظ سرمائے سے 229,044,936 روپے کی سرمایہ کاری کی جائے گی اور مکمل ادا شدہ بونس حصص کا اجراء کیا جائے جن کا تناسب ہر پانچ حصص کے تناسب سے 1 حصص ہو۔

کمپنی کے ڈائریکٹرز براہ راست یا بالواسطہ ذاتی طور پر اس اجراء میں محض کمپنی میں اپنی حصص یا فنگی کی حد تک دلچسپی رکھتے ہیں۔

آڈٹ شدہ مالیاتی گوشواروں کی کمپنی کی ویب سائٹ پر دستیابی

30 جون، 2018 کو ختم ہونے والے سال کے لئے کمپنی کے مالیاتی گوشواروں کی تفصیل کمپنی کی ویب سائٹ www.attockcement.com پر آویزاں کردی گئی ہے، اور اس کے ساتھ سالانہ اور سہ ماہی مالیاتی گوشوارے بھی دستیاب ہیں۔

حصص یافتگان کو ڈیویڈنڈ کی ادائیگی بذریعہ بینک اکاؤنٹس

کمپنیز ایکٹ، 2017 کے سیکشن 242 کے مطابق اہل حصص یافتگان کو ان کے ڈیویڈنڈ کی ادائیگی صرف براہ راست ان کے بینک کے مقرر کردہ اکاؤنٹس میں الیکٹرانک طریقے سے کی جاسکتی ہے۔ حصص یافتگان (طبعی شکل میں حصص رکھنے والے) سے درخواست ہے کہ وہ اپنے بینک اکاؤنٹس کی تفصیلات (IBAN فارمیٹ) براہ راست یا ہمارے شیئر رجسٹرار کو اور (CDC میں حصص رکھنے والے) اپنے متعلقہ پارٹیسپنٹس/ بروکر کو (جیسی بھی صورت ہو) فراہم کریں۔ مذکورہ فارم کمپنی کی ویب سائٹ www.attockcement.com پر دستیاب ہے۔

ویڈیو کانفرنس کی سہولت کے لئے رضامندی

کمپنیز ایکٹ، 2017 کے سیکشن (2)132 کے مطابق اگر کمپنی کو کسی مخصوص جغرافیائی مقام پر رہائش پذیر ممبران کی تقریباً 10 فیصد تعداد کی جانب سے اجلاس میں بذریعہ ویڈیو کانفرنس شرکت کی درخواست سالانہ اجلاس عام کے انعقاد سے کم از کم 7 دن پہلے موصول ہوجاتی ہے، اس صورت میں کمپنی مذکورہ شہر میں ویڈیو کانفرنس کی سہولت کا انتظام کرے گی، تاہم یہ اس شہر میں سہولت کے دستیاب ہونے سے مشروط ہے۔ اس سہولت کے حصول کے لئے کمپنی سیکریٹری کو مندرجہ ذیل پتے پر ایک درخواست ارسال کرنا ہوگی:

دی کمپنی سیکریٹری، اٹک سیمنٹ پاکستان لمیٹڈ، D-70، بلاک-4، کہکشاں-5، کلفٹن، کراچی

a) انکم ٹیکس کے گوشوارے جمع کروانے والوں کے لئے : 15 فیصد

b) انکم ٹیکس کے گوشوارے جمع نہ کروانے والوں کے لئے: 20 فیصد

کاغذی شکل میں حصص رکھنے والے کمپنی کے تمام حصص یافتگان/ممبران سے بذریعہ ہذا درخواست کی جاتی ہے کہ وہ اپنے فعال کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) اور NTN سرٹیفکیٹس کی نقول کمپنی کے شیئرز رجسٹرار میسرز FAMCO ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، F-8، بلاک-6، پی ای سی ایچ ایس، نرسری، شاہراہ فیصل، نزد ہوٹل فاران، کراچی کو ارسال کریں تاکہ کمپنی شیئر ہولڈر/ممبر کی حیثیت سے تصدیق کر سکے۔

ایسے حصص یافتگان/ممبران جن کے حصص اسکرپٹ لیس شکل میں سینٹرل ڈپازٹری کمپنی پاکستان لمیٹڈ (CDC) میں رکھے گئے ہیں، ان سے درخواست ہے کہ وہ اپنے فعال کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) اور NTN سرٹیفکیٹس کی نقول اپنے متعلقہ سی ڈی سی پارٹیسپنٹس/سی ڈی سی انویسٹر اکاؤنٹ سروسز کو ارسال کریں۔

سالانہ آڈٹ شدہ مالی گوشواروں کی ترسیل بذریعہ سی ڈی/ڈی وی ڈی

کمپنی نے اپنے سالانہ مالیاتی گوشوارے اپنے ممبران کو بذریعہ سی ڈی ان کے رجسٹرڈ پتوں پر ارسال کر دیے ہیں۔ مذکورہ بالا گوشواروں کی پرنٹ کردہ نقل ممبران کو ان کی درخواست پر فراہم کی جاسکتی ہے۔ جس کے لئے درخواست فارم کمپنی کی ویب سائٹ www.attockcement.com پر دستیاب ہے۔

سالانہ رپورٹ کی ترسیل بذریعہ ای میل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے سرکلر SRO 787(1)2014 بتاریخ 08 ستمبر، 2014 کے ذریعے حصص یافتگان کو سالانہ مالیاتی گوشوارے مع سالانہ اجلاس عام کی اطلاع الیکٹرونک طریقے سے بذریعہ ای میل حاصل کرنے کا اختیار دیا ہے۔ لہٰذا ممبران جو مستقبل میں سالانہ مالیاتی گوشوارے مع سالانہ اجلاس عام کی اطلاع الیکٹرانک طریقے سے حاصل کرنے میں دلچسپی رکھتے ہیں ان سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ www.attockcement.com پر دستیاب رضامندی کے فارم پر اپنے ای میل پتے ارسال کریں۔ تاہم کمپنی ان ممبران کو ان کی درخواست پر سالانہ رپورٹ کی نقل، ہارڈ کاپی کی صورت میں اضافی طور پر بلا معاوضہ فراہم کرے گی۔

5- تمام ممبران کو چاہیے کہ وہ اپنے ایڈریس کی تبدیلی کی صورت میں فوری طور پر مطلع کریں۔

سی ڈی سی اکاؤنٹ ہولڈرز کو چاہیے کہ وہ درج ذیل ہدایات پر عمل کریں جو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے سرکلر نمبر 1 مورخہ 26 جولائی 2000 کو جاری کی گئی تھیں:

a) اجلاس میں شرکت کرنے کے لئے:

i) انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر کو اجلاس میں شرکت کے وقت اصل قومی شناختی کارڈ (CNIC) تصدیق کے لئے پیش کرنا ہوگا۔

ii) کارپوریٹ ادارے کی صورت میں، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی مع شخصی دستخط کے (تاوقتیکہ پہلے فراہم کی گئی ہو) پیش کرنا ہونگی۔

b) نمائندوں (Proxies) کی تقرری کے لئے:

i) انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر مندرجہ بالا شرائط کے مطابق پراکسی فارم جمع کرائے گا۔

ii) جن دو افراد سے پراکسی فارم کی تصدیق کروائی جائے گی اُن کے نام، پتے اور CNIC نمبر فارم میں درج کیے جائیں گے۔

iii) اصل مالکان کی CNIC یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ساتھ منسلک کی جائیں گی۔

iv) نامزد شخص کو اجلاس میں شرکت کے وقت اصل CNIC یا اصل پاسپورٹ مہیا کرنا ہوں گے۔

(v) کارپوریٹ اداروں کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی امیدوار کے شخصی دستخط کے ساتھ کمپنی کو پراکسی فارم کے ساتھ جمع کروانی ہوگی (اگر پہلے سے جمع نہ کروایا گیا ہو)۔

انکم ٹیکس آرڈیننس 2001 ("انکم ٹیکس آرڈیننس") کے سیکشن 150 کے تحت ڈیویڈنڈ سے ودہولڈنگ ٹیکس کی کٹوتی

یکم جولائی، 2017 سے نافذ العمل فنانس ایکٹ، 2017 کی شرائط کے مطابق انکم ٹیکس آرڈیننس، 2001 کے تحت ڈیویڈنڈ کی رقوم سے انکم ٹیکس کی کٹوتی درج ذیل شرح سے ہوگی:

e) یہ کہ کمپنی سیکریٹری کو اس قرارداد پر عمل درآمد اور ایسے تمام اعمال، افعال اور امور انجام دینے یا ان پر عمل درآمد کروانے کا مجاز اور مختار قرار دیا جاتا ہے جو بونس حصص کے اجراء، تخصیص اور تقسیم یا حصہ منقسمہ کے زرحاصل کی ادائیگی کے لئے ضروری یا مطلوب ہوں۔ غیر سکونت پذیر ممبر (ممبران) کی صورت میں کمپنی سیکریٹری کو قانونی تقاضوں کی تکمیل اور بونس حصص کے اجراء/ برآمدکاری کا اضافی اختیار بھی دیا جاتا ہے۔

5- بورڈ کے سربراہ کی اجازت سے مزید کسی معاملے کو کارروائی میں شامل کرنا۔

بحکم منجانب بورڈ

عرفان امان اللہ

کمپنی سیکریٹری

کراچی: 27 ستمبر، 2018

نوٹس:

1- ممبران کا رجسٹر اور کمپنی کی شیئر ٹرانسفر بک (حصص کی منتقلی کی کتاب) 11 اکتوبر 2018 سے 18 اکتوبر 2018 (دونوں ایام شامل ہیں) تک بند رہے گی۔

2- صرف وہ ممبران کمپنی کے اجلاس میں شرکت اور ووٹ دینے کے اہل ہوں گے جن کے نام کمپنی کے ممبران کے رجسٹر میں 10 اکتوبر 2018 کو موجود ہوں گے۔

3- کمپنی کے اجلاس میں شرکت کرنے، اظہار رائے کرنے اور ووٹ دینے کا اہل کوئی بھی ممبر اپنی جانب سے کسی دوسرے فرد کو کمپنی کے اجلاس میں شرکت، اظہار رائے اور ووٹ دینے کے لئے بطور پراکسی مقرر کرسکتا ہے، دونوں کی جانب سے دستخط شدہ پراکسی کمپنی کے رجسٹرڈ دفتر میں اجلاس منعقد ہونے سے 48 گھنٹے قبل موصول ہوجانی چاہئے، پراکسی کا فارم نوٹس کے ساتھ منسلک ہے۔

4- جو ممبران نقد منافع (ڈیویڈنڈ) سے زکوۃ کی ادائیگی رکوانے کے خواہشمند ہیں انہیں قانون کے مطابق دستخط شدہ نان جوڈیشل اسٹیمپ پیپر پر اپنا ڈیکلریشن جمع کرانا ہوگا۔

نوٹس برائے 39 واں سالانہ اجلاسِ عام

مطلع کیا جاتا ہے کہ اٹک سیمنٹ پاکستان لمیٹڈ کا 39 واں سالانہ اجلاسِ عام 18 اکتوبر 2018 کو دوپہر 12:00 بجے میریٹ ہوٹل کراچی میں ہوگا جس میں مندرجہ ذیل امور زیر بحث آئیں گے:

معمول کی کارروائی:

1- 30 جون 2018 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ اکاؤنٹس اور اس پر آڈیٹرز اور ڈائریکٹرز کی رپورٹ کی وصولی کرنا، جائزہ لینا اور منظور کرنا۔

2- 30 جون 2018 کو ختم ہونے والے سال کے لئے بورڈ آف ڈائریکٹرز کی جانب سے سفارش کردہ 80 فیصد (8.00 روپے فی حصص) کے حساب سے حتمی نقد منافع (ڈیویڈنڈ) پر غور اور اگر مناسب ہو تو اس کو منظور کرنا۔

3- مالی سال 19-2018 کے لئے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین کرنا۔

خصوصی کارروائی:

4- مندرجہ ذیل قرارداد پر بطور عمومی قرارداد غور و خوض اور موزوں سمجھے جانے پر اس کی منظوری دینا:

"قرار پایا:

a) کمپنی کے محفوظ سرمائے میں سے -/229,044,936 روپے کی رقم کی سرمایہ کاری کی جائے گی اور -/10 روپے فی حصص کے حساب سے 22,904,493 عمومی حصص کا اجراء بطور مکمل ادا شدہ بونس حصص کے طور پر کیا جائے گا جن کا تناسب ہر پانچ (5) عمومی حصص کے مقابلے میں ایک (1) عمومی حصص ہے، اور جو کمپنی کے ان ممبران کو جاری کئے جا رہے ہیں جن کے نام 10 اکتوبر، 2018 کو دفتری اوقات کار کے اختتام تک کمپنی کے ممبران کے رجسٹر پر موجود ہوں گے۔

b) یہ کہ مذکورہ جاری کردہ بونس حصص سال 18-2017 کے لئے جاری کردہ حتمی نقد ڈیویڈنڈ کے اہل نہیں ہوں گے۔

c) یہ کہ مختص کردہ بونس حصص ہر لحاظ سے کمپنی کے موجودہ حصص کے مساوی ہوں گے،

d) یہ کہ ممبران جو اپنے حصص کی ملکیت کے اعتبار سے کمپنی کے موجودہ حصص کے حصہ منقسمہ کے اہل ہیں، ان کو ان کے حصہ منقسمہ کی اہلیت کے اعتبار سے فروخت کا زر حاصل اس مقصد کے لئے دیا جائے گا کہ حصہ منقسمہ کو مکمل کر کے ایک حصہ میں جمع کیا جا سکے اور پاکستان اسٹاک ایکسچینج میں فروخت کیا جا سکے، اور

گزشتہ تین ماہ میں امریکی ڈالر کے مقابلے میں پاکستانی روپے کی شدید گراوٹ کے ساتھ بین الاقوامی مارکیٹ میں کوئلے کی قیمتوں میں اضافے سے منافعوں میں نمایاں کمی واقع ہوئی اور ہمیں امید ہے کہ تھوڑے ہی عرصے میں حکومت کم از کم پاکستانی روپے کی گراوٹ جیسے مسئلے پر قابو پالے گی۔ ماضی میں بھی برآمدات کی قدر میں اضافہ روپے کی قدر میں کمی کر کے حاصل کرنے کی کوشش کی گئی لیکن اس حکمت عملی کے کوئی مثبت نتائج سامنے نہیں آئے۔ برآمدات میں اضافے کا واحد قابل عمل طریقہ انفرااسٹرکچر میں بہتری لانا اور توانائی کی لاگت میں کمی کرنا ہے۔ آپ کی کمپنی حکومت کی مدد کے بغیر نئی مارکیٹس کو کلنکر برآمد کر رہی ہے اور ہم تجویز کرتے ہیں کہ ایسے غیر روایتی آئٹمز کی نئی مارکیٹس میں برآمد کی حوصلہ افزائی کی جائے اور مناسب مراعات کے ذریعے اس کی اعانت کی جائے۔

نئی پیداواری صلاحیت کی آمد سے ہر گزرتے دن کے ساتھ مقامی مارکیٹس میں مسابقت کا رجحان بڑھ رہا ہے اور آپ کی کمپنی نہ صرف مارکیٹ میں اپنا حصہ برقرار رکھنے کے لئے سخت محنت کر رہی ہے بلکہ معیاری مصنوعات اور اپنے ڈسٹری بیوٹرز، ڈیلرز، سب ڈیلرز، ریٹیلرز اور صارف اداروں کو اعلیٰ معیار کی خدمات کی فراہمی کے ذریعے اپنا نمایاں مقام برقرار رکھنے کی کوشش کر رہی ہے۔ آپ کی کمپنی مشکل حالات کے باوجود اب تک کراچی کی مرکزی مارکیٹ میں اپنی نمایاں حیثیت برقرار رکھنے میں کامیاب رہی ہے تاہم اگلے 2 تا 3 سال کمپنی کے ساتھ ساتھ سیمنٹ کی پوری صنعت کے لئے انتہائی آزمائش طلب ہوں گے۔

آپ کی کمپنی کی مینجمنٹ اس صورت حال کا مکمل ادراک رکھتی ہے اور کاروباری خطرات میں کمی کے لئے مناسب اقدامات پہلے ہی کر لئے گئے ہیں۔

بحکم بورڈ

بابر بشیر نواز

چیف ایگزیکٹو آفیسر

15 اگست، 2018

دبئی، یو اے ای

اغراض ومقاصد

اس کمیٹی کے بورڈ کے اغراض ومقاصد درج ذیل ہیں:

- ڈائریکٹرز (جن میں ایگزیکٹیو اور نان ایگزیکٹو ڈائریکٹرز اور سینئر مینجمنٹ کے ممبران شامل ہیں) کے مشاہرے کے تعین کے لئے ایک پالیسی فریم ورک بورڈ کے غور وخوض اور منظوری کے لئے تجویز کرنا۔ سینئر مینجمنٹ لیول کی وضاحت بورڈ کی جانب سے متعین کی جائے گی جو عمومی طور پر چیف ایگزیکٹو آفیسر کی سطح کے بعد مینجمنٹ کی پہلی پرت پر مشتمل ہوتی ہے۔
- بحیثیت مجموعی بورڈ اور اس کی کمیٹیوں کی کارکردگی کے سالانہ جائزے کی کارروائی منعقد کرنا چاہے براہ راست ہو یا بیرونی آزاد کنسلٹنٹ کی تقرری کے ذریعے، اور اگر ایسی تقرری کی جائے تو اس مقصد کے لئے ڈائریکٹرز رپورٹ میں ایک بیان شامل کیا جائے جن میں کنسلٹنٹ کا کام، اہلیت اور تقرری کی اہم شرائط بیان کی گئی ہوں:
- بورڈ کو ہیومن ریسورس مینجمنٹ کی پالیسیوں کی تجاویز دینا،
- بورڈ کو کمپنی کے چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری اور ہیڈ آف انٹرنل آڈٹ کے انتخاب، جانچ، ترقی، معاوضوں (بشمول ریٹائرمنٹ کے فوائد) کی تجاویز دینا،
- اہم انتظامی عہدوں پر تقرریوں کے لئے جو براہ راست چیف ایگزیکٹو آفیسر یا چیف آپریٹنگ آفیسر کو جوابدہ ہوں چیف ایگزیکٹو آفیسر کی تجاویز جیسے معاملات پر غور وخوض اور ان کی منظوری دینا،
- اگر ہیومن ریسورس اور ریمونریشن کنسلٹنٹس کا تقرر کیا گیا ہو تو ان کے کوائف کا کمیٹی کو علم ہونا اور ان کی جانب سے ایک بیان دیا جانا کہ آیا ان کا کمپنی کے ساتھ کوئی اور تعلق بھی ہے۔

مستقبل کی توقعات

جیسا کہ ملک میں کہ انتخابات کا انعقاد کامیابی سے ہوا اور نئی حکومت نے ملک کی باگ ڈور سنبھال لی ہے، توقع کی جارہی ہے کہ سیاسی غیر یقینی جس نے گزشتہ 12 سے 18 ماہ سے ملک کو گرفت میں لیا ہوا تھا، اب اس کا خاتمہ ہوگا اور توجہ دوبارہ معیشت پر مبذول ہوگی۔ معاشی ترقی کے حصول کے لئے میکرو اکنامک استحکام کو مزید مضبوط بنانے کی اشد ضرورت ہے۔ اگر وسیع پیمانے پر میکرو اکنامک استحکام برقرار نہ رکھا گیا تو مستقبل میں ترقی متاثر ہوسکتی ہے جس کا نتیجہ مجموعی طلب میں کمی کی صورت میں برآمد ہوگا۔ برسر اقتدار حکومت کو بڑے چیلنجز یعنی برآمدات اور درآمدات کے درمیان بڑھتا ہوا فرق، غیر ملکی زرمبادلہ کا انتظام، بڑھتی ہوئی افراط زر اور شرح سود وغیرہ سے فوری طور پر نمٹنا ہوگا۔

11- چیف ایگزیکٹو سے مشاورت کے ساتھ بورڈ آف ڈائریکٹرز کی جانب سے واضح کردہ خصوصی منصوبے، روپے کی قدر کے مطالعے اور دیگر امور کا آغاز اور ان پر اقدامات کرنا اور ایسے کسی معاملے کو ایکسٹرنل آڈیٹرز یا کسی دوسرے بیرونی ادارے کو منتقل کرنے پر غور کرنا۔

12- ضروری قانونی تقاضوں کی تکمیل کرنا۔

13- ان قوانین پر عمل درآمد کا جائزہ لینا اور اس کی نمایاں خلاف ورزیوں کی نشاندہی کرنا۔

14- اسٹاف اور انتظامیہ کے لئے ایسے انتظامات کا جائزہ لینا کہ جن میں مالیاتی اور دیگر معاملات میں کسی خرابی کی صورت میں آڈٹ کمیٹی کو مکمل رازداری کے ساتھ رپورٹ کرسکیں اور اس کے انسداد اور تخفیف کے لئے اقدامات بروئے کار لانا۔

15- بورڈ آف ڈائریکٹرز کی جانب سے تفویض کردہ کسی بھی مسئلے یا معاملے کو زیر غور لانا۔

16- ایکسٹرنل آڈیٹرز

- ایکسٹرنل آڈیٹرز کے تقرر کے لئے تجاویز دینا۔
- ایکسٹرنل آڈیٹرز کے استعفوں اور سبکدوشی کے امور کا جائزہ لینا۔
- آڈٹ فیس کا تعین۔
- ایکسٹرنل آڈیٹرز کی جانب سے کمپنی کو ہر قسم کی خدمات، بشمول مالیاتی حساب کا آڈٹ کی فراہمی کو یقینی بنانا۔
- ایکسٹرنل آڈیٹرز کو ہر قسم کا تعاون فراہم کرنا اور عبوری اور حتمی محاسبے کے بعد سامنے آنے والے اہم مشاہدات یا دیگر امور جن کی محاسب نشاندہی کرنا چاہیں، ان پر گفت وشنید کرنا۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

بورڈ آف ڈائریکٹرز نے کاروباری انتظام کاری کے قانون کے تحت ایک ہیومن ریسورس اینڈ ریمونریشن کمیٹی تشکیل دی ہے جس کے ارکان یہ ہیں:

نمبر شمار	ارکان کے نام	عہدہ	
1	آغا شیر شاہ	چیئرمین	نان ایگزیکٹو انڈیپنڈنٹ ڈائریکٹر
2	جناب شعیب اے ملک	رکن	نان ایگزیکٹو ڈائریکٹر
3	جناب عبدالستار	رکن	نان ایگزیکٹو ڈائریکٹر

3- بورڈ آف ڈائریکٹرز کی منظوری سے قبل سہ ماہی، ششماہی اور سالانہ مالیاتی رپورٹس کا جائزہ لینا، جس میں درج ذیل نکات پر خصوصی توجہ مرکوز ہوگی:

- فیصلہ کاری اور جانچ سے متعلق امور؛
- آڈٹ کے نتیجے میں اہم توافق (Adjustments) ؛
- معمول کی کارگزاری کی تفہیم؛
- اکاؤنٹنگ پالیسیوں اور معمولات میں تبدیلی؛
- درج شدہ قوانین اور دیگر قانونی ضوابط کی ضروریات کی تکمیل اور؛
- اہم متعلقہ پارٹی لین دین۔

4- ایکسٹرنل آڈٹ کی معاونت کرنا اور عبوری اور حتمی آڈٹس سے سامنے آنے والے اہم مشاہدات پر آڈیٹرز سے تبادلہ خیال کرنا یا کوئی بھی دیگر معاملات جن کی آڈیٹرز نشاندہی کرنا چاہتے ہوں (جہاں ضروری ہو، انتظامیہ کی عدم موجودگی میں بھی ایسا کیا جاسکتا ہے۔)

5- ایکسٹرنل آڈیٹرز کی جانب سے جاری کردہ مینجمنٹ لیٹر کا جائزہ اور اس پر انتظامیہ کے ردعمل کا جائزہ لینا۔

6- انٹرنل اور ایکسٹرنل آڈیٹرز کے درمیان ہم آہنگی اور روابط کو یقینی بنانا۔

7- انٹرنل آڈٹ کے دائرہ کار اور حدود کا جائزہ لینا اور اس بات کو یقینی بنانا کہ انٹرنل آڈٹ کو مناسب وسائل دستیاب ہیں اور اسے درست انداز میں مقرر کیا گیا ہے۔

8- اندرونی تفتیش کے بعد دھوکہ دہی، بدعنوانی اور اختیارات کے غلط استعمال جیسی سرگرمیوں کے کیسز کو زیر غور لانا اور ان پر انتظامیہ کے ردعمل کا جائزہ لینا۔

9- اس بات کو یقینی بنانا کہ اندرونی ضبط کا نظام (Internal Control System) مالیاتی اور کارگزاری شعبوں میں قائم ہے، خرید و فروخت، وصولیوں اور ادائیگیوں، اثاثہ جات اور واجبات کے ریکارڈ مرتب کرنے کے لئے اکاؤنٹنگ کا نظام فعال ہے اور رپورٹنگ کا ڈھانچہ بھی موزوں اور مؤثر ہے۔

10- اندرونی ضبط کے نظام پر بیان کا بورڈ آف ڈائریکٹرز کی تصدیق سے قبل جائزہ لینا۔

k) ڈائریکٹرز، ایگزیکٹیوز، ان کے ازواج اور نابالغ بچوں کی جانب سے سال 18-2017 کے دوران کی جانے والی حصص کی لین دین کی تفصیلات صفحہ 50 پر دی گئی ہیں؛ اور

l) گزشتہ 06 سال کے بنیادی آپریٹنگ اور مالیاتی اعداد و شمار کی تفصیلات صفحہ 57 پر موجود ہیں؛

ہولڈنگ کمپنی

فراؤن انویسٹمنٹ گروپ لمیٹڈ ہولڈنگ، S.A.L، لبنان (PIGL)، لبنان میں قائم شدہ ایک کمپنی ہے جس کا رجسٹرڈ دفتر بیروت میں واقع ہے۔ PIGL انک سیمنٹ کے 84.06 فیصد حصص کی مالک ہے۔

حصص یافتگی کا خاکہ

30 جون، 2018 تک کمپنی کی حصص یافتگی کا خاکہ صفحہ 50 پر دیا گیا ہے۔

آڈیٹرز

39 ویں سالانہ اجلاس عام کے اختتام پر کمپنی کے ریٹائر ہونے والے آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے خود کو دوبارہ تقرری کے لئے پیش کیا۔ آڈٹ کمیٹی نے ان کی دوبارہ تقرری کی منظوری دے دی ہے۔

آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے کاروباری انتظام کاری کے قانون کے مطابق ایک آڈٹ کمیٹی تشکیل دی ہے جس کے ارکان یہ ہیں:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	
1	آغا شیر شاہ	چیئرمین	نان ایگزیکٹو انڈیپنڈنٹ ڈائریکٹر
2	جناب شعیب اے ملک	رکن	نان ایگزیکٹو ڈائریکٹر
3	جناب عبدالستار	رکن	نان ایگزیکٹو ڈائریکٹر

اغراض و مقاصد (Terms of Reference)

1- اثاثوں کی حفاظت کے لئے مناسب اقدامات کرنا۔

2- نتائج کے ابتدائی اعلانات کا اشاعت سے قبل جائزہ لینا۔

d) مالیاتی حسابات بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) ، جیسے کہ پاکستان میں قابل اطلاق ہیں، کے مطابق مرتب کئے گئے ہیں؛

e) اندرونی ضبط(Internal control) کا نظام مستحکم ہے اور اس کی مؤثر انداز سے نگرانی اور اطلاق یقینی بنایا جاتا ہے؛

f) کمپنی کی معمول کے انداز سے کارگزار رہنے کی صلاحیت پر کوئی شکوک وشبہات موجود نہیں ہیں؛

g) کاروباری انتظام کی بجا آوری میں درج شدہ ضوابط کے مطابق کوئی خصوصی اخراج نہیں ہے؛

h) میعادی بینیفٹ اسکیموں میں سرمایہ کاریوں کی قدر ان کے متعلقہ حالیہ کھاتوں کے مطابق درج ذیل ہے:

	روپے ملین میں	اختتامی سال
پراویڈنٹ فنڈ (آڈٹ شدہ)	528	دسمبر 2017
گریجویٹی فنڈز (غیر آڈٹ شدہ)	339	جون 2018
پنشن فنڈز (غیر آڈٹ شدہ)	327	جون 2018

i) زیر جائزہ سال میں کمپنی کے بورڈ آف ڈائریکٹرز کی 05 میٹنگز منعقد ہوئیں۔ ڈائریکٹرز اور چیف ایگزیکٹو کی حاضری کی تفصیلات درج ذیل ہیں:

نمبر شمار	ڈائریکٹر/ چیف ایگزیکٹو کا نام	عہدہ	حاضریوں کی تعداد
1	جناب لائق غائق فراؤن	چیئرمین/ نان ایگزیکٹو ڈائریکٹر	5
2	جناب وائل غائق فراؤن	نان ایگزیکٹو ڈائریکٹر	5
3	جناب شعیب اے ملک	نان ایگزیکٹو ڈائریکٹر	5
4	جناب عبدالستار	نان ایگزیکٹو ڈائریکٹر	5
5	آغا شیر شاہ	نان ایگزیکٹو انڈیپنڈنٹ ڈائریکٹر	4
6	جناب ساجد نواز	نان ایگزیکٹو ڈائریکٹر	5
7	جناب بابر بشیر نواز	ایگزیکٹو ڈائریکٹر اور چیف ایگزیکٹو	5

j) زیر جائزہ سال میں آڈٹ کمیٹی کی 04 میٹنگز منعقد ہوئیں، ڈائریکٹرز کی حاضری کی تفصیلات درج ذیل ہیں۔

نمبر شمار	ڈائریکٹر کا نام	عہدہ	حاضریوں کی تعداد
1	آغا شیر شاہ	چیئرمین/ نان ایگزیکٹو انڈیپنڈنٹ ڈائریکٹر	3
2	جناب شعیب اے ملک	نان ایگزیکٹو ڈائریکٹر	4
3	جناب عبدالستار	نان ایگزیکٹو ڈائریکٹر	4

اٹک سیمنٹ پاکستان لمیٹڈ کی فیکٹری کی تعمیر اور کام کے آغاز کے ساتھ ہی اس کے میڈیکل ڈپارٹمنٹ نے کام کا آغاز کر دیا تھا اور اب نہ صرف کمپنی کے ملازمین بلکہ مقامی آبادی کے افراد کو بھی صحت کی سہولیات کی فراہمی میں کلیدی کردار ادا کر رہا ہے۔

کمپنی کی میڈیکل ٹیم پرخلوص اور پرعزم ڈاکٹرز اور نرسنگ آفیسرز پر مشتمل ہے جو 24 گھنٹے دستیاب ہوتے ہیں، جو فیکٹری کے اندر اور اس کے ساتھ ساتھ نزدیکی دیہاتوں میں کام کرتے ہیں۔

زیر جائزہ سال میں کمپنی نے جام غلام قادر سول اسپتال، حب، بلوچستان میں ICU یونٹ کو اسپانسر کیا۔ وینٹیلیٹر کی سہولت کے ساتھ یہ یونٹ ضلع لسبیلہ کا واحد یونٹ ہے۔

مزید برآں، دوسری جانب میڈیکل سینٹر میں پورے ہفتہ بہبود کی سرگرمیاں جاری رہتی ہیں، جس سے ہر روز اوسطاً 150 مریض فائدہ اٹھاتے ہیں۔ ہم لیڈی ڈاکٹر اور لیڈی نرسنگ آفیسر کی خدمات بھی مہیا کرتے ہیں جو زچہ و بچہ اور دیگر معاملات و مسائل کو دیکھتی ہیں۔ لیڈی میڈیکل آفیسر کی جانب سے ہفتے میں تین دن او پی ڈی کی جاتی ہے۔

صحت، تحفظ اور ماحول (ہیلتھ، سیفٹی اور انوائرمنٹ)

کمپنی نے ISO 9001، ISO 14001 اور OHSAS 18001 کے تقاضوں پر مشتمل معیار، ماحول، صحت اور تحفظ کا ایک مکمل مینجمنٹ سسٹم نافذ کیا ہے۔ فلٹر بیگس کی بروقت تبدیلی اور ویسٹ ہیٹ کی ریکوری کی بدولت فضلات کا اخراج NEQ معیارات کی مقرر کردہ حدود کے اندر ہے۔

منصوبوں پر پیش رفت

بصرہ، عراق میں سیمنٹ گرائنڈنگ یونٹ

سائٹ پر تمام پلانٹ اور مشینری پہنچ گئی ہے اور سول، الیکٹریکل اور میکینکل تعمیرات کا کام بھرپور انداز میں جاری ہے۔ توقع کی جارہی ہے کہ پلانٹ ستمبر، 2018 میں کام کا آغاز کر دے گا۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

ڈائریکٹرز بذریعہ ہذا تصدیق کرتے ہیں کہ:

a) منسلکہ مالی حسابات کمپنی کے حالات، آپریشنز کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلی کا راست جائزہ پیش کرتے ہیں؛

b) کمپنی نے کھاتوں کی کتابیں باقاعدہ مرتب کی ہیں؛

c) مالیاتی حسابات مرتب کرتے وقت مناسب اکاؤنٹنگ پالیسیوں کا باقاعدہ اطلاق کیا گیا ہے اور کھاتوں کے تخمینہ جات کی معقول اور محتاط جانچ کی گئی ہے؛

پرفارمنس ڈویلپمنٹ کے لئے ایک باقاعدہ پروگرام مرتب کیا گیا ہے تاکہ ہر ملازم کو وسیع مواقع کی فراہمی کے ذریعے مستقبل میں قائدانہ کردار کے لئے تیار کیا جاسکے۔ کمپنی میں ملازمین کی اجرت اور دیگر فوائد مارکیٹ کے مسابقتی معیار کے مطابق ہیں اور ان کی کارکردگی کے درست جائزے کے بعد دیئے جاتے ہیں۔ اس سلسلے میں معیار کی پیمائش کے لئے تسلسل کے ساتھ مارکیٹ سروے کئے جاتے ہیں۔

کمپنی اپنے ملازمین کے ساتھ آزادانہ روابط پر یقین رکھتی ہے اور انہیں اپنی رائے، نظریات اور خیالات اپنے اعلیٰ افسران کے سامنے پیش کرنے کے تمام مواقع فراہم کرتی ہے تاکہ ان کے خیالات سنے جائیں اور انہیں اہمیت دی جائے۔ کمپنی اپنے ملازمین کو معاوضے اور کیریئر کی ترقی کے مواقع، دونوں اعتبار سے بہترین مواقع فراہم کرنے پر یقین رکھتی ہے۔

کمپنی ملازمین کی شمولیت کو یقینی بنانے کے لئے باقاعدگی سے مختلف ایونٹس اور تقاریب منعقد کرتی ہے تاکہ ملازمین میں کمپنی کے ساتھ وابستگی کا احساس پیدا ہو کیونکہ کمپنی اپنے ملازمین کے ساتھ بہتر اور مستحکم تعلقات پر یقین رکھتی ہے اور ایک پیداواری ماحول فراہم کرتی ہے۔

بین الادارہ جاتی روابط کے فروغ کے لئے ٹیم بلڈنگ سرگرمیوں اور دیگر ترقیاتی پروگراموں کا تسلسل سے انعقاد کیا جاتا ہے جو بالآخر کمپنی کی مجموعی پیداوار میں اضافے کا باعث بنتے ہیں۔ اس کے علاوہ ملازمین سے متعلق پالیسیوں، کمپنی میں پائے جانے والے مجموعی ماحول اور ملازمین کو مزید سہولتوں کی فراہمی کے لئے مزید فیصلے کرنے کے حوالے سے ملازمین سروے اور فیڈ بیک سیشنز کا تسلسل کے ساتھ انعقاد کیا جاتا ہے۔

ملازمین کی استعداد کار کو مزید وسعت دینے کے لئے کمپنی کا ایچ آر ڈپارٹمنٹ ٹیکنیکل اور نان ٹیکنیکل انتظامیہ کے ساتھ مل کر ایسے شعبوں کی نشاندہی کرتا ہے جن میں سوفٹ اسکل سمیت متعدد کوالٹی ٹریننگ اور ڈویلپمنٹ پروگرام منعقد کئے جاتے ہیں۔ کمپنی کے اندر سے ٹریننگ دینے کی صلاحیت رکھنے والے افراد کی نشاندہی کی جاتی ہے جن کو ٹریننگ کی ضروریات کی تکمیل اور موثر بنانے کے لئے تیار کیا جاتا ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی ایک کاروباری فرد کی حیثیت سے اپنی ذمہ داریوں کا بخوبی ادراک رکھتی ہے اور اپنے کارپوریٹ سماجی ذمہ داری کے پروگرام پر سنجیدگی سے عمل درآمد کرتی ہے۔ مقامی نوجوانوں کو روزگار کے مواقع کی فراہمی کے ساتھ ساتھ کمپنی اپنی کام کی جگہ اور علاقے کے تمام اسٹیک ہولڈرز کے لئے صحت، تعلیم اور ماحول کے شعبہ جات میں فعال انداز میں کام کرتی ہے۔ کمپنی اپنے فیکٹری ایریا اور اطراف کے متعدد دیہات کو پینے کا صاف پانی فراہم کرتی ہے۔ اس سرگرمی کے تحت اس سال تقریباً 5,000 سے زائد افراد کو پینے کا صاف پانی مہیا کیا گیا۔

کمپنی اپنے زیر انتظام دو اسکولوں، فیلکن پبلک اسکول اور TCF کی زیر سرپرستی ڈاکٹر غائتھ رشاد فراؤن کیمپس میں تقریباً 600 طالب علموں کو مفت تعلیم فراہم کر رہی ہے۔ ڈاکٹر غائتھ رشاد فراؤن کیمپس میں سیکنڈری کلاسوں کا آغاز ہو گیا ہے اور نئی سائنس اور کمپیوٹر لیب کی تعمیر کا کام جاری ہے۔

مارکیٹ کے مخالف رجحانات اور جنوب کی مارکیٹ میں شمالی برانڈز سے مقابلے کے باوجود کمپنی مقامی سطح پر اضافے میں کامیاب رہی اور گزشتہ سال کے مقابلے میں اس کے پیداواری حجم میں 15 فیصد کا اضافہ دیکھنے میں آیا۔ معیار اور قیمت دونوں کے اعتبار سے ہمارے برانڈ نے اپنی فروخت میں کراچی کی مرکزی مارکیٹ میں اپنا تسلط برقرار رکھا اور مسابقت کاروں کے مقابلے میں قیمت اور مارکیٹ شیئر کے حوالے سے اپنی برتری قائم رکھی۔ حکمت عملی کے طور پر کمپنی نے بڑھتی ہوئی مقامی طلب کو مدنظر رکھنے کے ساتھ ساتھ جہاں ممکن ہوا، قیمتوں کے توازن میں انتشار پیدا کئے بغیر کم قیمت برآمدی مقدار کو مقامی مارکیٹوں میں منتقل کردیا۔ کمپنی نے مقامی مارکیٹس میں زیادہ سے زیادہ رسائی کے لئے زیر جائزہ سال کے دوران اپنے برانڈ کے مستحکم نام سے استفادہ کرتے ہوئے دور دراز علاقوں تک کامیاب رسائی حاصل کی اور کوئٹہ، گوادر، پسنی، اوڑ مارہ، تربت، ساہیوال، میلسی اور ملتان کی مارکیٹوں میں "فیلکن" اب ایک معروف برانڈ بن چکا ہے۔

رواں مالی سال کے اختتام پر کمپنی نے اپنے کم قیمت برانڈ Rock Cement کے نام سے آزمائشی طور پر متعارف کروایا۔ یہ برانڈ بنیادی طور پر بلوچستان کے ان دور دراز علاقوں میں استعمال کیا جائے گا جہاں کم قیمت ایرانی برانڈز نے ممکنہ مارکیٹ پر غلبہ حاصل کر رکھا ہے۔

برآمدات کے محاذ پر مارکیٹوں میں سخت مسابقت کا رجحان رہا اور علاقائی سطح پر بھی کمپنی کو سخت مقابلے کا سامنا ہے، تاہم مستحکم برانڈ امیج اور بہتر معیار کے باعث کمپنی سری لنکا، بھارت اور مشرقی افریقہ میں اپنا کلیدی کسٹمر بیس برقرار رکھنے میں کامیاب رہی۔

لائن 3 کی اضافی استعداد اور آئندہ مدت میں مقامی مارکیٹ کی استعداد کو مدنظر رکھتے ہوئے کمپنی انتہائی سرگرمی کے ساتھ سیمنٹ اور کلنکر دونوں کے لئے اضافی برآمدی مارکیٹس تلاش کر رہی ہے۔ کمپنی کی ان کاوشوں کے مثبت اثرات برآمد ہوئے ہیں اور کمپنی نے مشرقی افریقہ کی مارکیٹس میں کلنکر کی برآمد شروع کردی ہے۔ کمپنی نے مشرقی افریقہ، بنگلہ دیش، تنزانیہ اور کینیا کی مارکیٹس میں صارفین کی وسیع تعداد کی وجہ سے تقریباً 300,000 ٹن کلنکر کے برآمدی آرڈر کامیابی سے حاصل کر لئے ہیں۔ یہ کمپنی کی سخت محنت کا نتیجہ ہے کہ اس نے کلنکر کی مسابقتی قیمت برقرار رکھی ہے اور ان مارکیٹس کو اعلیٰ معیار کا کلنکر فراہم کیا کیونکہ ان مارکیٹس سے چائنیز کمپنیوں کے نکل جانے کے بعد فروخت بڑھانے کے کافی امکانات ہیں۔

افرادی قوت

کمپنی اپنی افرادی قوت پر زبردست بھروسہ کرتی ہے اور اس بات کا ادراک رکھتی ہے کہ مثبت رویوں، بہترین صلاحیتوں اور قوت تخلیق کے ساتھ اس کا افرادی سرمایہ/مجموعی ادارہ جاتی کارکردگی میں اضافے کی صلاحیت رکھتا ہے۔ آج کے تیز رفتار صنعتی ماحول میں کمپنی اپنی افرادی قوت پر مسلسل سرمایہ کاری کرتی ہے اور دوران ملازمت تربیت اور ملازمت سے متعلق تربیت دونوں کے لئے لچکدار منصوبے بناتی ہے جو اس کی افرادی قوت کی پالیسیوں میں بنیادی اہمیت کی حامل ہیں۔

کمپنی کے ٹیلنٹ ہنٹ (Talent Hunt) پروگرام کے تحت کمپنی ہر سال بڑی تعداد میں گریجویٹس بھرتی کرتی ہے اور انہیں ان کی مستقبل کی ذمہ داریوں کی تربیت فراہم کرتی ہے۔ کمپنی کا تربیتی پروگرام نوجوان انجینئرز میں انتہائی مقبول ہے اور ہر سال کمپنی کے اس پروگرام کو زبردست پذیرائی ملتی ہے۔

(iii) اختصاص

زیر جائزہ سال کے مالیاتی نتائج درج ذیل ہیں:

	2018	2017
	روپے 000 میں	
بعد از ٹیکس منافع	4,399,784	3,034,057
دیگر مجموعی آمدنی/(خسارہ)	71,269	(101,734)
	4,471,053	2,932,323
غیر تخصیص منافع b/f	10,802,410	9,301,618
دستیاب منافع برائے اختصاص	15,273,463	12,233,941
2016-17 کے لئے ادا کردہ حتمی نقد ڈیویڈنڈ		
تخصیص:		
13.5 روپے فی حصص		
(2015-16: 12.50 روپے فی حصص)	(1,546,053)	(1,431,531)
غیر تخصیص شدہ منافع C/f	13,727,410	10,802,410

15 اگست، 2018 کو منعقدہ اجلاس میں بورڈ نے جون 30، 2018 کو ختم ہونے والے سال کے لئے 8.00 روپے فی حصص (2017 : 13.50 روپے فی حصص) کے اعتبار سے 916 ملین روپے (2017 : 1,546 ملین روپے) حتمی نقد ڈیویڈنڈ کی تجویز دی ہے اور "غیر تخصیصی منافع" سے 229 ملین روپے (2017: NILL) "بونس حصص کے اجراء کے لئے جمع شدہ رقم" میں منتقل کرنے کی تجویز دی تھی تاکہ ہر 100 حصص کے تناسب سے 20 بونس حصص کا اجراء کیا جاسکے (2017: NILL) تاہم یہ آئندہ ہونے والے سالانہ اجلاس عام میں منظوری سے مشروط ہے۔

قومی خزانے میں ادائیگی

اس سال کے دوران کمپنی نے سیلز ٹیکس، انکم ٹیکس، ایکسائز ڈیوٹی اور دیگر قانونی لیویز کی مد میں 6,809 ملین روپے قومی خزانے میں جمع کرائے ہیں۔ کمپنی نے اپنے حصص یافتگان، ملازمین، سپلائرز اور کنٹریکٹرز سے ود ہولڈنگ انکم ٹیکس کی مد میں کٹوتی کر کے اس مد میں جمع شدہ تقریباً 513 ملین روپے کی رقم بھی قومی خزانے میں جمع کروائی ہے۔ مزید برآں زیر جائزہ سال کے دوران آپ کی کمپنی نے برآمدات کے ذریعے تقریباً 29 ملین ڈالرز کا قیمتی زرمبادلہ بھی کمایا ہے۔

مارکیٹنگ

زیر جائزہ سال کے دوران جنوب کی مارکیٹ میں، جہاں آپ کی کمپنی اپنی مصنوعات فروخت کرتی ہے، 10 فیصد کا اضافہ ریکارڈ کیا گیا۔ کراچی کی مرکزی مارکیٹ اور زیریں سندھ کی مارکیٹ میں سستے شمالی برانڈز کے درمیان سخت مسابقت کا رجحان سامنے آیا۔ اس کا نتیجہ یہ ہوا کہ طلب میں دوہرے ہندسوں میں اضافے کے باوجود قیمتوں میں سخت مقابلے کا رجحان برقرار رہا اور آپ کی کمپنی بڑھتے ہوئے اخراجات کے اثرات کو اپنے صارفین تک منتقل نہیں کر سکی۔

قیمتوں کے حوالے سے جرأتمندانہ پالیسیوں اور جنوب کی مارکیٹ سے کم قیمت کے برانڈز کی آمد کے باعث گزشتہ سال کے مقابلے میں فروخت کردہ سیمنٹ کی فی ٹن قیمت میں 50 روپے (1 فیصد) کی کمی واقع ہوئی۔ تاہم آپ کی کمپنی نے اپنے مارکیٹ مکس کی نگرانی کا عمل جاری رکھا اور اوسط قیمت فروخت میں نمایاں کمی سے بچنے کے لئے مقامی مارکیٹ میں سیمنٹ بیچنے کو زیادہ فوقیت دی۔

(ii) فائدہ مندی

کمپنی نے زیر جائزہ مدت میں گزشتہ سال کی اسی مدت کے 3,034 ملین روپے کے مقابلے میں 4,400 ملین روپے بعد از ٹیکس منافع حاصل کیا، جو گزشتہ سال کے مقابلے میں 1,366 ملین روپے (45 فیصد) زیادہ ہے۔ اگرچہ کمپنی کا مجموعی (Gross) اور عمل کار (Operating) منافع بھی گزشتہ سال کے بالترتیب 40 فیصد اور 30 فیصد کے مقابلے میں کم ہو کر بالترتیب 31 فیصد اور 20 فیصد ہو گیا۔ ریکارڈ شدہ بعد از ٹیکس منافع میں نمایاں بہتری کی وجوہات درج ذیل ہیں:

i) انکم ٹیکس آرڈیننس، 2001 کے سیکشن 65B کے تحت 1,072 ملین روپے کے ٹیکس کریڈٹ کی رکگنیشن

ii) 892 ملین روپے کے گزشتہ سالوں کے ٹیکس پروویژن کی تنسیخ، جب کمپنی نے ان لینڈ اپیلٹ ٹریبونل کے روبرو اپنے کیس کا کامیابی سے دفاع کیا جو مقامی اور برآمدی فروخت کے درمیان خرچوں کا تعین "اصل فروخت" کے مقابلے میں "مجموعی فروخت" کی بنیاد پر کرنے سے متعلق تھا۔ یہ ایک انتہائی اہم اور زبردست فیصلہ تھا اور کمپنی کی اپیل گزشتہ کئی سالوں سے مختلف اپیلٹ فورمز میں زیر التوا تھی۔

فروخت کے بنیادی پیرامیٹرز میں اہم تغیرات جو زیر جائزہ سال کے دوران منافع میں کمی کا باعث ہے، درج ذیل ہیں:

- بین الاقوامی مارکیٹ میں کوئلے کی قیمتوں میں مسلسل اضافے کی وجہ سے ایندھن کے مجموعی اخراجات میں 557 روپے فی ٹن (46 فیصد) کا اضافہ ہوا۔ کمپنی کی کوئلے کی خریداری کی اوسط لاگت 88 ڈالر فی ٹن سی اینڈ ایف کراچی سے بڑھ کر 102 ڈالر فی ٹن سی اینڈ ایف کراچی ہو گئی۔

- بلوچستان کی صوبائی حکومت کی جانب سے غیر معمولی طور پر رائلٹی کی شرح بڑھائے جانے اور ڈیزل کی قیمتوں میں اضافے سے نقل و حمل کے اخراجات بڑھ جانے کے باعث خام اور پیکنگ میٹریل کی مجموعی لاگت 168 روپے فی ٹن (20 فیصد) بڑھ گئی۔ اس کے ساتھ ساتھ بین الاقوامی مارکیٹ میں کاغذ کی قیمتوں میں اضافے اور ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں نمایاں کمی کے باعث کاغذ کی بوری کی قیمت میں بھی گزشتہ سال کی اسی مدت کے مقابلے میں تقریباً 15 فیصد کا اضافہ دیکھنے میں آیا۔ آپ کی کمپنی نے رائلٹی کی شرح میں غیر معمولی اضافے کو بلوچستان ہائی کورٹ میں چیلنج کیا اور کیس معزز عدالت میں زیر التوا ہے۔

کمپنی نے مقامی اور برآمدی مارکیٹ میں 2,288,613 ٹن سیمنٹ فروخت کیا جو گزشتہ سال کے مقابلے میں 10 فیصد زیادہ ہے۔ زیر جائزہ سال کے دوران کمپنی نے مقامی مارکیٹ میں 1,826,551 میٹرک ٹن سیمنٹ فروخت کیا (سال 17-2016 کے دوران یہ مقدار 1,582,427 میٹرک ٹن رہی تھی)، جو 15 فیصد اضافے کی عکاسی کرتا ہے اور جو مجموعی طور پر اس صنعت میں ہونے والے اضافے کے مطابق ہے، تاہم آپ کی کمپنی نے جنوب کی مارکیٹ کو خاصے بڑے فرق یعنی 10 فیصد سے پیچھے چھوڑا۔ کمپنی نے 462,062 میٹرک ٹن سیمنٹ سری لنکا، بھارت اور مشرقی افریقہ و بحر ہند کی دیگر مارکیٹس میں فروخت کیا (سال 17-2016 کے دوران یہ مقدار 500,155 میٹرک ٹن تھی) برآمدات میں کمی کی بنیادی وجہ برآمدی مارکیٹ کے مقابلے میں مقامی مارکیٹ کی اضافی قیمت ہے۔

کمپنی نے اپنی حکمت عملی کے ایک جزو کے طور پر اور آئندہ آنے والی استعداد کی آمد کے باعث مقامی مارکیٹ کے تبدیل شدہ محرکات کو مدنظر رکھتے ہوئے مشرقی افریقہ کی مارکیٹس میں 205,141 میٹرک ٹن کلنکر برآمد کیا۔ اس کے ساتھ کمپنی نے کلنکر کی برآمدات کے لئے بنگلہ دیش، کینیا، تنزانیہ اور سری لنکا کی مارکیٹس میں مستعدی سے نئے امکانات تلاش کئے اور خاصی بڑی تعداد میں آرڈر حاصل کئے تاکہ اس بات کو یقینی بنایا جائے کہ یہ تینوں لائنیں آنے والے وقت میں فعال رہیں۔

مالیاتی کارکردگی

آپ کی کمپنی کے 30 جون، 2018 کو ختم ہونے والے مالی سال کے اہم مالیاتی نتائج، گزشتہ سال کی اسی مدت کے نتائج کے تقابل کے ساتھ درج ذیل ہیں:

	2017 - 2018	2016 - 2017	اضافہ/(کمی)	اضافہ/(کمی)
	روپے ملین میں			% میں
خالص فروخت	16,884	14,735	2,149	15
مجموعی منافع	5,187	5,892	(705)	(12)
منافع قبل از ٹیکس	3,129	4,444	(1,315)	(30)
منافع بعد از ٹیکس	4,400	3,034	1,366	45
آمدنی فی حصص روپے میں	38.42	26.49	11.93	45

(i) فروخت کی کارکردگی

کمپنی کی فروخت سے حاصل ہونے والی مجموعی آمدنی میں گزشتہ سال کے مقابلے میں 2,149 ملین روپے (15 فیصد) کا اضافہ ہوا۔ اس کی بڑی وجہ گزشتہ سال کے مقابلے میں 411,172 ٹن سیمنٹ اور کلنکر کی اضافی مقدار کی فروخت تھی۔ مقامی مارکیٹس میں قیمت فروخت میں سخت مقابلہ کا رجحان برقرار رہا اور برآمدی مارکیٹس میں قیمتیں 5 فیصد کے مارجن (-/+) کے ساتھ کم و بیش گزشتہ سال کی قیمتوں کے برابر ہی رہیں۔ ہمارے مسابقت کاروں کی

ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز مسرت کے ساتھ 30 جون 2018 کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ مع آڈٹ شدہ مالیاتی حسابات پیش کرتے ہیں۔

پیداوار اور فروخت

لائن 3 سے کمرشل پیداوار کا آغاز جنوری، 2018 سے ہوا اور پروجیکٹ نے ابتدائی مرحلے پر کسی بڑی مشکل یا مسئلے کا سامنا کئے بغیر پیداواری استعداد حاصل کرلی۔ 6 ماہ کے دوران پلانٹ نے 538,884 ٹن کلنکر کی پیداوار حاصل کی اور کم از کم یومیہ پیداوار سمیت تمام یقینی آپریشنل پیرامیٹرز حاصل کرلئے۔

لائن 3 کے ساتھ کام کا آغاز کرنے والے ویسٹ ہیٹ ریکوری سسٹم (Waste Heat Recovery System) نے بھی اپریل، 2018 سے پیداوار کا آغاز کردیا اور اب مکمل طور پر بجلی پیدا کررہا ہے جس سے کمپنی کی مجموعی بجلی کی طلب میں بھی کمی واقع ہوئی ہے۔

سال 2018-2017 کے دوران کمپنی نے لائن 1 اور لائن 2 دونوں میں اپنی مقررہ استعداد کا 100 فیصد حاصل کیا۔ دونوں لائنوں نے توقع سے زیادہ اچھی کارکردگی کا مظاہرہ کیا۔ لائن 1 اور 2 بالترتیب 333 اور 340 پیداواری روز چلتی رہیں اور سب سے زیادہ کاروباری روز چلنے کا ریکارڈ قائم کیا۔ مقامی فروخت اور برآمدات میں کمپنی کو درپیش متعدد چیلنجز اور مشکلات کے باوجود آپ کی کمپنی نے تاریخ میں سب سے زیادہ سیمنٹ کی ترسیل کی۔ آپ کی کمپنی نے کلنکر کی برآمد کا بھی آغاز کیا اور برآمدی مارکیٹس میں اضافی کلنکر فروخت کیا۔ ان اعداد و شمار کی تفصیلات مندرجہ ذیل چارٹ میں واضح کی گئی ہیں۔

کلنکر کی پیداوار

2017-2018	2016-2017
2,482,551	1,866,325
میٹرک ٹن	میٹرک ٹن

سیمنٹ کی پیداوار

2017-2018	2016-2017
2,309,345	2,081,858
میٹرک ٹن	میٹرک ٹن

سیمنٹ کی ترسیل

2017-2018	2016-2017
2,288,613	2,082,582
میٹرک ٹن	میٹرک ٹن

کلنکر کی ترسیل۔ برآمدات

2017-2018	2016-2017
205,141	-
میٹرک ٹن	میٹرک ٹن

مجموعی ترسیل

2017-2018	2016-2017
2,493,754	2,082,582
میٹرک ٹن	میٹرک ٹن

FORM OF PROXY

39th Annual General Meeting of Attock Cement Pakistan Limited

I/We _____
of _____
being a member(s) of Attock Cement Pakistan Limited holding _____
ordinary shares as per share register folio No. _____ or CDC participant ID No. and
sub-account No. _____ hereby appoint _____
of _____ or failing him / her _____ of
_____ as my / our Proxy in my / our absence to attend and
vote for me / us and on my / our behalf at the 39th Annual General Meeting of the Company to be held
on October 18, 2018 and at any adjournment thereof.

Signed this _____ day of _____ 2018.

_____
Signature
(Signature must agree with the specimen signature registered with the Company)

Witness:

1. Name: _____
   Address: _____
   CNIC / Passport No. _____

2. Name: _____
   Address: _____
   CNIC / Passport No. _____

Important Notes:

1. This Proxy Form, duly completed, signed & witnessed must be received at the Registered Office of the Company, D-70 Block-4, Kehkashan-5, Clifton, Karachi-75600, not less than 48 hours before the time of holding the meeting.

2. A Proxy need not be a member of the Company.

3. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

1. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

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

3. The proxy shall produce his / her original CNIC / Passport at the time of the meeting.

4. In case of Government of Pakistan, State Bank of Pakistan, Corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Company.

پراکسی فارم

اٹک سیمنٹ پاکستان لمیٹڈ کا انتالیسواں سالانہ اجلاس عام

میں/ہم _____ برائے _____

اٹک سیمنٹ پاکستان لمیٹڈ کے رکن (ارکان) اور شیئر رجسٹر فولیو نمبر _____ یا سی ڈی سی پارٹیسپنٹ

آئی ڈی نمبر اور سب اکاؤنٹ نمبر _____ کے مطابق _____

عمومی حصص کا ہولڈر، بذریعہ ہذا _____

_____ کو میری/ ہماری غیر موجودگی میں کمپنی کے 18 اکتوبر 2018 کو منعقد ہونے والے انتالیسویں سالانہ اجلاس عام یا اس کے ملتوی شدہ اجلاس میں شرکت کرنے اور اپنی جگہ ووٹ دینے کا اہل قرار دیتا ہوں/ دیتے ہیں۔

دستخط شدہ _____ بروز _____ 2018۔

دستخط

دستخط کمپنی میں رجسٹر شدہ دستخط کے مطابق ہونے چاہئیں۔

گواہ:

1- نام _____

پتہ _____

شناختی کارڈ/ پاسپورٹ نمبر _____

2- نام _____

پتہ _____

شناختی کارڈ/ پاسپورٹ نمبر _____

اہم نکات:

1- میٹنگ سے 48 گھنٹے قبل پراکسی کا یہ فارم جو ہر لحاظ سے مکمل، دستخط اور تصدیق شدہ ہو کمپنی کے رجسٹرڈ آفس D-70، بلاک 4، کہکشاں کلفٹن، کراچی 75600 میں جمع کرا دیا جائے۔

2- نائب کے لئے کمپنی کا ممبر ہونا ضروری نہیں ہے۔

3- اگر کوئی رکن ایک سے زیادہ افراد کو اپنا نائب مقرر کرتا ہے اور اس رکن کی جانب سے پراکسی کے ایک سے زائد فارم جمع کرائے جاتے ہیں تو ایسے تمام فارم منسوخ تصور کئے جائیں گے۔

برائے CDC اکاؤنٹ ہولڈرز/ کارپوریٹ ادارے:

1- پراکسی فارم کے لئے دو لوگوں نے گواہی دی ہو جن کے نام، پتے اور شناختی کارڈ یا پاسپورٹ نمبر فارم پر درج ہوں۔

2- پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں۔

3- نائب کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہوگا۔

4- حکومت پاکستان، اسٹیٹ بینک آف پاکستان، کاروباری ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی بمعہ نمونہ دستخط بھی پراکسی فارم کے ہمراہ کمپنی میں جمع کرانے ہوں گے۔

www.jamapunji.pk

Jama Punji

سرمایہ کاری سمجھداری کے ساتھ

Be aware, Be alert, Be safe

Learn about investing at www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Online Quizzes
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device

jamapunji.pk @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

SECP

ATTOCK CEMENT PAKISTAN LIMITED

Corporate Office: D-70, Block-4, Kehkashan-5, Clifton, Karachi 75600, Pakistan.
Tel. UAN: (021) 111-17-17-17, (021) 35309773-74, Fax: (021) 35309775,
Email: acpl@attockcement.com, Website: www.attockcement.com