ATTOCK CEMENT PAKISTAN LIMITED

Annual Report 2017

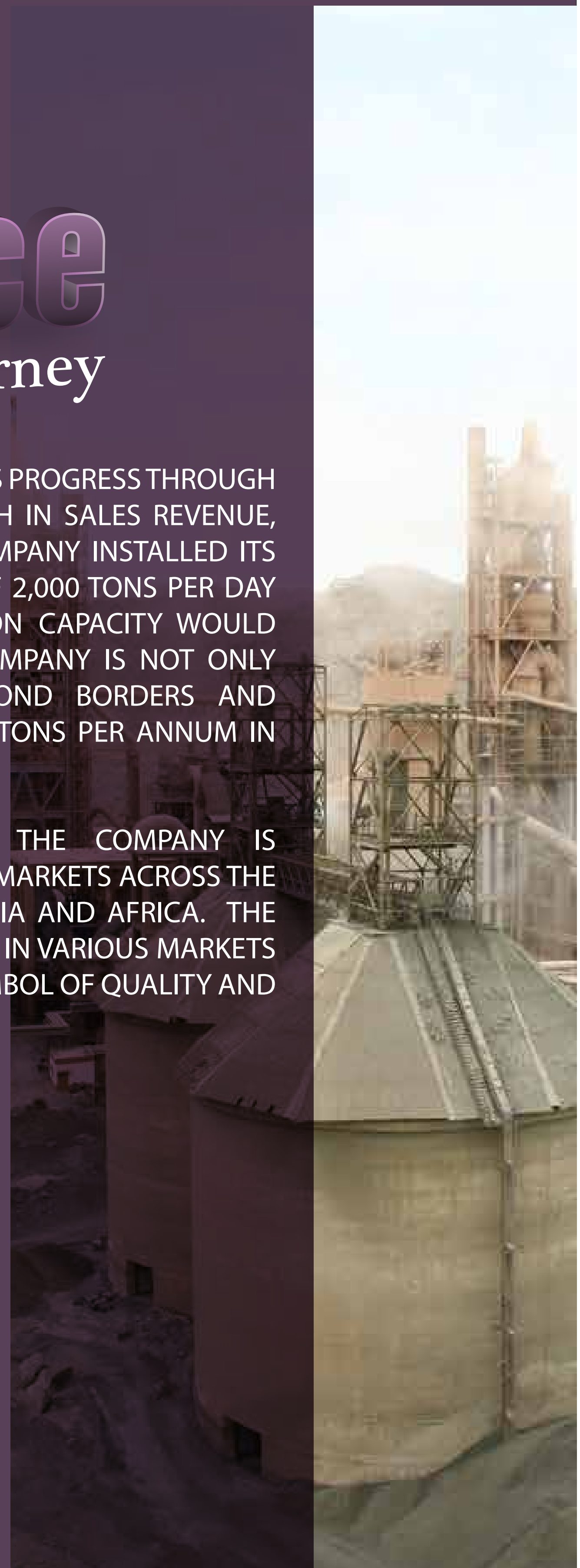
FALCON CEMENT

Excellence in Our Journey

Excellence in Our Journey

THE COMPANY IS CONTINUING ITS JOURNEY TOWARDS PROGRESS THROUGH ENHANCEMENT IN PRODUCTION CAPACITY, GROWTH IN SALES REVENUE, PROFITABILY AND STAKEHOLDERS' EQUITY. THE COMPANY INSTALLED ITS FIRST PRODUCTION LINE IN 1986 WITH CAPACITY OF 2,000 TONS PER DAY AND BY JANUARY 2018 THE OVERALL PRODUCTION CAPACITY WOULD REACH TO AROUND 10,000 TONS PER DAY. THE COMPANY IS NOT ONLY GROWING LOCALLY BUT ALSO EXPANDING BEYOND BORDERS AND INSTALLING A CEMENT GRINDING UNIT OF 900,000 TONS PER ANNUM IN BASRA IRAQ WHICH WILL BE COMMISSIONED SOON.

BESIDES INCREASE IN PRODUCTION CAPACITY, THE COMPANY IS CONSOLIDATING ITS FOOT PRINTS IN ALL THE LOCAL MARKETS ACROSS THE COUNTRY AND ALSO IN REGIONAL MARKETS OF ASIA AND AFRICA. THE BRAND FALCON IS NOW A WELL RECOGNIZED BRAND IN VARIOUS MARKETS ACROSS THE REGION AND IT HAS NOW BECOME A SYMBOL OF QUALITY AND STRENGTH.



CONTENTS

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

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

HR & Remuneration Committee

Shuaib A. Malik	Chairman
Abdus Sattar	Member
Babar Bashir Nawaz	Member

Company Secretary
Irfan Amanullah

Bankers
The Bank of Punjab Limited
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
Samba Bank 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
Website: www.attockcement.com

Plant
Hub Chowki, Lasbella
Baluchistan

Legal Advisor
Sattar & Sattar
Attorneys at Law

Share Registrar
Technology Trade (Pvt) Limited
Dagia House, 241 - C, Block - 2, PECHS
Off: Shahrah-e-Quaideen, Karachi.
Tel: (92-21) 34391316 - 17
Fax: (92-21) 34391318

DR GHAITH R. PHARAON (LATE)
(1940 - 2017)

IN THE MEMORY OF FOUNDING CHAIRMAN ATTOCK GROUP OF COMPANIES IN PAKISTAN

A GLOWING TRIBUTE TO DR GHAITH R. PHARAON (LATE)

DR. GHAITH RACHAD PHARAON, THE FOUNDING CHAIRMAN OF THE ATTOCK GROUP OF COMPANIES IN PAKISTAN BREATHED HIS LAST ON JANUARY 06, 2017.

DR. PHARAON WAS A VISIONARY BUSINESS LEADER, INDUSTRIALIST AND INVESTOR OF INTERNATIONAL REPUTE. IT WAS BECAUSE OF HIS VISION AND GUIDANCE THAT THE ATTOCK GROUP BECAME ONE OF THE LARGEST FOREIGN INVESTMENT BUSINESS HOUSE IN THE COUNTRY. HIS TRUST AND CONFIDENCE ON THE MANAGEMENT IN PAKISTAN WAS ONE OF THE IMPORTANT REASONS FOR SUCCESS OF ATTOCK GROUP.

HE WAS ALWAYS PASSIONATE ABOUT NEW IDEAS / BUSINESS VENTURES AND WILL ALWAYS BE REMEMBERED WITH GREAT RESPECT DUE TO HIS IMMENSE LOVE FOR PAKISTAN AND HIS ENORMOUS CONTRIBUTION TOWARDS THE ECONOMY OF THIS COUNTRY.

THE VACUUM CREATED BY HIS DEATH HAS BEEN FILLED BY THE NEW CHAIRMAN MR. LAITH G. PHARAON UNDER WHOSE ABLE LEADERSHIP AND GUIDANCE THE GROUP IS NOW MOVING TO CARRY FORWARD THE LEGACY AND VISION OF LATE DR. PHARAON.

MAY ALLAH REST HIS SOUL IN ETERNAL PEACE AND GRANT HIM A PLACE IN JANNAT UL FIRDOUS.

AAMEEN

BOARD OF DIRECTORS

Laith G. Pharaon
Chairman

Wael G. Pharaon

Shuaib A. Malik

Abdus Sattar

Agha Sher Shah

Sajid Nawaz

Babar Bashir Nawaz

Excellence in Dispatches

The company continues its journey by maintaining and further consolidating its market share and marked the year with HIGHEST EVER TOTAL SALES of 2,082,582 Mtons, showing an increase of 6% as compared to preceding year. The company supplied its product in diverse market segments in both local and regional markets to achieve a healthier sales mix. The management believes in strong presence of FALCON BRAND in all the markets to achieve growth oriented financial results, with maximum return to the stakeholders.

TOTAL SALE ▸ 2,082,582 M tons

LOCAL

1,582,427 M tons

EXPORT

500,155 M tons

PAKISTAN

SRILANKA

MAURITIUS

SUDAN

YEMEN

INDIA

TANZANIA

SOMALIA

Excellence in Quality

QUALITY, HEALTH, SAFETY & ENVIRONMENTAL POLICY

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

We will achieve this 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 results.

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.

Excellence in Business Growth

The company as part of its strategy is investing in enhancing its Production capacity both locally and in regional market. With its enhancement in production capacity at existing location and also installation of a grinding unit in Iraq, the company would further achieve the core objective of excellence in business growth with diversified risk.

BUSINESS GROWTH

NEW PRODUCTION LINE OF
1,200,000
M tons
AT HUB BALOCHISTAN

The entire plant and machinery has arrived at site and work on civil, mechanical and electrical infra-structure has been completed to a major extent.

The work on new production line is progressing as per schedule and it is anticipated that the commercial production will commence by December 2017.

NEW GRINDING UNIT
900,000
M tons
IN BASRA IRAQ

Saqr Al Keetan, a subsidiary of your company in Basra Iraq has opened the Letters of Credit in favor of Chinese supplier and it is expected that first shipment of plant and machinery will arrive by end October 2017. The work on civil jobs has commenced and it is expected that the grinding facility will be operational by June 2018.

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 Chief Executive and / or to the Company Secretary 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.

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 888 employees as at June 30, 2017. 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.

Excellence 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 a 6 bed 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 2200 patients availed the facility of free medicines.

During the year, 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. The cost of this project was approximately Rs. 3.3 million.

Excellence 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 with residents to inform them of our activities and listen and respond to their concerns.

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

Excellence 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. Ghaith 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.

Excellence in Business Results

MAJOR ACHIEVEMENTS

2,081,858 M. Tons

Highest Ever Cement Production

2,082,582 M Tons

Highest Ever Sales

Rs. 14.7 Billion

Highest Ever Net Sales

Rs. 4.4 Billion

Highest Ever Profit Before Tax

Rs. 3.0 Billion

Highest Ever Profit After Tax

Rs. 26.49 / 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 38th Annual General Meeting of the company.

Overview of the Economy

Pakistan economy continues to perform impressively and its economic fundamentals improved further in the outgoing fiscal year due to robust growth in agriculture sector and better performance of industrial and service sectors.

This year's real GDP growth recorded at 5.28 percent which is the highest in 10 years and the size of economy has surpassed $300 billion mark. Both these numbers are very significant.

The country's economic fundamentals are very strong across a wide range of relevant indicators such as real GDP growth, containment of inflation, relatively stable exchange rate, lower interest rate and increase in development spending.

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 spendings will generate more employments and will create exciting investment opportunities.

Industry Review

During the year 2016-2017 the cement sector has registered net growth of 4% as compared to last year. Local despatches increased by 8% whereas export sales declined by 21% as the industry's focus shifted towards the local market due to increased demand, which was generated because of growth in construction sector and significantly lower interest rates. Government spending have also shown remarkable improvement on the back drop of election year and huge budget has been kept for public sector development program which has boosted the confidence of cement producers. The average capacity utilization of industry was recorded at 87% as compared to 84% during the last year.

Supported by a more buoyant economy and a massive revival of construction sector, the Pakistani cement producers are keen to invest further in the sector and it is anticipated that cement capacity in medium term will surpass 70 million tons mark. Pakistan has already been placed at number 15 in cement consuming markets, ranked 11 in cement exports and with this committed capacity increase it would soon become the 10th largest cement producer in the world, which shows the investors' confidence on the economy of Pakistan.

Local despatches in the South witnessed a strong growth of 9%, during the year under review while export showed a massive decline of 25% leaving a net growth of merely 1%. Keeping in view the improved law and order situation in Karachi and emergence of new skylines, it is anticipated that there will be acceleration in cement demand in the market of South in months to come. However, a glut like situation will arise in short term in the market of South due to additional capacities of around 5 million tones which will hit the south market in early 2018.

Operational & Financial Performance

The year 2016-2017 was a record breaking year for the company both in operational and financial terms. The company achieved record despatches of 2,082,582 tons. Beside this, the company achieved record net sales revenue of Rs. 14,735 Million with highest ever profit after tax of Rs. 3,034 Million.

The cement sales prices, during the year under review, largely remained stable. During the year the coal prices witnessed major upward trend and C&F Karachi prices in international market jumped up from US$ 60 per ton to US$ 90 per ton. However, power tariff remained stable throughout the year.

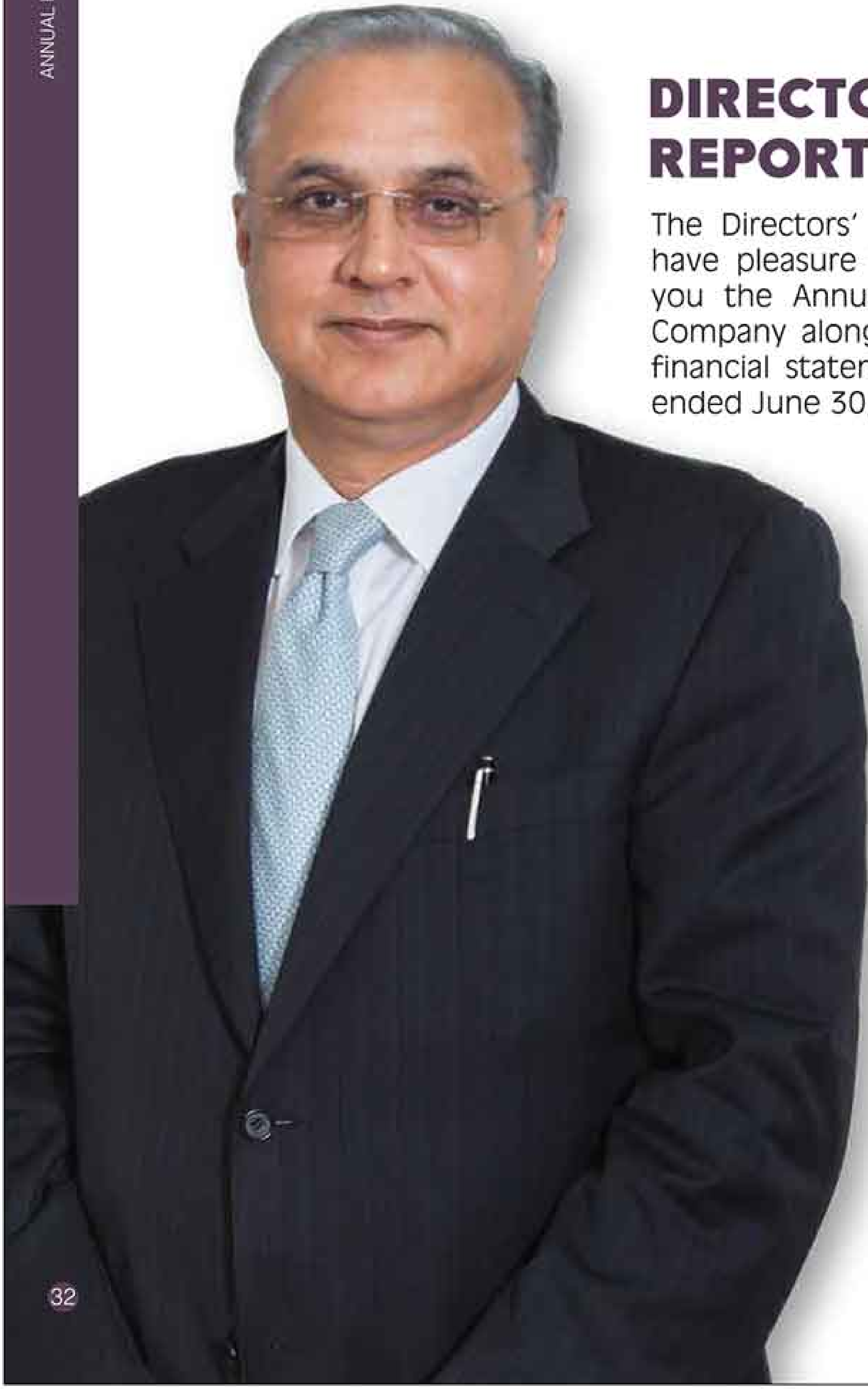
Acknowledgement

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

September 11, 2017
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, 2017.

Production & Sales

During the year 2016-2017, the Company achieved over 100% of its rated capacity both from line 1 and line 2. Both the lines performed exceptionally well and operated kiln at working days of 324 days and 329 days respectively.

Despite several challenges faced by the company both in local and export markets, your company has been able to make HIGHEST EVER despatches of 2,082,582 Tons both in domestic and in regional markets. The detailed data has been enumerated in the below table:

CLINKER PRODUCTION

2016 – 2017	2015 – 2016
1,866,325	1,866,997
Qty in M tons	Qty in M tons

CEMENT PRODUCTION

2016 – 2017	2015 – 2016
2,081,858	1,967,391
Qty in M tons	Qty in M tons

CEMENT DESPATCHES

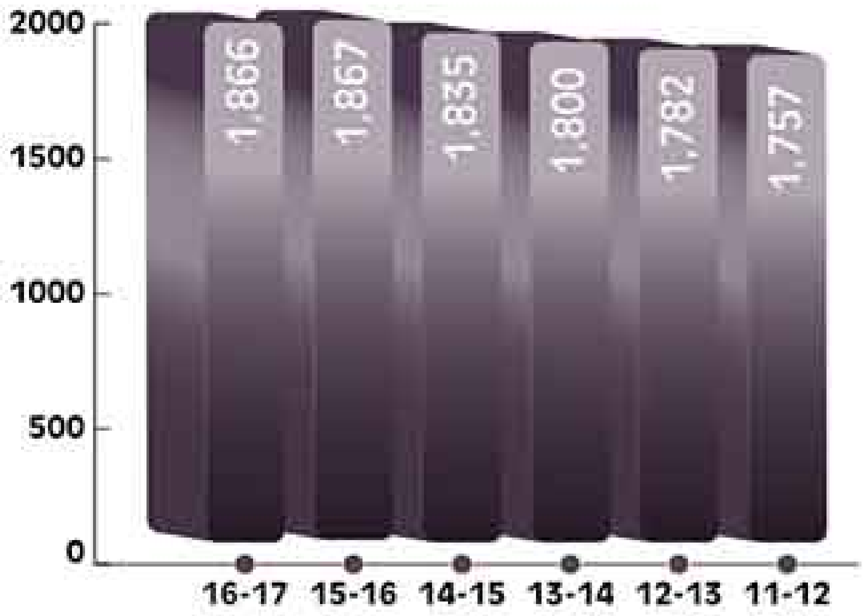
2016 – 2017	2015 – 2016
2,082,582	1,970,589
Qty in M tons	Qty in M tons

CAPACITY UTILIZATION

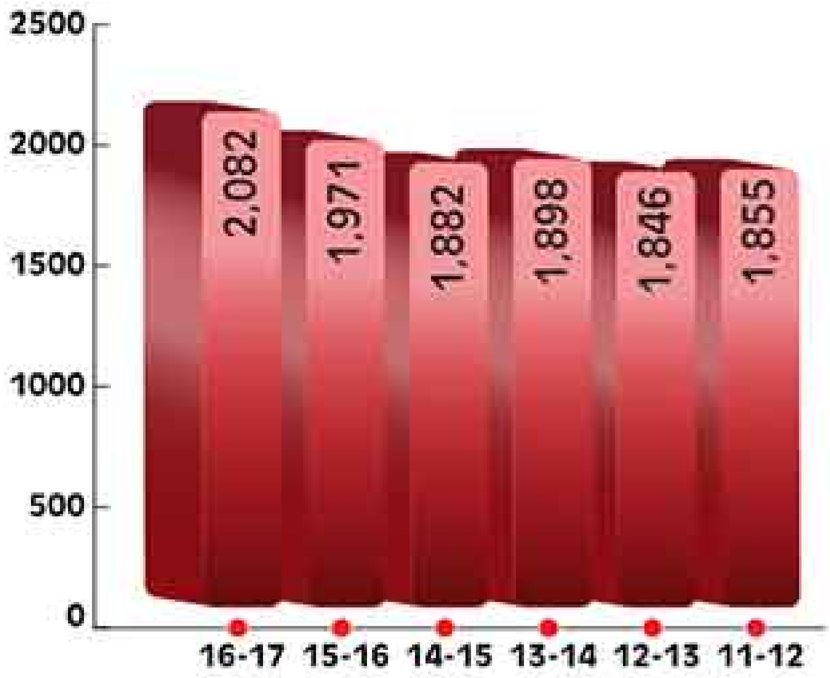
2016 – 2017	2015 – 2016
107%	107%

During the year under review, the company achieved an average rated capacity of 107%, with both the lines operating at their full capacities.

The company sold 2,082,582 M tons of cement in both local and export markets, showing an increase of 6% as compared to preceding year. During the year under review, the Company sold 1,582,427 M Tons (2015 - 16: 1,429,593 M tons) of Cement in the local market, showing an increase of 11%, surpassing the industry local market growth by a fair margin. The balance surplus quantity of 500,155 M tons (2015-16: 540,996 M tons) was exported to the regional markets of Sri Lanka, Yemen, India and in other East African and Indian Ocean markets.



Clinker Production
(Thousand M. Tonnes)



Cement Sales
(Thousand M. Tonnes)

Financial Performance

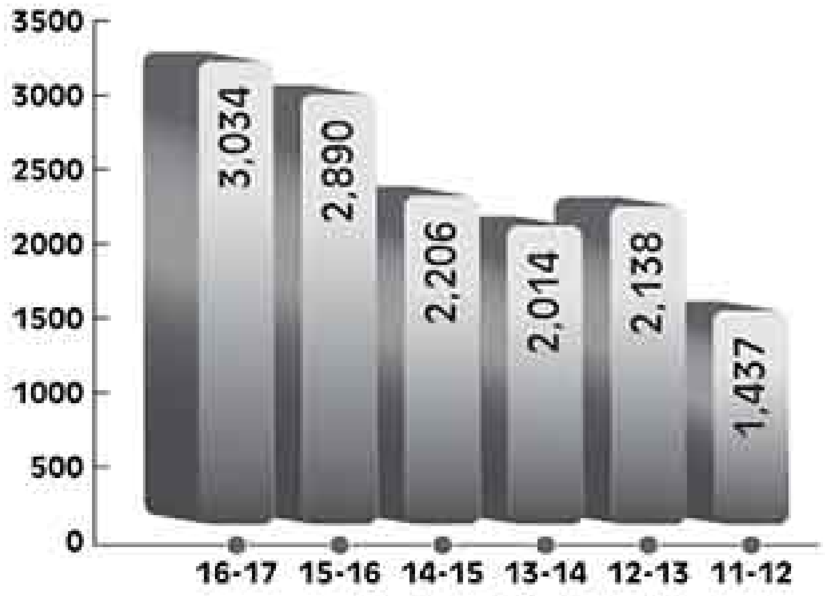
A comparison of the key financial results of your Company for the year ended June 30, 2017 with the same period last year are as under:

	2016 – 2017	2015 – 2016	Increase / (Decrease)	Increase / (Decrease)
		Rs. In Million		%
Net Sales	**14,735**	13,918	817	6
Gross Profit	**5,892**	5,587	305	5
Profit Before Tax	**4,444**	4,236	208	5
Profit After Tax	**3,034**	2,890	144	5
EPS in Rupees	**26.49**	25.24	1.25	5

(i) Sales Performance

The overall sales revenue increased by Rs. 817 million (6%) as compared to the previous year. This is mainly attributable to higher quantity of 111,993 tons of cement sold as compared to same period last year. The sales prices in local markets remained stable and in export markets remained highly competitive leaving a very little room for improvement in net retention. However, through better market mix your company was able to generate a marginal increase in overall average net retention.

(ii) Profitability



Profit After Tax (Rs. in Million)

Company earned a net profit after tax of Rs. 3,034 million as compared to Rs. 2,890 million earned during the corresponding period, showing an increase of Rs. 144 million (5%). The gross and operating margins maintained at the level achieved in previous year i.e. 40% and 30% respectively.

The movement in key cost parameters are as follows:

- The overall fuel cost increased by Rs. 168 per ton (16%) due to rapid increase in coal prices in the international market. The average coal procurement cost of the company increased from US $60 per ton C&F Karachi to US $90 per ton C&F Karachi. Though the impact of Coal prices is around 50%, however due to prudent approach of management to keep the coal stock reserves, significantly diluted the cost impact.

- The power cost per ton reduced by Rs 117 per ton due to higher plant efficiencies and because of full year impact of electricity subsidy of Rs. 3/ unit which became effective from January 1, 2016.

(iii) Appropriation

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

	2017	2016
	Rs. In '000	
Profit after tax	**3,034,057**	2,890,023
Less: Other comprehensive loss	**(101,734)**	(175,828)
	2,932,323	2,714,195
Un-appropriated profit b/f	**9,301,618**	7,789,909
Profit available for appropriation	**12,233,941**	10,504,104
Appropriation:		
Final Cash Dividend paid for the year 2016: Rs.12.5 per share (2015: Rs.10.50 per share)	**(1,431,531)**	(1,202,486)
Un-appropriated profit c/f	**10,802,410**	9,301,618

For the year ended June 30, 2017 the Board in its meeting held on September 11, 2017 has proposed a final cash dividend of Rs. 13.50 per share (135%) amounting to Rs. 1,546 million.

Contribution to National Exchequer

The Company contributed Rs. 6,500 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. 429 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$ 28.4 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 8% which is quite low as compared to 17% growth of last year. During the first half of the year the growth was quite phenomenal and recorded at 11%, however in the second half local sales declined due to political uncertainties currently being prevailed in the country, which significantly affected the confidence of the investors.

Despite the adverse market trends and competition from northern brands in the market of South, the company is able to maintain its local growth and witnessed an increase of 11% as compared to last year. The overall market share of the company in the market of South recorded at 24.30% as against 24% in the preceding year. The brand continued to dominate in the core Karachi market as leading brand both in terms of quantity and price and was able to extend its edge in terms of pricing against competition.

On export front the markets remained very competitive and company faced stiff 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 and East Africa. During the year company explored the market of India and has received an encouraging response from Indian buyers. With its new capacity expected to come on line by December 2017, your company would aggressively explore this market, for which the preliminary work has already been performed.

Human Resources

The Company believes and invests in its people. Our long journey has taught us that people are more important than system & processes. And therefore, we provide a pleasant working environment where there are constant opportunities for the development and career advancement. 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.

We regularly arrange employee engagement events, sports days, get-togethers to let employees feel associated with the company as we strongly believe 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. Internal trainers are being identified and developed to cater training needs and to customize programs effectively.

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.

With a strong belief in developing quality manpower and considering the dearth of good human resource, the company runs its own management training program both for local educated youth and for other qualified young graduates. Under this program, company provides opportunities for local residents of the manufacturing area to encourage diversity within the work-force. Also, HR department regularly works for employer branding activities and therefore participates in Job Fairs, Recruitment drives and University visits to further facilitate our youth with fair and merit based employment opportunities.

Corporate Social Responsibility

The company continued its investment in local corporate support program in the form of availability of potable water, quality education and good health care. The company provides potable water to many villages in and around its factory area. Through this activity more than 5000 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 Rachad Pharaon campus are providing free of cost quality education to almost 600 students.

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.

The zealous ACPL management is always keen to take steps, on recommendation, for up-gradation of their centre, in order to provide better primary health care. This year our first aid and medical centre were provided with cardiac monitors. It enables in monitoring cardio respiratory activity along with check of blood pressure at intermittent intervals of critically ill patients. The assessment makes possible to provide primary treatment in better way prior to shifting, if required to hospital. In addition, four stretchers cum bed have also been provided in addition to existing beds. These stretchers facilitate the smooth shifting of the patient.

Moreover on other end of spectrum welfare activities are being conducted at Medical Centre throughout the week. The daily turnover is about 30-40 patients. 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 since May, 2016. OPD is being performed by medical team four days a week in morning session. The attendance is 35-40 patients per day & some time the number exceeds.

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 2200 patients availed the facility of free medicines.

During the year, 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 equipment which is needed by any ICU. The cost of this project was approximately Rs. 3.3 million.

Labor room of Jam Ghulam Qadir Hospital Hub was provided various equipment in order to help the female patients.

The establishment of ICU and labor room at Jam Ghulam Qadir Hospital will prove to be great asset for the people of HUB & it surrounding.

Health, Safety and Environment

The company's health, safety and clean environment program is running successfully and providing accident free work place to its staff members. The regular safety programs have considerably increased the awareness about the importance of accident free work place among the employees of the company. The Company considers these activities as collective responsibility and participants ensure that they adopt the procedures in letter and spirit.

Progress On Projects

Installation of New Production Line

The work on new production line is progressing as per schedule and it is anticipated that the commercial production will commence by December 2017. The entire plant and machinery has arrived at site and work on civil, mechanical and electrical infrastructure has been completed to a major extent.

Cement Grinding Unit in Basra, Iraq

Saqr Al Keetan, a subsidiary of your company in Basra Iraq has opened the Letters of Credit in favor of Chinese supplier and it is expected that first shipment of plant and machinery will arrive by end October 2017. The work on civil jobs has commenced and it is expected that the grinding facility will be operational by June 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)	526	December, 2016
Gratuity Funds (unaudited)	286	June, 2017
Pension Funds (unaudited)	279	June, 2017

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	Dr. Ghaith R. Pharaon (Late)	Chairman/ Non Executive Director	2
2	Mr. Laith G. Pharaon	Non Executive Director	5
3	Mr. Wael G. Pharaon	Non Executive Director	5
4	Mr. Shuaib A. Malik	Non Executive Director	5
5	Mr. Abdus Sattar	Non Executive Director	5
6	Agha Sher Shah	Non Executive Independent Director	3
7	Mr. Sajid Nawaz	Non Executive Independent Director	5
8	Mr. Babar Bashir Nawaz	Executive Director & Chief Executive	5

During the year, casual vacancy occurred due to the sad demise of our honorable Chairman / Director Dr. Ghaith R. Pharaon on January 6, 2017. The casual vacancy was filled up on January 27, 2017 with the appointment of Mr. Sajid Nawaz.

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

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

k) The details of shares transacted by Directors, Executives and their spouses and minor children during the year 2016-17 have been given on page 44.

l) The key operating and financial data for the last 6 years is set out on page 51.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company as at June 30, 2017 is given on page 44.

AUDITORS

The retiring auditors, Messrs. A.F. Ferguson & Co., Chartered Accountants retire at the conclusion of the 38th 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	Mr. Abdus Sattar	Chairman	Non-Executive Director
2	Mr. Shuaib A. Malik	Member	Non-Executive Director
3	Agha Sher Shah	Member	Non-Executive Independent Director

Terms of Reference

1. Determination of appropriate measures to safeguard the assets.
2. Review of preliminary announcements of results prior to 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
   - Changes in accounting policies and practices
   - Compliance with applicable accounting standards
   - Compliance with the listing regulations and other statutory and regulatory requirements and
   - Significant related party transactions
4. Review of management letter issued by external auditors and management response thereto.
5. Ensuring coordination between the internal and external auditors.

6. Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed.
7. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto.
8. 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.
9. Review of statement on internal control systems prior to the endorsement by the Board of Directors.
10. 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.
11. Determination of compliance with relevant statutory requirements.
12. Consideration of any other issue or matter as may be assigned by the Board of Directors.
13. 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 Committee

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

Sr. No.	Name of the Directors	Status
1	Mr. Shuaib A. Malik	Non- Executive Director / Chairman
2	Mr. Abdus Sattar	Non- Executive Director / Member
3	Mr. Babar Bashir Nawaz	Executive Director / Member

Terms of Reference

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

- Recommending Human resource management policies to the Board;
- Recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;
- Recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the COO, CFO , Company Secretary and Head of Internal Audit; and
- Consideration and approval on recommendation of CEO on such matters for key management positions who report directly to CEO or COO.

Future Outlook

It is anticipated that, Pakistan's growth will mainly be driven by China Pakistan Economic Corridor (CPEC) in years to come. It would boost the cement demand not only in Pakistan but also in other regional markets. Most of the energy projects under this initiative are currently under different phases of construction and Government urgency is also helping them to achieve the desired timelines of these projects as concerned authorities are determined to resolve the energy crisis before the next year's general election. Though there is significant fiscal consolidation but still rising debt and current account deficit may hamper the long term progress of economy. The recent political instability may also affect the investors' confidence. We anticipate that the local demand will remain buoyant on the back of increased public sector infrastructure spending as election year comes closer and also the private sector spending on mega projects will remain steady in the near future. However, the ongoing political uncertainty may put a negative impact on the sentiments of investors. Beside this the upcoming capacities in the market of South may affect the ongoing pricing equilibrium in near to medium term.

In the Finance Act 2017, the government increased the Federal Excise Duty (FED) by Rs. 250 per ton and this enhancement in FED will increase the cost of construction and may discourage the construction of low cost housing in the short to medium term.

Further, the coal prices in the international market have also started to increase lately because of increase in the demand from larger economies and if this increase will continue then this may have a negative impact on the margins.

As part of its long term strategy, your company continued to keep its strong hold in export markets and company's product is very popular in the markets of Sri Lanka and East Africa where the company has now created a large customer base. Following this pattern, the company is now adopting similar strategy for upcoming Indian market and preliminary results are encouraging.

The Management is making every effort to maximize its margins by increasing productivity through higher kiln running days, prudent purchase of coal, improving plant efficiencies through technological advancements & changing sales mix which would not only improve overall margins but would help to keep the cost of company's product competitive in the market, which is essential for sustained profitability of the company.

On behalf of the Board

BABAR BASHIR NAWAZ
Chief Executive

September 11, 2017
Dubai, UAE.

PATTERN OF SHAREHOLDING

As on June 30, 2017

No. of	Shareholdings		Total Shares
Shareholders	From	To	Held
367	1	100	12,535
229	101	500	68,969
212	501	1000	173,618
233	1001	5000	570,324
89	5001	10000	684,077
100	10001	100000	3,216,554
19	100001	1000000	5,708,451
3	1000001	2500000	5,132,914
1	2500001	3000000	2,683,077
1	96000001	97000000	96,271,949
1254			**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	-	-
3	EXECUTIVES	14,000	0.01
4	BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES & TAKAFUL	4,207,510	3.67
5	MODARABA AND MUTUAL FUNDS	2,174,740	1.90
6	SHAREHOLDERS HOLDING 5% OR MORE	96,271,949	84.06
7	OTHERS		
	- Institutions	6,724,496	5.87
	- Foreign	200,375	0.17
	- Individuals	4,808,387	4.21
		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. Beirut, 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) and minor Children from July 01, 2016 to June 30, 2017 in the shares of the Company.

SHAREHOLDERS' INFORMATION

VERTICAL ANALYSIS

Profit & Loss Account
for the year ended June 30, 2017

	2017		2016		2015		2014		2013		2012	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
Net sales	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	10,503.90	100.00
Cost of sales	(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	(7,691.42)	73.22
Gross profit	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	2,812.48	26.78
Distribution Costs	(903.53)	(6.13)	(954.75)	6.86	(986.67)	7.54	(806.05)	6.42	(577.52)	5.02	(571.00)	5.44
Administrative expenses	(419.38)	(2.85)	(401.79)	2.89	(346.95)	2.65	(307.16)	2.45	(262.85)	2.28	(221.58)	2.11
Other expenses	(333.65)	(2.26)	(314.05)	2.26	(238.82)	1.82	(195.42)	1.56	(230.17)	2.00	(119.17)	1.13
Other income	236.63	1.61	341.10	2.45	422.91	3.23	269.53	2.15	227.03	1.97	145.90	1.39
Profit from Operations	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	2,046.62	19.49
Finance Cost	(28.37)	(0.19)	(21.31)	0.15	(26.00)	0.20	(29.79)	0.24	(14.89)	0.13	(11.59)	0.11
Profit before taxation	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	2,035.03	19.38
Taxation	(1,409.86)	(9.57)	(1,345.68)	9.67	(1,015.00)	7.76	(621.00)	4.95	(540.00)	4.69	(598.38)	5.70
Profit after taxation	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	1,436.65	13.68

VERTICAL ANALYSIS

Balance Sheet
as at June 30, 2017

	2017		2016		2015		2014		2013		2012	
	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	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	5,471.66	61.53
Long-term investment	786.11	3.80	4.50	0.03	4.50	0.04	4.50	0.04	4.50	0.04	4.50	0.05
Long-term loans and advances	48.59	0.23	41.54	0.29	55.75	0.46	32.97	0.28	28.65	0.27	24.35	0.27
Long-term deposits	42.98	0.21	42.98	0.30	42.98	0.35	42.98	0.36	42.98	0.40	42.98	0.48
	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	5,543.49	62.33
Current assets												
Stores,spares and loose tools	1,473.18	7.11	1,317.01	9.13	986.15	8.06	1,160.07	9.73	956.28	8.94	1,419.74	15.97
Stock-in-trade	456.60	2.20	599.75	4.16	763.72	6.24	523.40	4.39	564.90	5.28	539.34	6.07
Trade debts - considered good	180.49	0.87	211.11	1.46	124.41	1.02	262.06	2.20	349.28	3.26	190.45	2.14
Loans and advances	76.38	0.37	81.94	0.57	61.12	0.50	48.73	0.41	35.43	0.33	35.39	0.40
Short-term deposits and prepayments	23.66	0.11	17.52	0.12	16.94	0.14	18.48	0.15	19.42	0.18	13.90	0.16
Investments	-	-	4,273.36	29.62	3,104.91	25.38	3,165.43	26.54	2,282.73	21.34	879.36	9.89
Accrued Interest	-	-	-	-	-	-	-	-	4.30	0.04	2.16	0.02
Other receivables	105.79	0.51	114.86	0.80	68.12	0.56	28.74	0.24	22.59	0.21	27.63	0.31
Tax - payments less provisions	236.66	1.14	-	-	-	-	-	-	-	-	-	-
Sales tax refundable	496.75	2.40	-	-	147.59	1.21	45.01	0.38	-	-	21.43	0.24
Cash and bank balances	121.85	0.59	581.32	4.03	858.70	7.00	467.84	3.91	389.01	3.64	219.76	2.47
	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	3,349.16	37.67
Total Assets	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	8,892.65	100.00
EQUITY AND LAIBILITIES												
Share capital and reserves												
Share capital	1,145.23	5.53	1,145.23	7.94	1,145.23	9.36	1,145.23	9.60	995.85	9.31	865.96	9.74
Unappropriated profit	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	5,746.93	64.63
	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	6,612.89	74.37
LAIBILITIES												
Non-current Laibilities												
Long term loans	1,500.00	7.24	-	-	-	-	-	-	-	-	-	-
Laibilities against assets subject to finance lease	1.03	0.01	4.03	0.03	7.96	0.07	11.88	0.10	6.52	0.06	-	-
Deferred taxation	817.75	3.95	809.51	5.61	813.38	6.65	1,003.71	8.42	1,041.98	9.74	932.08	10.48
Retirement benefis - obligations	489.45	2.36	425.33	2.95	252.34	2.06	240.49	2.02	148.95	1.39	13.17	0.15
	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	945.25	10.63
Current liabilities												
Trade and other payables	3,823.68	18.46	2,680.06	18.58	1,772.10	14.48	2,022.79	16.96	1,591.67	14.88	1,205.22	13.55
Accrued mark-up	45.99	0.22	-	-	-	-	-	-	-	-	-	-
Short term borrowings	2,080.85	10.05	-	-	-	-	-	-	-	-	-	-
Current maturity of laibility against assets subject to finance lease	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	3.68	197.15	1.65	58.94	0.55	129.30	1.45
	5,953.51	28.75	2,740.68	19.00	2,225.73	18.19	2,223.87	18.64	1,652.48	15.45	1,334.51	15.00
Total Laibilities	8,761.74	42.31	3,979.56	27.59	3,299.40	26.97	3,479.95	29.18	2,849.92	26.64	2,279.76	25.63
Contingency and commitments												
Total Equity and Laibilities	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	8,892.65	100.00

HORIZONTAL ANALYSIS

Profit & Loss Account
for the year ended June 30, 2017

	2017		2016		2015		2014		2013		2012	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
Net sales	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	10,503.90	22.80
Cost of sales	(8,842.96)	6.13	(8,331.84)	(4.12)	(8,689.94)	(1.73)	(8,843.29)	10.94	(7,970.94)	3.63	(7,691.42)	12.72
Gross profit	5,892.21	5.47	5,586.50	27.08	4,396.18	18.69	3,703.96	4.73	3,536.76	25.75	2,812.48	62.52
Distribution costs	(903.53)	(5.36)	(954.75)	(3.24)	(986.67)	22.41	(806.05)	39.57	(577.52)	1.14	(571.00)	11.32
Administrative expenses	(419.38)	4.38	(401.79)	15.81	(346.95)	12.95	(307.16)	16.86	(262.85)	18.63	(221.58)	18.89
Other expenses	(333.65)	6.24	(314.05)	31.50	(238.82)	22.21	(195.42)	(15.10)	(230.17)	93.14	(119.17)	55.33
Other income	236.63	(30.63)	341.10	(19.35)	422.91	56.91	269.53	18.72	227.03	55.61	145.90	39.99
Profit from Operations	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	2,046.62	93.30
Finance cost	(28.37)	33.13	(21.31)	(18.04)	(26.00)	(12.74)	(29.79)	100.04	(14.89)	28.47	(11.59)	(52.27)
Profit before taxation	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	2,035.03	96.72
Taxation	(1,409.86)	4.77	(1,345.68)	32.58	(1,015.00)	63.45	(621.00)	15.00	(540.00)	(9.76)	(598.38)	70.94
Profit after tax	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	1,436.65	109.90

HORIZONTAL ANALYSIS

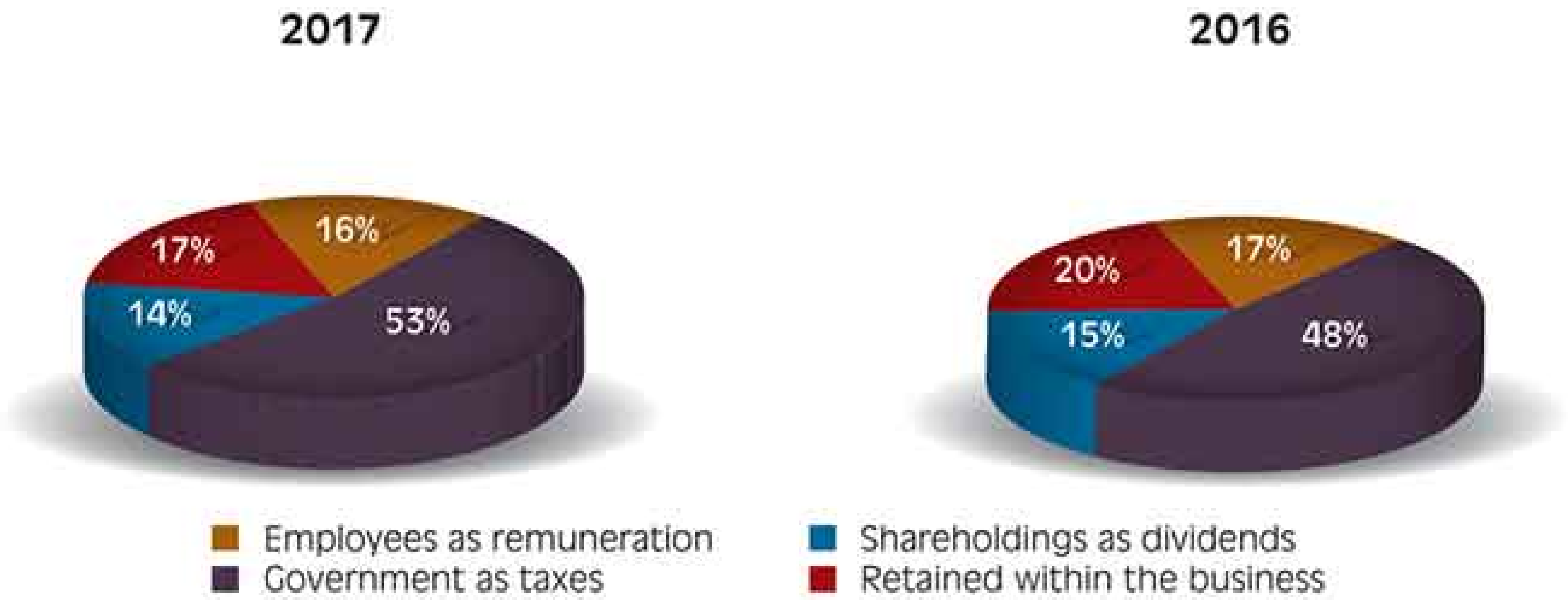
Balance Sheet
as at June 30, 2017

	2017		2016		2015		2014		2013		2012	
	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 and equipment	16,660.34	133.32	7,140.51	19.02	5,999.67	(2.06)	6,125.80	2.12	5,998.66	9.63	5,471.66	2.62
Long-term investment	786.11	-	4.50	-	4.50	-	4.50	-	4.50	-	4.50	-
Long-term loans and advances	48.59	16.97	41.54	(25.50)	55.75	69.12	32.97	15.06	28.65	17.68	24.35	49.95
Long-term deposits	42.98	-	42.98	-	42.98	-	42.98	-	42.98	-	42.98	-
	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	5,543.49	2.74
Current assets												
Stores,spares and loose tools	1,473.18	11.86	1,317.01	33.55	986.15	(14.99)	1,160.07	21.31	956.28	(32.64)	1,419.74	5.77
Stock-in-trade	456.60	(23.87)	599.75	(21.47)	763.72	45.91	523.40	(7.35)	564.90	4.74	539.34	(0.31)
Trade debts - considered good	180.49	(14.50)	211.11	69.69	124.41	(52.53)	262.06	(24.97)	349.28	83.40	190.45	275.10
Loans and advances	76.38	(6.79)	81.94	34.07	61.12	25.42	48.73	37.52	35.43	0.12	35.39	37.42
Short-term deposits and prepayments	23.66	35.05	17.52	3.42	16.94	(8.33)	18.48	(4.87)	19.42	39.71	13.90	17.92
Investments	-	(100.00)	4,273.36	37.63	3,104.91	(1.91)	3,165.43	38.67	2,282.73	159.59	879.36	657.65
Accrued Interest	-	-	-	-	-	-	-	(100.00)	4.30	100.00	2.16	-
Other receivables	105.79	(7.90)	114.86	68.63	68.12	137.04	28.74	27.19	22.59	(18.24)	27.43	(41.73)
Taxation - payments less provisions	236.66	100	-	-	-	-	-	-	-	-	-	-
Sales tax refundable	496.76	100	-	(100.00)	147.59	227.09	45.01	-	-	(100.00)	21.43	-
Cash and bank balances	121.85	(79.04)	581.32	(32.30)	858.70	83.55	467.84	20.26	389.01	77.02	219.76	4.57
	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	3,349.16	42.67
Total Assets	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	8,892.65	14.85
EQUITY AND LAIBILITIES												
Share capital and reserves												
Share capital	1,145.23	-	1,145.23	-	1,145.23	-	1,145.23	15.00	995.85	15.00	865.96	-
Unappropriated profit	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	5,746.93	16.51
	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	6,612.89	14.05
LAIBILITIES												
Non-current Laibilities												
Long term loans	1,500.00	100	-	-	-	-	-	-	-	-	-	-
Laibilities against assets subject to finance lease	1.03	(74.44)	4.03	(49.36)	7.96	(33.05)	11.88	82.34	6.52	-	-	-
Deferred taxation	817.75	1.02	809.51	(0.47)	813.38	(18.96)	1,003.71	(3.67)	1,041.98	11.79	932.08	64.57
Retirement benefis - obligations	489.45	15.08	425.33	68.56	252.34	4.92	240.49	61.46	148.95	1,030.91	13.17	-
	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	945.25	66.90
Current liabilities												
Trade and other payables	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	1,205.22	(8.08)
Accrued markup	45.99	100	-	-	-	-	-	-	-	-	-	-
Short term borrowings	2,080.85	100	-	-	-	-	-	-	-	-	-	-
Current maturity of laibility against assets subject to finance lease	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)	129.30	104.37
	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	1,334.51	(3.18)
Total Laibilities	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	2,279.76	17.23
Contingency and commitments												
Total Equity and Laibilities	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	8,892.65	14.85

STATEMENT OF VALUE ADDITION

		2017	2016
		----------- Rupees in Million	-----------
	Gross Sales	19,290	17,197
Less:	Operating Expenses	(8,293)	(7,978)
Add:	Income from investments	72	280
	Other Income	164	61
		237	341
	Total Value Added	11,234	9,560
	Distributed as follows:		
	Employees remuneration	1,824	1,630
	Government as:		
	Taxation	1,410	1,346
	Workers Funds	334	314
	Sales Tax & Excise Duty	4,195	2,953
		5,939	4,613
	Shareholders as:		
	Dividend	1,546	1,432
	Retained in business		
	Depreciation	437	428
	Net earnings	1,488	1,457
		1,925	1,885
		11,234	9,560

Distribution of Value Addition



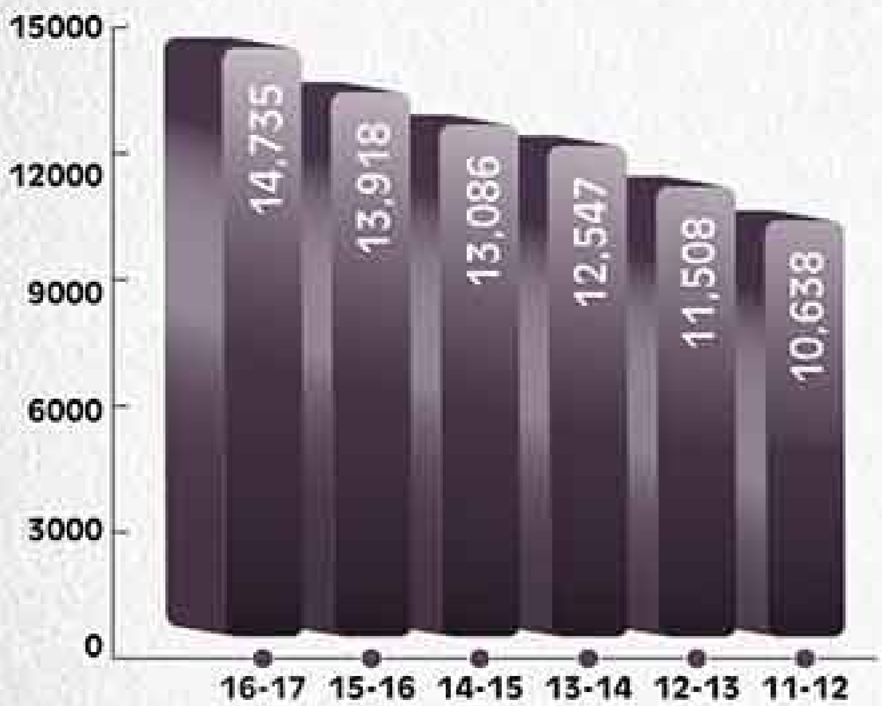
SIX YEARS AT A GALANCE

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
	---------------- Rupees in million unless otherwise stated ----------------					
Productions and Sales						
Clinker production (in tonnes)	**1,866,325**	1,866,997	1,835,254	1,800,135	1,781,569	1,756,843
Capacity utilization %	**107**	107	105	103	102	103
Cement production (in tonnes)	**2,081,858**	1,967,391	1,877,150	1,912,921	1,843,591	1,849,176
Cement sales (in tonnes)	**2,082,582**	1,970,589	1,881,941	1,898,419	1,845,881	1,855,472
Profit and Loss						
Net sales	**14,735**	13,918	13,086	12,547	11,508	10,638
Cost of sales	**8,843**	8,332	8,690	8,843	7,971	7,691
Gross profit	**5,892**	5,587	4,396	3,704	3,537	2,947
Other income	**237**	341	423	270	227	146
Operating profit	**4,472**	4,257	3,247	2,665	2,693	2,047
Profit before tax	**4,444**	4,236	3,221	2,635	2,678	2,035
Profit after tax	**3,034**	2,890	2,206	2,014	2,138	1,437
Balance Sheet						
Paid-up capital	**1,145**	1,145	1,145	1,145	996	866
Unappropriated profit	**10,802**	9,302	7,790	7,301	6,951	5,763
Long term & deferred liabilities	**2,808**	1,239	1,074	1,256	1,197	938
Current liabilities	**5,954**	2,741	2,226	2,224	1,652	1,335
Fixed assets less depreciation	**16,660**	7,141	6,000	6,126	5,999	5,472
Other long term assets	**878**	89	103	80	76	72
Current assets	**3,171**	7,197	6,132	5,720	4,624	3,358
Key Financial Ratios						
Gross profit %	**39.99**	40.14	33.59	29.52	30.73	27.70
Operating profit %	**30.35**	30.59	24.81	21.24	23.27	19.24
Net profit after tax %	**20.59**	20.76	16.86	16.05	18.58	13.51
Return on equity %	**25.39**	27.66	24.69	23.85	27.24	21.68
Return on capital employed %	**37.43**	40.75	36.38	31.55	34.12	30.88
No. of days in inventory	**21.80**	29.86	27.03	22.46	25.28	25.63
No. of days in receivables	**4.85**	4.39	5.39	8.89	8.56	4.19
Fixed assets turnover ratio (times)	**2.76**	2.60	2.35	2.30	2.07	2.17
Current ratio (times)	**0.53**	2.63	2.75	2.57	2.80	2.52
Price earning ratio (times)	**11.43**	9.46	9.90	8.97	7.07	4.91
Dividend yield ratio %	**4.46**	5.24	7.87	8.25	9.85	9.58
Dividend payout ratio %	**50.96**	49.52	77.88	73.91	69.63	51.23
Debt/equity ratio %	**29.97**	-	-	-	-	-
Interest cover ratio (times)	**157.64**	199.78	124.88	89.44	180.83	176.54
Shares and Earnings						
Market price / share at June 30 (Rs.)	**303**	239	191	158	132	81
Earnings per share (Rs.)	**26.49**	25.24	19.26	17.59	18.67	16.59
Cash dividend per share	**13.50**	12.50	15	13	13	8.5
Break-up value per share (Rs.)	**104.33**	91.22	78.02	73.75	79.80	76.55

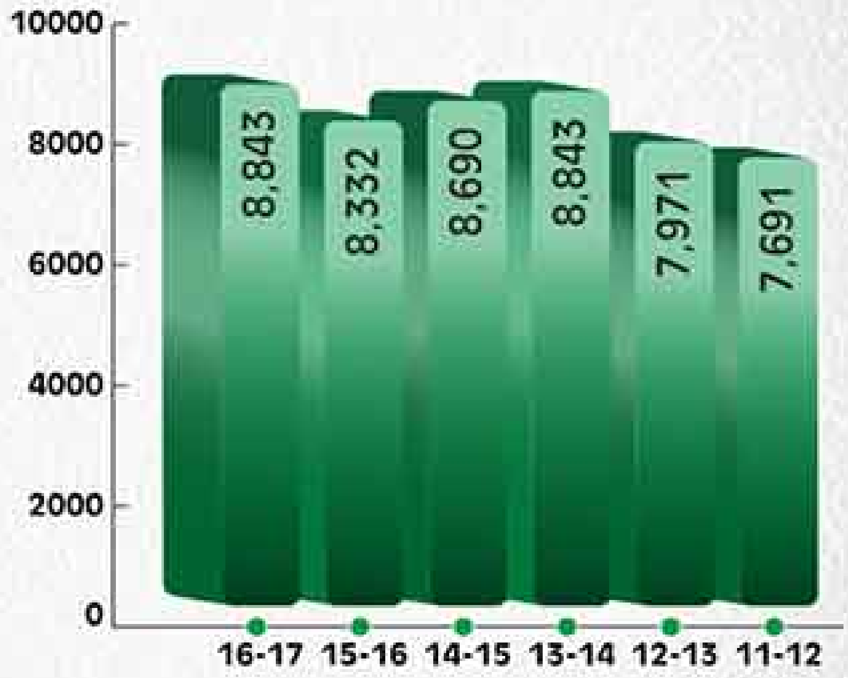
Excellence in Financial Position

GRAPHICAL PRESENTATION

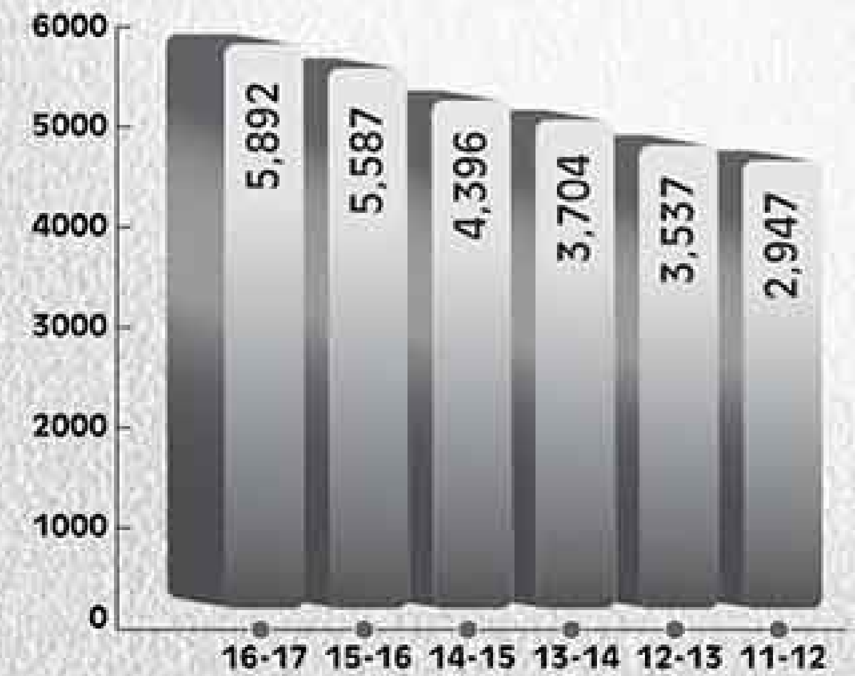
Net Sales (Rs. In Million)



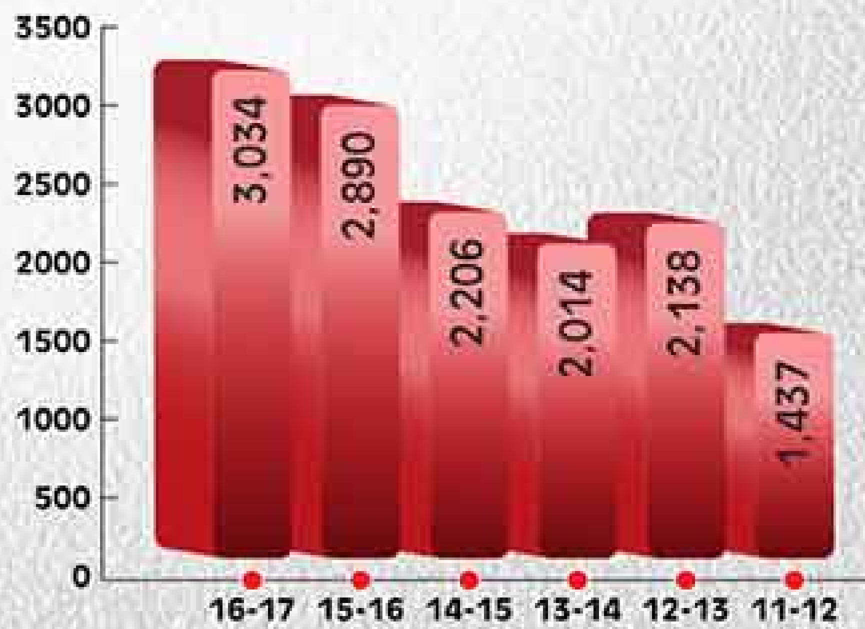
Cost of Sales (Rs. In Million)



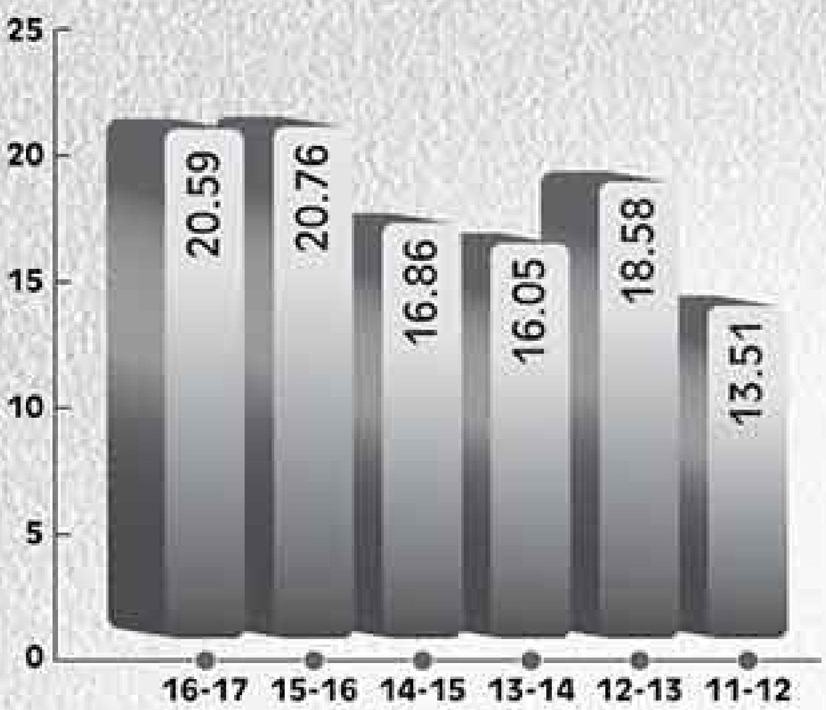
Gross Profit (Rs. in Million)



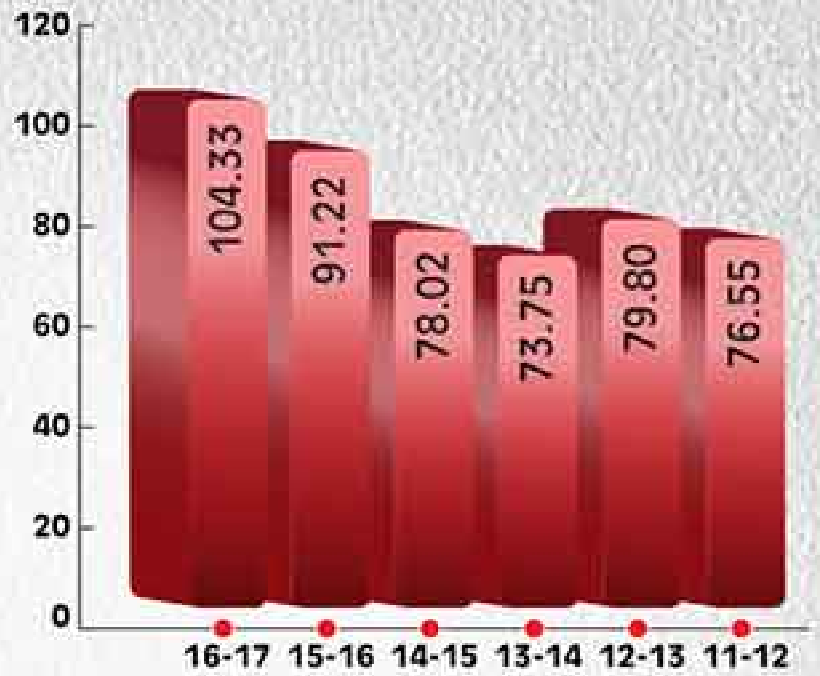
Profit After Tax (Rs. in Million)



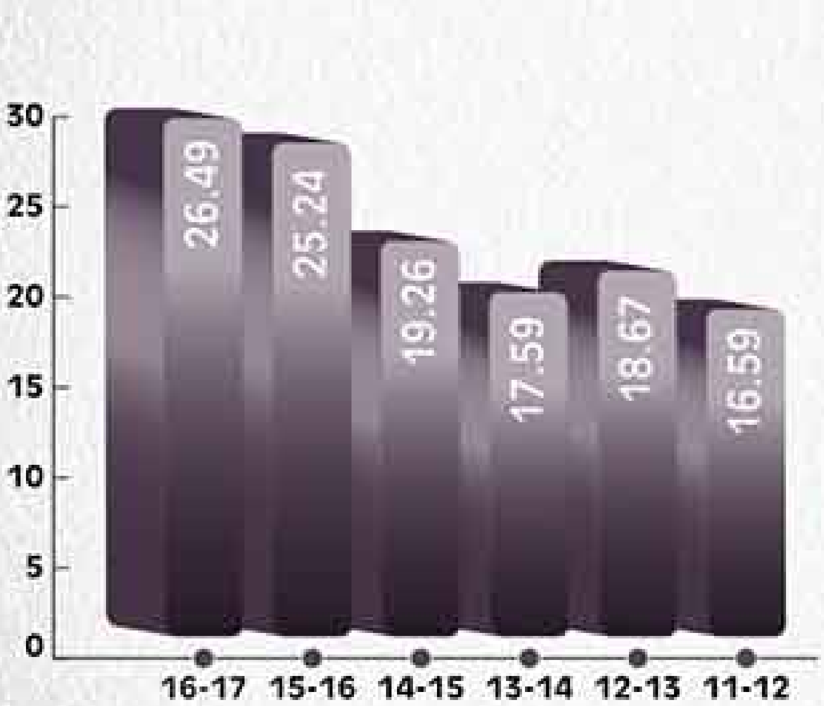
Net Profit After Tax (%)



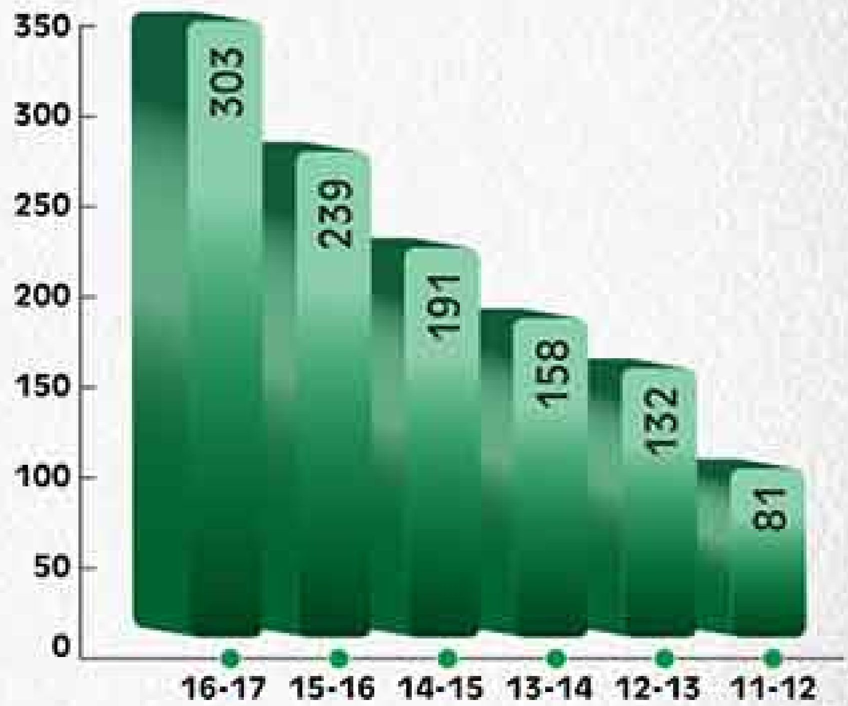
Break-up Value per Share (Rs.)



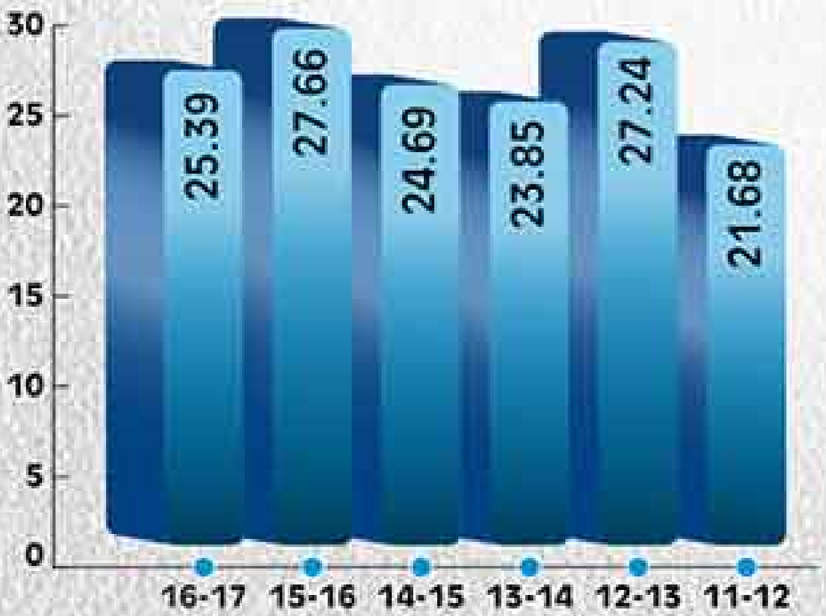
Earnings per Share (Rs.)



Market Price per Share (Rs.)



Return on equity (%)

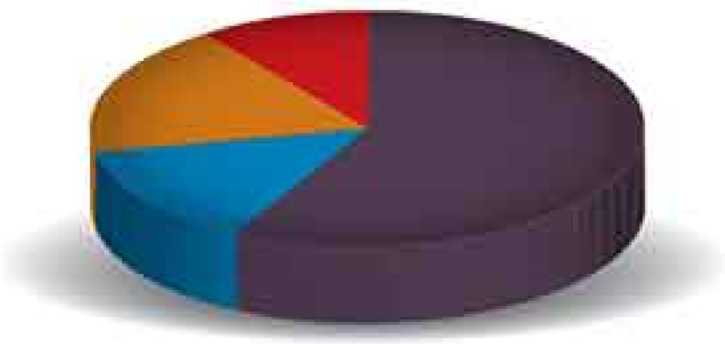


Dividend payout ratio (%)

COMPOSITION OF BALANCE SHEET

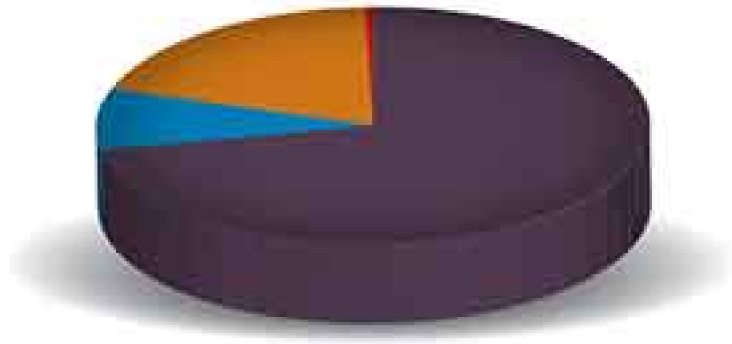
Equity and Liabilities

2017



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

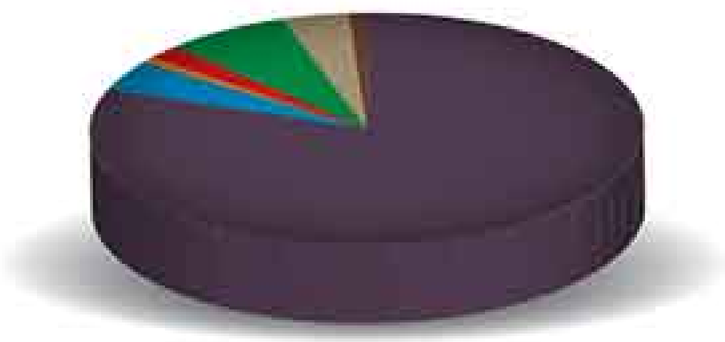
2016



Share Capital and Reserves	72
Other Non-current Liabilities	8
Trade Payable and Others	19
Other Current Liabilities	1

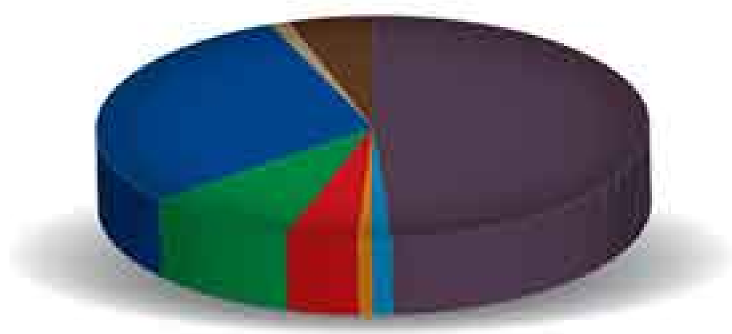
Assets

2017



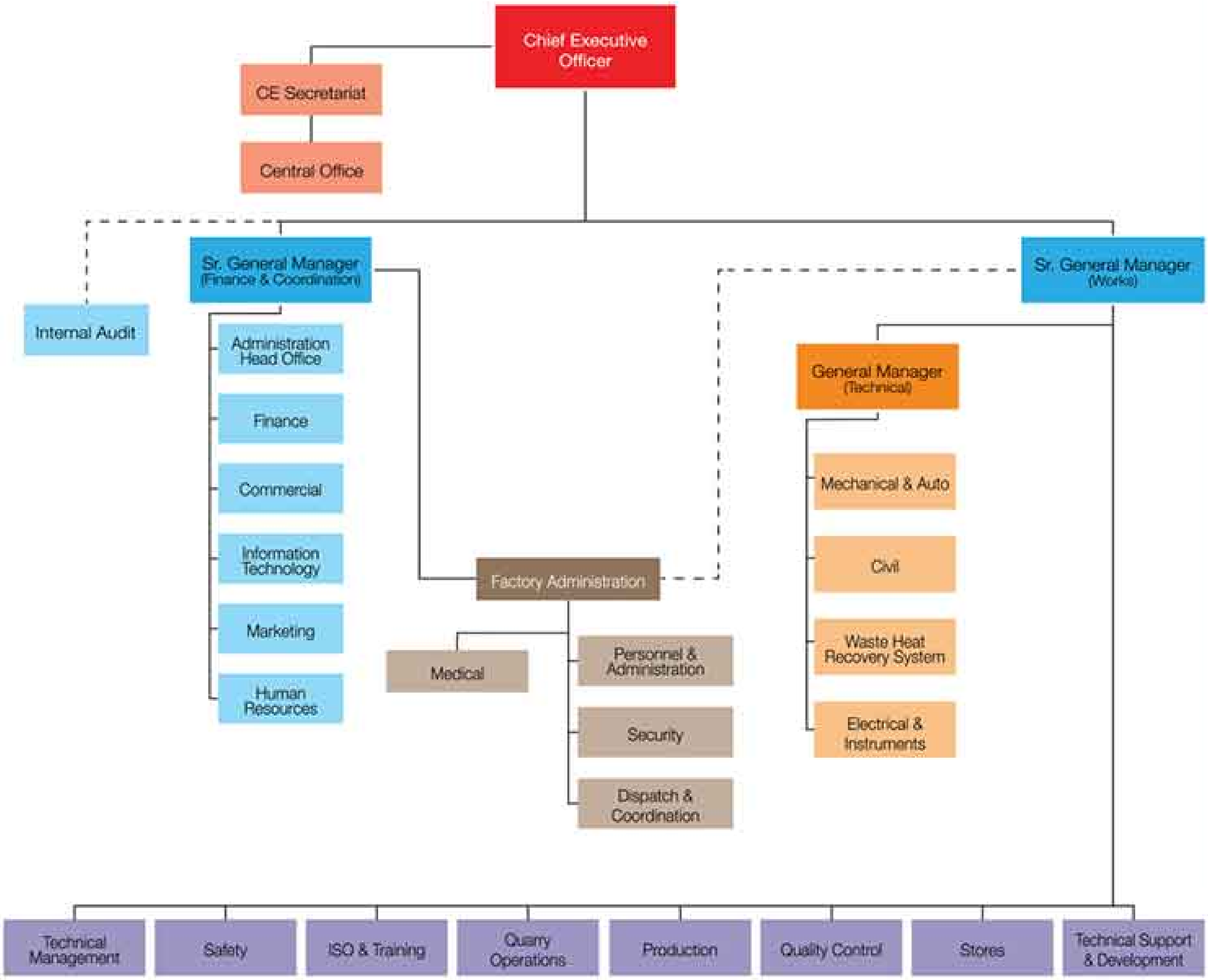
Property, Plant and Equipment	80
Other Long Term Assets	4
Trade Debts	1
Stock in Trade	2
Stores and Spares	7
Investments	-
Other Assets	5
Cash and Bank Balances	1

2016



Property, Plant and Equipment	49
Other Long Term Assets	1
Trade Debts	1
Stock in Trade	4
Stores and Spares	9
Investments	30
Other Assets	1
Cash and Bank Balances	5

CORPORATE ORGANOGRAM



NOTICE OF THE THIRTY- EIGHTH (38th) ANNUAL GENERAL MEETING

Notice is hereby given that the 38th Annual General Meeting of Attock Cement Pakistan Limited will be held on October 24, 2017 at 10:30 a.m. 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, 2017 together with the Report of Auditors and directors thereon.

2. To consider and if thought fit, approve the final cash dividend of 135% (Rs. 13.50 per share) as recommended by the Board of Directors for the year ended June 30, 2017.

3. To appoint the auditors for the financial year 2017-18 and to fix their remuneration.

Special Business

4. To elect seven (7) Directors of the Company as fixed by the Board of Directors in their meeting held on June 20, 2017, for a period of three (3) years.

The names of retiring directors are;

i) Mr. Laith G. Pharaon
ii) Mr. Wael G. Pharaon
iii) Mr. Shuaib A. Malik
iv) Mr. Abdus Sattar
v) Agha Sher Shah
vi) Mr. Sajid Nawaz
vii) Mr. Babar Bashir Nawaz

The retiring directors are eligible for re-election.

5. In compliance of the directions issued by the Securities and Exchange Commission of Pakistan through S.R.O.470 (I)/2016 dated May 31, 2016 it is proposed that the following resolution be passed as and by way of a Special Resolution:

   "Resolved that pursuant to compliance of S.R.O.470 (I)/2016 dated May 31, 2016 the Board of Directors of the Company be and is hereby authorized to circulate the Annual Audited Accounts of the company to its members through CD/DVD/USB; that the Board of Directors of the Company and the Company Secretary be and are hereby authorized to do all acts, deeds and things that may be necessary or required to give effect to this resolution."

6. As prescribed in Section 242 of the Companies Act 2017 in case of a listed company, any cash dividend declared by the company must be paid electronically directly into the accounts of the shareholders. In compliance of the same, shareholders of the Company are requested to provide their bank mandate alongwith following details to the Company's Share Registrar at the earliest:

Name of Shareholder	
Folio No. & CDS Account No.	
Title of Bank Account	
Bank's Name	
Branch's Name	
Branch's Address	
Bank Account Number	
IBAN	
CNIC of Shareholder	
Landline # of Shareholder	
Cell number of Shareholder	
Email address of Shareholder	

7. To transact any other business with the permission of the chair.

By Order of the Board

IRFAN AMANULLAH
Company Secretary

Karachi: October 3, 2017

Notes:

1. The Register of members and share transfer books of the Company will remain closed from October 17, 2017 to October 24, 2017 (both days inclusive).

2. Only those members whose names appear in the register of members of the Company as on October 16, 2017 are entitled to attend and vote at the meeting.

3. Any person who seeks to contest an election to the office of Director shall, whether he / she is a retiring Director or otherwise, file with the Company at its Registered Office not later than fourteen (14) days before the date of the meeting, the following:

   (a) a notice of his / her intention to offer himself / herself for election as a Director;

   (b) a declaration (copy may be obtained from Registered Office) on the matters required by the Code of Corporate Governance;

   (c) a consent on Form 28; and

   (d) a copy of Computerized National Identity Card (CNIC).

4. A member entitled to attend and vote may appoint any other person as his / her proxy to attend 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.

5. 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.

6. Members are requested to provide by mail or fax their CNIC number or passport number, if foreigner (unless it has been provided earlier) to enable the Company to comply with relevant laws.

7. 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 nominee(s) 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 have been revised 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. Technology Trade (Pvt.) Limited, 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.

Where the above required documents are not submitted, the Company will be constrained to treat the non-complying shareholder/member as a non-filer thereby attracting a higher rate of withholding tax.

The Annual Report, 2017 has been uploaded on Company's website i.e. **www.attockcement.com**

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

for the year ended June 30, 2017

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

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interest on its Board of Directors. At present the Board includes:

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

   The independent director meets the criteria of independence under clause 5.19.1 (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A Casual vacancy occurring on the board on January 6, 2017 was filled up by the directors within (21) days.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. All the directors are either exempted or have attended the required training in prior years.
10. The Board has approved the appointment, remuneration and terms and conditions of employment of the Head of Internal Audit and CFO, who is also the Company Secretary.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises of three members, of whom two are non-executive directors including the chairman of the committee and one is an independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed a HR and Remuneration Committee. It comprises of three members, of whom two are non-executive directors including the chairman of the committee.
18. 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.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, executive employees and Stock Exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through Stock Exchange.
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

On behalf of the Board

Babar Bashir Nawaz
Chief Executive

September 11, 2017

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Attock Cement Pakistan Limited for the year ended June 30, 2017 to comply with the requirements of Regulation No. 5.19 of the Pakistan Stock Exchange Limited Regulations where the company is listed.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the company's compliance, in all material respects, with the best practices contained in the Code as applicable to the company for the year ended June 30, 2017.

Chartered Accountants

Karachi

Dated: October 02, 2017

FINANCIAL STATEMENTS

for the year ended June 30, 2017

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Attock Cement Pakistan Limited as at June 30, 2017 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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

(b) in our opinion:

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

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

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

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2017 and of the profit, its cash flows and changes in equity for the year then ended; and

(d) in our opinion 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.

Chartered Accountants
Karachi

Dated: October 02, 2017
Name of the engagement partner: Farrukh Rehman

BALANCE SHEET

as at June 30, 2017

	Note	2017	2016
		----------- Rupees '000 -----------	
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	3	16,660,338	7,140,508
Long-term investment	4	786,112	4,500
Long-term loans and advances - considered good	5	48,588	41,538
Long-term deposits	6	42,980	42,980
		17,538,018	7,229,526
Current assets			
Stores, spares and loose tools	7	1,473,181	1,317,012
Stock-in-trade	8	456,601	599,753
Trade debts - considered good	9	180,490	211,112
Loans and advances - considered good	10	76,383	81,935
Short-term deposits and prepayments	11	23,655	17,518
Investments - at fair value through profit or loss		-	4,273,362
Other receivables	12	105,787	114,864
Taxation - payments less provisions		236,663	-
Tax refunds due from Government - Sales tax		496,755	-
Cash and bank balances	13	121,847	581,318
		3,171,362	7,196,874
Total assets		20,709,380	14,426,400
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	14	1,145,225	1,145,225
Unappropriated profit		10,802,410	9,301,618
		11,947,635	10,446,843
LIABILITIES			
Non-current liabilities			
Long term loans	15	1,500,000	-
Liability against assets subject to finance lease	16	1,033	4,029
Deferred taxation	17	817,747	809,516
Retirement benefits - obligations	18	489,453	425,333
		2,808,233	1,238,878
Current liabilities			
Trade and other payables	19	3,823,679	2,680,056
Accrued mark-up	20	45,990	-
Short term borrowings	21	2,080,847	-
Current maturity of liability against assets subject to finance lease	16	2,996	3,927
Taxation - provisions less payments		-	56,696
		5,953,512	2,740,679
Total liabilities		8,761,745	3,979,557
Contingency and commitments	22		
Total equity and liabilities		20,709,380	14,426,400

The annexed notes 1 to 41 form an integral part of these financial statements.

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

PROFIT & LOSS ACCOUNT

for the year ended June 30, 2017

		Note	2017	2016
			----------- Rupees '000	-----------
Net sales	Net sales	23	**14,735,172**	13,918,340
Cost of sales	Cost of sales	24	**(8,842,960)**	(8,331,840)
Gross profit	Gross profit		**5,892,212**	5,586,500
Distribution costs	Distribution costs	25	**(903,531)**	(954,746)
Administrative expenses	Administrative expenses	26	**(419,378)**	(401,792)
Other expenses	Other expenses	27	**(333,645)**	(314,042)
Other income	Other income	28	**236,632**	341,095
Profit from operations	Profit from operations		**4,472,290**	4,257,015
Finance cost	Finance cost	29	**(28,369)**	(21,309)
Profit before taxation	Profit before taxation		**4,443,921**	4,235,706
Taxation	Taxation	30	**(1,409,864)**	(1,345,683)
Profit after taxation	Profit after taxation		**3,034,057**	2,890,023
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Remeasurements of post employment benefit obligations			**(101,734)**	(224,510)
Impact of tax			**-**	48,682
Other comprehensive loss			**(101,734)**	(175,828)
Total comprehensive income for the year			**2,932,323**	2,714,195
Basic and diluted earnings per share		31	**Rs. 26.49**	Rs. 25.24

The annexed notes 1 to 41 form an integral part of these financial statements.

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

CASH FLOW STATEMENT

for the year ended June 30, 2017

	Note	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		----------- Rupees '000	-----------
Cash generated from operations	32	4,412,368	5,174,284
Finance cost paid		(28,369)	(21,309)
Income tax paid		(1,694,992)	(1,693,873)
Increase in long-term loans and advances		(7,050)	14,216
Retirement benefit obligations paid		(115,815)	(109,727)
Net cash generated from operating activities		2,566,142	3,363,591
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(8,752,605)	(1,572,267)
Investment in subsidiary company		(781,612)	-
Proceeds from disposal of operating assets		3,750	4,364
Purchase of open ended mutual fund units		(2,498,310)	(13,526,865)
Proceeds from sale of open ended mutual fund units		6,844,342	12,632,459
Dividend received from open ended mutual funds units		-	5,462
Interest received		11,947	21,486
Net cash used in investing activities		(5,172,488)	(2,435,361)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,430,045)	(1,201,683)
Long term loan received		1,600,000	-
Lease rentals paid		(3,927)	(3,927)
Net cash generated from / (used in) financing activities		166,028	(1,205,610)
Net decrease in cash and cash equivalents		(2,440,318)	(277,380)
Cash and cash equivalents at beginning of the year		581,318	858,698
Cash and cash equivalents at end of the year	33	(1,859,000)	581,318

The annexed notes 1 to 41 form an integral part of these financial statements.

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

STATEMENT OF CHANGES IN EQUITY

for the year ended June 30, 2017

	Share capital	Unappropriated profit	Total
	----------	Rupees '000	----------
Balance as at July 01, 2015	1,145,225	7,789,909	8,935,134
Final dividend for the year ended June 30, 2015 @ Rs. 10.50 per share	-	(1,202,486)	(1,202,486)
Total comprehensive income for the year ended June 30, 2016			
Profit for the year ended June 30, 2016	-	2,890,023	2,890,023
Other comprehensive loss for the year ended June 30, 2016	-	(175,828)	(175,828)
	-	2,714,195	2,714,195
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 June 30, 2017	**1,145,225**	**10,802,410**	**11,947,635**

The annexed notes 1 to 41 form an integral part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

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 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 in Dubai, UAE, to explore business opportunities in the growing markets of Middle East and Africa.

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

1.2 The company has entered into 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 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, company has invested USD 7.45 million.

As required under section 208 of the repealed Companies Ordinance, 1984, 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.

1.3 The company has entered into an agreement with Hefei Cement Research & Design Institute (HCRDI), China, for installation of new production line of 4000 tonnes per day and Waste Heat Recovery System at its existing plant site. The total project cost would be approximately USD 130 million. The project will be financed partially through syndicated loan (note 15). The work on this project is under progress and expected to be completed by December 31, 2017.

1.4 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 ACCOUNTING POLICIES

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

2.1 Basis of preparation

2.1.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP) companies the financial year of which closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the repealed Companies Ordinance, 1984 prevail.

2.1.2 Critical accounting estimates and judgments

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

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 financial statements are:

(i) Taxation - notes 17 & 30
(ii) Staff retirement benefits - note 18.1

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 judgments made by the company's management in applying the accounting policies that would have significant effect on the amounts recognised in the financial statements.

2.1.3 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 1, 'Presentation of financial statements' aims to improve presentation and disclosure in financial reports by emphasising the importance of understandability, comparability and clarity in presentation.

The amendments provide clarification on number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.

- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.

- Notes – confirmation that the notes do not need to be presented in a particular order.

- Other Comprehensive Income (OCI) - arising from investments accounted for under the equity method - the share of the OCI arising from equity - accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of comprehensive income.

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 January 1, 2016 are considered not to be relevant for company's 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

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 addition to the foregoing, the Companies Act 2017 which is not effective on these financial statements, has added certain disclosure requirements which will be applicable in future.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

2.2 Overall valuation policy

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

2.3 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.

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

Maintenance and normal repairs are charged to profit and loss account 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 profit and loss account.

2.4 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, 2017 using the Projected Unit Credit method. The amount arising as a result of remeasurements are recognised in the Balance Sheet immediately, with a charge or credit to Other Comprehensive Income in the periods in which they occur. Past-service costs are recognised immediately in income.

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.

2.5 Investments

The company determines the appropriate classification of its investment at the time of purchase as follows:

Long-term investments

The investment in associated and subsidiary company is stated at cost. Impairment loss is recognised whenever the carrying amount of investment exceeds its recoverable amount. An impairment loss is recognised in income currently.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

Investments - held to maturity

These are investments with fixed or determinable payments and fixed maturity with the company having positive intent and ability to hold till maturity. These are stated at amortised cost.

Investments - at fair value through profit or loss

Investments held for trading are classified at fair value through profit or loss account. These are measured at fair value which is re-assessed at each reporting date. In case of investments in open ended mutual funds, fair value is determined on the basis of period end Net Asset Value (NAV) as announced by the Asset Management Company. Changes in fair value are recognised in profit and loss account.

2.6 Stores, spares and loose tools

These 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.

2.7 Stock-in-trade

Stocks 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.

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.

2.8 Trade debts and other receivables

Trade debts 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 debts and other receivables considered irrecoverable are written-off.

2.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of cash flow statement, 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.

2.10 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 profit and loss account 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 is depreciated over the shorter of the useful life of the asset and the lease term.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

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 profit and loss account on a straight-line basis over the period of the lease.

2.11 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.

2.12 Provisions

Provisions are recognised in the balance sheet 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 balance sheet date and adjusted to reflect current best estimate.

2.13 Taxation

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 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 profit and loss account.

2.14 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.

2.15 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 balance sheet date. Exchange differences are included in income currently.

The financial statement 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

2.16 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 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.

2.17 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 balance sheet 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.

2.18 Dividend

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

3. FIXED ASSETS - property, plant and equipment

	2017	2016
	Rupees '000	
Operating assets - note 3.1	5,327,230	5,343,479
Capital work-in-progress - note 3.2	10,803,079	1,353,300
Stores held for capital expenditure	530,029	443,729
	16,660,338	7,140,508

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

3.1 Operating assets

	Freehold land	Buildings and roads on freehold land	Plant and machinery	Quarry transport and equipment	Furniture and fittings	Office equipments	Vehicles owned	Vehicles held under finance lease	Total
	Rupees in '000								
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	21,554	144	4,676	27,637	-	482,798
Disposals - note 3.3	-	-	-	-	-	-	(2,512)	-	(2,512)
Transfers to stores	-	-	(59,364)	-	-	-	-	-	(59,364)
Depreciation charge	-	(72,162)	(335,587)	(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	48,940	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	48,940	5,937	5,327,230
Year ended 30 June 2016									
Opening net book value	4,554	919,311	4,537,427	16,952	3,273	14,533	41,448	13,595	5,551,093
Additions	-	18,104	240,445	-	1,365	8,683	9,739	-	278,336
Disposals	-	-	-	-	-	(295)	(2,931)	-	(3,226)
Transfers to stores	-	-	(54,522)	-	-	-	-	-	(54,522)
Depreciation charge	-	(71,281)	(327,589)	(4,739)	(1,397)	(7,796)	(11,571)	(3,829)	(428,202)
Closing net book value	4,554	866,134	4,395,761	12,213	3,241	15,125	36,685	9,766	5,343,479
At 30 June 2016									
Cost	4,554	1,499,958	8,943,447	199,586	30,875	104,234	81,541	21,275	10,885,470
Accumulated depreciation	-	(633,824)	(4,547,686)	(187,373)	(27,634)	(89,109)	(44,856)	(11,509)	(5,541,991)
Net book value	4,554	866,134	4,395,761	12,213	3,241	15,125	36,685	9,766	5,343,479
Rate of depreciation %	-	5%	5%	10%	20%	25%	20%	20%	

3.2 Capital work-in-progress

	2017			2016		
	Project - Line 3	Others	Total	Project - Line 3	Others	Total
	Rupees '000					
Civil works	**2,385,322**	**-**	**2,385,322**	68,915	90,918	159,833
Plant & machinery	**8,112,502**	**48,305**	**8,160,807**	-	113,946	113,946
Advances to suppliers	**80,814**	**-**	**80,814**	1,054,414	-	1,054,414
Others - note 3.2.1	**176,136**	**-**	**176,136**	24,067	1,040	25,107
	10,754,774	**48,305**	**10,803,079**	1,147,396	205,904	1,353,300

3.2.1 During the year, the Company has capitalised borrowing costs amounting to Rs. 81.99 million. Borrowing costs were capitalised at the current year's weighted average rate of 6.21% per annum.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

3.3 The details of operating assets sold, having net book value in excess of Rs. 50,000 each are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceed	Mode of disposal	Particulars of purchaser
	---------- Rupees '000					
Vehicle	1,628	415	1,213	1,575	Insurance Claim	EFU General Insurance Limited
"	64	-	64	58	"	EFU General Insurance Limited
"	1,995	1,795	200	810	Tender	National Transport Company Limited
"	2,023	1,820	203	203	Company Policy	Nasir Khan (Executive)
"	1,600	1,344	256	256	"	Syed Tanweer Hussain (Executive)
"	1,524	1,372	152	152	"	Tariq Jamil (Executive)
"	1,332	1,199	133	133	"	Muhammad Ejaz Hussain Qureshi (Executive)
"	870	783	87	87	"	Javaid Ahmed (Executive)
"	855	770	85	85	"	Abdul Hameed Baloch (Executive)
"	855	770	85	85	"	Abdul Hameed Essani (Executive)
	12,746	10,268	2,478	3,444		

4. LONG-TERM INVESTMENT

	2017	2016
	----------- Rupees '000 -----------	
Investment in subsidiary company Saqr Al-Keetan For Cement Prodution Company Limited - at cost - note 4.1	781,612	-
Investment in associated company Attock Information Technology Services (Private) Limited - 450,000 (2016: 450,000) fully paid ordinary shares of Rs. 10 each - at cost - note 4.2	4,500	4,500
	786,112	4,500

4.1 This represents USD 7.45 million invested in subsidiary, Saqr Al-Keetan For Cement Production Company Limited, out of agreed investment of USD 24 million. The Company has obtained approval of State Bank of Pakistan prior to the remittance. Shares will be issued after completion of legal formalities in Iraq.

4.2 The company holds 10% (2016: 10%) of investee's total equity. The break-up value per share is Rs. 45.53 (2016: Rs. 37.18). Total assets and total liabilities of the investee as at June 30, 2017 amounted to Rs. 222.53 million and Rs. 17.67 million (2016: Rs. 185.08 million and Rs. 17.77 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

	2017	2016
	----------- Rupees '000 -----------	
5. LONG-TERM LOANS AND ADVANCES - considered good		
Director - note 5.1	7,009	10,012
Executives - note 5.1	42,877	42,207
Other Employees	58,321	45,781
	108,207	98,000
Recoverable within one year - note 10	(59,619)	(56,462)
Long term portion	48,588	41,538

5.1 Reconciliation of the carrying amount of loans and advances to Directors and Executives:

	Director		Executives	
	2017	2016	2017	2016
	------------------------------- Rupees '000 -------------------------------			
Opening balance	10,012	13,016	42,207	45,034
Disbursements	-	-	38,632	31,598
Repayments	(3,003)	(3,004)	(37,962)	(34,425)
	7,009	10,012	42,877	42,207

5.2 Amounts receivable from Director and Executives 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.

5.3 Rent advance was given to Director with the prior approval of Securities and Exchange Commission of Pakistan as required under section 195 of repealed Companies Ordinance, 1984.

5.4 The maximum amounts due from Director and Executives at the end of any month during the year were Rs. 9.76 million (2016: Rs. 12.77 million) and Rs. 42.89 million (2016: Rs. 52.69 million) respectively.

5.5 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 financial statements.

6. LONG-TERM DEPOSITS

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

		2017	2016
		Rupees '000	
7.	**STORES, SPARES AND LOOSE TOOLS**		
	Coal - note 7.1	801,864	606,443
	Stores and spares - note 7.2	627,848	647,014
	Bricks	81,988	97,366
	Loose tools	3,252	2,691
		1,514,952	1,353,514
	Less: Provision for slow moving and obsolete items	(41,771)	(36,502)
		1,473,181	1,317,012

7.1 This includes coal in transit amounting to Rs. 327.54 million (2016: Rs. 118.93 million).

7.2 This includes stores and spares in transit amounting to Rs. 28.04 million (2016: Rs. 78.39 million) .

		2017	2016
		Rupees '000	
8.	**STOCK-IN-TRADE**		
	Raw materials	76,100	73,645
	Packing materials	92,781	122,653
	Work-in-process	182,580	302,245
	Finished goods	105,140	101,210
		456,601	599,753
9.	**TRADE DEBTS – considered good**		
	Secured	172,525	206,820
	Unsecured	7,965	4,292
		180,490	211,112
9.1	The age analysis of trade debts is as follows:		
	Not yet due	158,310	193,711
	1 to 30 days	22,180	17,095
	31 to 90 days	-	306
		180,490	211,112
10.	**LOANS AND ADVANCES – considered good**		
	Current portion of long-term loans and advances - note 5.5		
	Director	3,004	3,004
	Executives	26,363	25,956
	Other employees	30,252	27,502
		59,619	56,462
	Other advances - employees	145	1,083
	Advances to suppliers	16,619	24,390
		76,383	81,935

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

	2017	2016
	Rupees '000	
11. SHORT-TERM DEPOSITS AND PREPAYMENTS		
Deposits - considered good	16,485	6,228
Prepayments	7,170	11,290
	23,655	17,518
12. OTHER RECEIVABLES		
Export rebate receivable	24,557	33,627
Receivable from Saqr Al Keetan - note 12.1	75,730	63,044
Due from related parties	2,314	2,499
Others	3,186	15,694
	105,787	114,864

12.1 This amount represents various expenses incurred by the company for its Iraq project that are recoverable from the subsidiary.

	2017	2016
	Rupees '000	
13. CASH AND BANK BALANCES		
Cash at bank		
- On PLS savings accounts - notes 13.1,13.2 & 13.3	55,814	336,771
- On current accounts	65,553	243,566
Cash in hand	480	981
	121,847	581,318

13.1 At June 30, 2017 the mark-up rates on PLS savings accounts range from 3.75% to 5.25% (2016: 3.75% to 6%) per annum.

13.2 This includes Rs. 1.63 million (2016: Rs. 1.65 million) corresponding to AED 0.057 million (2016: AED 0.058 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.

13.3 This include deposits of Rs. 54.17 million (2016: Rs. 58.89 million) obtained from customers which are kept in a separate bank account in compliance with the section 226 of the repealed Companies Ordinance, 1984.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

	2017	2016
	----------- Rupees '000 -----------	
14. SHARE CAPITAL		
Authorised share capital		
200,000,000 ordinary shares of Rs. 10 each (2016: 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

2017	2016		2017	2016
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

14.1 As at June 30, 2017, Pharaon Investment Group Limited (Holding) S.A.L, Lebanon and its nominees held 96,271,960 (2016: 96,271,960) ordinary shares of Rs. 10 each.

	2017	2016
	----------- Rupees '000 -----------	
15. LONG TERM LOANS		
Long term loans	**1,600,000**	-
Less: Current portion of long term loan	**(100,000)**	-
	1,500,000	-

15.1 The company has entered into a syndicated finance agreement with a consortium of banks for a term finance facility of Rs. 7 billion for the installation of new production line and Waste Heat Recovery System. 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, 2017 company has drawn Rs. 1.6 billion.

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

15.3 Outstanding non-funded letters of credit (being sub-limit to syndicate term finance) as at June 30, 2017 amounted to Rs. 993.50 million (2016: Rs. Nil)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

16. LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2017			2016		
	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	**3,198**	**202**	**2,996**	4,516	589	3,927
Later than one year but not later than five years	**1,047**	**14**	**1,033**	4,245	216	4,029
	4,245	**216**	**4,029**	8,761	805	7,956

17. DEFERRED TAXATION

	2017	2016
	Rupees '000	
Credit balances arising in respect of:		
- accelerated tax depreciation allowances	**826,680**	817,039
- assets held under finance lease	**1,330**	2,118
Debit balances arising in respect of provision for		
- slow moving and obsolete stores and spares	**(9,360)**	(7,916)
- liabilities against finance lease	**(903)**	(1,725)
	817,747	809,516

17.1 Deferred tax liability is restricted to 74.69% (2016: 72.28%) 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. RETIREMENT BENEFITS - obligations

18.1 Staff retirement benefits

18.1.1 As stated in note 2.4, 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, 2017.

18.1.2 Plan assets held in Trust are governed by local regulations which mainly include Trust Act, 1882; the repealed Companies Ordinance, 1984; 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

18.1.3 The latest actuarial valuations of the Plans as at June 30, 2017 were carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuations are as follows:

	2017		2016	
	Pension Funds	Gratuity Funds	Pension Funds	Gratuity Funds
	Rupees '000			
18.1.4 Balance sheet reconciliation as at June 30				
Present value of defined benefit obligation	641,606	421,031	623,063	357,634
Fair value of plan assets	283,478	289,706	313,688	241,676
Deficit	358,128	131,325	309,375	115,958
18.1.5 Movement in the defined benefit obligation				
Obligation as at July 01	623,063	357,634	394,211	358,435
Service cost	21,860	18,469	14,733	17,265
Interest expense	56,751	31,738	45,823	32,452
Remeasurement on obligation	40,904	42,755	194,359	16,776
Benefits paid	(100,972)	(29,565)	(26,063)	(67,294)
Obligation as at June 30	641,606	421,031	623,063	357,634
18.1.6 Movement in the fair value of plan assets				
Fair value as at July 01	313,688	241,676	265,651	234,659
Interest income	28,952	21,665	31,285	20,774
Remeasurement on plan assets	(14,197)	(3,878)	(9,586)	(3,789)
Employer contributions	56,007	59,808	52,401	57,326
Benefits paid	(100,972)	(29,565)	(26,063)	(67,294)
Fair value as at June 30	283,478	289,706	313,688	241,676
18.1.7 Expense recognised in profit and loss account				
Service cost	21,860	18,469	14,733	17,265
Interest expense	27,799	10,073	14,538	11,678
	49,659	28,542	29,271	28,943
18.1.8 Remeasurement recognised in other comprehensive income				
Experience losses	40,904	42,755	194,359	16,776
Remeasurementof fair value of plan assets	14,197	3,878	9,586	3,789
Remeasurements	55,101	46,633	203,945	20,565
18.1.9 Net recognised liability				
Balance as at July 01	309,375	115,958	128,560	123,776
Expense for the year	49,659	28,542	29,271	28,943
Employer contributions	(56,007)	(59,808)	(52,401)	(57,326)
Remeasurement recognised in other comprehensive income	55,101	46,633	203,945	20,565
Balance as at June 30	358,128	131,325	309,375	115,958

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

18.1.10 Composition of plan assets:

	2017		2016		2017		2016	
	Pension Funds				Gratuity Funds			
	Amount in '000'	%	Amount in '000'	%	Amount in '000'	%	Amount in '000'	%
Pakistan Investment Bonds	-	-	28,369	9.04	-	-	-	-
Term Deposit Receipts	30,593	10.79	33,779	10.77	19,626	6.77	-	-
Term Finance Certificates	20,921	7.38	26,111	8.32	20,921	7.22	26,109	10.80
Open Ended Mutual Funds	227,855	80.38	220,768	70.38	245,769	84.83	214,497	88.76
Others (including bank balance)	4,109	1.45	4,661	1.49	3,390	1.18	1,070	0.44
	283,478	100.00	313,688	100.00	289,706	100.00	241,676	100.00

18.1.11 Actuarial assumptions

	2017			2016		
	First	Second & Third	Fourth & onwords	First	Second & Third	Fourth & onwords
	Year					
Expected rate of increase in salaries						
- Management staff						
Senior management	20.00%	10.00%	7.50%	10.00%	10.00%	7.25%
Junior management	10.00%	10.00%	7.50%	10.00%	10.00%	7.25%
- Non-management staff	20.00%	10.00%	7.50%	10.00%	10.00%	7.25%

The discount factor used for pension and gratuity funds is 9.25% (2016: 9.00%)

18.1.12 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.

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

18.1.14 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 balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

18.1.15 Sensitivity analysis for actuarial assumptions

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

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

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 / Pension liability recognised within the balance sheet.

18.1.16 Historical information

	2017	2016	2015	2014	2013
	Rupees '000				
Pension Funds as at June 30					
Present value of defined benefit obligation	**641,606**	623,063	394,211	295,259	303,976
Fair value of plan assets	**(283,478)**	(313,688)	(265,651)	(206,748)	(205,564)
Deficit	**358,128**	309,375	128,560	88,511	98,412
Experience adjustments					
Gain / (loss) on obligation	**(40,904)**	(194,359)	(66,266)	(20,119)	(55,477)
(Loss) / gain on plan assets	**(14,197)**	(9,586)	(2,492)	7,413	(8,093)
	(55,101)	(203,945)	(68,758)	(12,706)	(63,570)
Gratuity Funds as at June 30					
Present value of defined benefit obligation	**421,031**	357,634	358,435	318,685	205,296
Fair value of plan assets	**(289,706)**	(241,676)	(234,659)	(166,703)	(154,756)
Deficit	**131,325**	115,958	123,776	151,982	50,540
Experience adjustments					
Gain / (loss) on obligation	**(42,755)**	(16,776)	(2,199)	(86,260)	(45,698)
(Loss) / gain on plan assets	**(3,878)**	(3,789)	(365)	(7,725)	(5,848)
	(46,633)	(20,565)	(2,564)	(93,985)	(51,546)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

18.1.17 As per actuarial advice, the company is expected to recognise service cost of Rs. 45.64 million in 2018 (2017: Rs. 40.33 million).

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

	Pension Fund	Gratuity Fund
	----------- No. of years -----------	
Management	**19.36**	**7.64**
Non-management	**19.18**	**8.98**

18.1.19 Expected maturity analysis of undiscounted retirement benefit plan.

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

	2017	2016
	----------- Rupees '000 -----------	
19. TRADE AND OTHER PAYABLES		
Creditors - note 19.1	**286,576**	235,303
Accrued liabilities - note 19.1	**1,526,473**	1,491,511
Electricity charges payable	**101,994**	98,478
Royalty payable	**68,448**	70,143
Excise duty payable	**1,260**	70,304
Advances from customers	**230,508**	133,956
Retention money - note 19.2	**1,100,389**	23,037
Security deposits - note 13.3	**54,172**	58,890
Workers' Profits Participation Fund - note 19.4	**241,000**	227,600
Workers' Welfare Fund - note 19.3	**196,000**	201,412
Sales tax payable	**-**	42,037
Payable to provident fund	**650**	1,089
Taxes deducted at source and payable to statutory authorities	**1,591**	3,167
Unclaimed dividend	**7,592**	6,106
Others - note 19.1	**7,026**	17,023
	3,823,679	2,680,056

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

19.1 Creditors, accrued liabilities and other liabilities include Rs. 8.5 million, Rs. 6.5 million and Rs. 5.8 million (2016: Rs. 5.2 million, Rs. 5.3 million and Rs. 5.8 million) respectively in respect of amounts due to related parties.

19.2 This includes retention money amounting to Rs. 1.09 billion (2016: Rs. 3.42 million) in respect of Project line 3.

19.3 This includes provision of Rs. 63.31 million and Rs. 40.05 million pertaining to the year 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.

	2017	2016
	----------- Rupees '000 -----------	
19.4 Workers' Profits Participation Fund		
At beginning of the year	227,600	173,093
Charge for the year - note 27	241,000	227,600
	468,600	400,693
Interest on funds utilised in company's business - note 29	3,846	2,269
	472,446	402,962
Less: Amount paid to the Fund	(231,446)	(175,362)
	241,000	227,600

20. ACCRUED MARK-UP

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

	2017	2016
	----------- Rupees '000 -----------	
21. SHORT TERM BORROWINGS		
Short term running finance - note 21.1 & 21.2	1,980,847	-
Current maturity of long-term loan - note 15	100,000	-
	2,080,847	-

21.1 The facilities available from various banks amount to Rs. 3.24 billion (2016: Rs. 1.50 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Company's stock in trade and trade debts. The facilities expiring within one year are annual facilities subject to review at various dates during 2017 and 2018.

21.2 The rates of mark-up ranging between one month KIBOR minus 0.4% and 3 months KIBOR plus 0.25% (2016: one month KIBOR minus 0.5% and 3 months KIBOR plus 0.25%) per annum.

21.3 The facilities for opening letters of credit and guarantee as at June 30, 2017 amounted to Rs. 4.60 billion (2016: Rs. 4.60 billion) of which unutilised balance at year end amounted to Rs. 4.21 billion (2016: Rs. 3.98 billion).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

22. CONTINGENCY AND COMMITMENTS

22.1 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 financial statements for the aforementioned amount of penalty.

22.2 Commitments for capital expenditure outstanding as at June 30, 2017 amounted to Rs. 981 million (2016: Rs. 6.352 billion).

23. NET SALES

	2017	2016
	Rupees '000	
Gross local sales	16,316,388	13,964,727
Sales tax	(2,618,498)	(2,273,661)
Federal excise duty	(1,576,973)	(678,987)
	(4,195,471)	(2,952,648)
Commission	(359,526)	(326,383)
Net local sales	11,761,391	10,685,696
Export sales	2,973,781	3,232,644
	14,735,172	13,918,340

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

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

	2017	2016
	Rupees '000	
Africa	680,062	835,913
Middle East Asia	-	451,396
Sri Lanka	1,896,033	1,697,722
Others	397,686	247,613
	2,973,781	3,232,644

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

24. COST OF SALES

	2017	2016
	----------- Rupees '000 -----------	
Raw materials consumed	912,078	814,876
Packing materials consumed	837,231	928,618
Cement packaging and loading charges	25,693	22,235
Salaries, wages and benefits - note 24.1	1,418,237	1,249,712
Fuel	2,534,424	2,066,251
Electricity and water	1,712,671	1,850,455
Stores and spares consumed	463,232	450,671
Repairs and maintenance	115,263	119,445
Insurance	51,071	59,664
Vehicle running and maintenance	86,347	81,446
Security expenses	108,612	91,761
Depreciation	422,775	414,608
Other expenses - note 24.2	39,591	10,352
	8,727,225	8,160,094
Add: Opening work-in-process	302,245	450,950
Less: Closing work-in-process	(182,580)	(302,245)
	8,846,890	8,308,799
Add: Opening stock of finished goods	101,210	124,251
Less: Closing stock of finished goods	(105,140)	(101,210)
	8,842,960	8,331,840

24.1 Salaries, wages and benefits include Rs. 60.48 million and Rs. 28.02 million (2016: Rs. 43.83 million and Rs. 25.02 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

24.2 This includes provision for slow moving and obsolete items amounting to Rs. 5.27 million (2016: reversal of provision amounting to Rs. 2.76 million).

25. DISTRIBUTION COSTS

	2017	2016
	----------- Rupees '000 -----------	
Salaries, wages and benefits - note 25.1	93,760	84,871
Handling and other export related expenses	472,693	443,066
Carriage outward on export sales	225,151	241,257
Commission on export sales	40,588	48,895
Carriage outward on local sales	50,794	113,909
PSI marking fee	15,210	14,263
Advertisement and sales promotion	774	1,155
Travelling and entertainment	2,027	5,414
Other expenses	2,534	1,916
	903,531	954,746

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

25.1 Salaries, wages and benefits include Rs. 4.66 million and Rs. 1.95 million (2016: Rs. 3.40 million and Rs. 1.76 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

26. ADMINISTRATIVE EXPENSES

	2017	2016
	Rupees '000	
Salaries, wages and benefits - note 26.1	311,928	295,515
Depreciation	14,396	13,594
Rent, rates and taxes	15,715	14,441
Utilities	4,844	4,854
Insurance	2,073	2,576
Repairs and maintenance	9,308	9,240
Communication and printing	14,749	13,840
Travelling and entertainment	5,655	8,965
Legal and professional charges	15,112	17,832
Auditors' remuneration - note 26.2	4,428	3,607
Donations - note 26.3	11,616	7,877
Other expenses	9,554	9,451
	419,378	401,792

26.1 Salaries, wages and benefits include Rs. 13.06 million and Rs. 5.28 million (2016: Rs. 11.02 million and Rs. 5.31 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

26.2 Auditors' remuneration

	2017	2016
	Rupees '000	
Audit fee (including consolidation)	2,500	2,000
Fee for review of interim financial information and Statement of Compliance with Code of Corporate Governance	1,150	1,150
Taxation services	430	165
Other certifications, attestations and other services	85	85
Out-of-pocket expenses	263	207
	4,428	3,607

26.3 None of the Directors or their spouses had any interest in donees.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

	2017	2016
	----------- Rupees '000 -----------	
27. OTHER EXPENSES		
Workers' Profits Participation Fund - note 19.4	241,000	227,600
Workers' Welfare Fund	92,645	86,442
	333,645	314,042
28. OTHER INCOME		
Income from financial assets		
Income on PLS savings accounts under interest / markup arrangements	11,947	21,486
Gain on sale of open ended mutual fund units	72,670	269,914
Gain on re-measurement of fair value of open ended mutual fund units	-	4,135
Dividend from open ended mutual funds	-	5,462
	72,670	279,511
Exchange gain	117	8,511
Income from non-financial assets		
Gain on disposal of operating assets	1,238	1,138
Others		
Export rebate	15,680	16,913
Scrap sales	36,191	12,997
Others - note 28.1	98,789	539
	236,632	341,095

28.1 This includes Rs. 98.06 million in respect of reversal of WWF provision. Through the Finance Acts of 2006 and 2008, certain amendments were brought in the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) including the levy of WWF which had been originally calculated at the rate of 2% of the total (taxable) income of the industrial establishment in a particular year, was amended to charge on higher of total (taxable) income or profit before tax. During the year, the Honorable Supreme Court of Pakistan through its judgement dated October 10, 2016, in Civil Appeals No. 1049 to 1055/2011decided that amendments in WWF Ordinance made through Finance Acts were unconstitutional. Accordingly, the Company has reversed the excess provision calculated on the basis of profit before tax.

	2017	2016
	----------- Rupees '000 -----------	
29. FINANCE COST		
Bank charges and commission	23,996	18,120
Interest on Workers' Profits Participation Fund - note 19.4	3,846	2,269
Finance charges on finance lease	527	920
	28,369	21,309

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

	2017	2016
	----------- Rupees '000 -----------	
30. TAXATION		
Current		
- for the year - note 30.2	1,424,484	1,365,545
- prior years	(22,851)	(16,000)
Deferred	8,231	(3,862)
	1,409,864	1,345,683
30.1 Relationship between tax expense and accounting profit		
Profit before taxation	4,443,921	4,235,706
Tax at the applicable rate of 31% (2016: 32%)	1,377,616	1,355,426
Effect of final tax regime	(73,843)	(140,946)
Tax credits	-	(1,810)
Super tax	125,603	118,828
Others	3,339	30,185
Prior years' tax provision	(22,851)	(16,000)
	1,409,864	1,345,683

30.2 This includes Rs. 125.60 million (2016: Rs. 118.83 million) super tax imposed for rehabilitation of temporarily displaced persons under section 4B of the Income Tax Ordinance, 2001 through Finance Act, 2015 as further extended by Finance Act, 2016 and 2017 respectively.

	2017	2016
	----------- Rupees '000 -----------	
31. BASIC AND DILUTED EARNINGS PER SHARE		
Profit after taxation	3,034,057	2,890,023
Weighted average number of outstanding shares at the end of year (in thousands)	114,522	114,522
Basic and diluted earnings per share - note 31.1	Rs. 26.49	Rs. 25.24

31.1 Diluted earnings per share has not been presented as the company did not have any convertible instruments in issue as at June 30, 2017 and 2016 which would have any effect on the earnings per share if the option to convert is exercised.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

	2017	2016
	----------- Rupees '000 -----------	
32. CASH GENERATED FROM OPERATIONS		
Profit before taxation	4,443,921	4,235,706
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation	437,171	428,202
Gain on disposal of fixed assets	(1,238)	(1,138)
Gain on sale of open ended mutual fund units	(72,670)	(269,914)
Gain on re-measurement of fair value of open ended mutual fund units	-	(4,135)
Dividend from open ended mutual funds	-	(5,462)
Provision for stores, spares and loose tools	5,269	(5,751)
Interest income	(11,947)	(21,486)
Finance cost	28,369	21,309
Retirement benefits obligations	78,201	58,214
Profit before working capital changes	4,907,076	4,435,545
Effect on cash flow due to working capital changes		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	(161,438)	(325,115)
Stock-in-trade	143,152	163,962
Trade debts	30,622	(86,698)
Loans and advances	5,552	(20,820)
Short term deposits and prepayments	(6,137)	(580)
Refunds due from government - Sales tax	(496,755)	147,585
Other receivables	9,077	(46,747)
	(475,927)	(168,413)
(Decrease) / Increase in current liabilities		
Trade and other payables	(18,781)	907,152
	(494,708)	738,739
Cash generated from operations	4,412,368	5,174,284
33. CASH AND CASH EQUIVALENTS		
Cash and bank balances - note 13	121,847	581,318
Short-term running finance - note 21	(1,980,847)	-
	(1,859,000)	581,318

NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2017

34. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executive Directors		Executives	
	2017	2016	2017	2016	2017	2016
	Rupees '000					
Managerial remuneration	25,269	22,972	13,686	14,423	234,770	187,222
Housing allowance	8,040	7,309	4,740	5,201	90,593	71,847
Utility allowance	3,063	2,784	916	1,031	19,361	15,264
Bonus	20,419	17,403	10,965	12,695	260,733	182,659
Retirement benefits	-	987	3,152	2,841	59,046	44,561
Others	3,310	5,975	2,996	3,233	60,211	38,599
	60,101	57,430	36,455	39,424	724,714	540,152
Number of person	1	1	2	2	192	157

The Chief Executive, Executive Directors 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 (2016: 3) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 2.39 million (2016: Rs. 1.93 million).

35. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the year are as follows:

	2017	2016
	Rupees '000	
Holding company		
Dividend paid	1,203,400	1,010,856
Recovery of expenses	2,599	1,615
Subsidiary company		
Investment	781,612	-
Expense incurred on behalf of subsidiary company	12,686	4,491
Associated companies		
Purchase of goods	227,880	199,913
Reimbursement of expenses	4,399	4,324
Recovery of expenses from related parties	12,268	5,127
Other related parties		
Payments made to retirement benefit funds	144,067	129,694
Key management personnel		
Loans and advances recovered during the year	3,003	18,192
Salaries and other short-term employee benefits	93,404	93,026
Post-employment benefits	3,152	3,828

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

The related party status of outstanding balances as at June 30, 2017 is included in other receivables, loans and advances and trade and other payables. These are settled in the ordinary course of business.

36. PROVIDENT FUND RELATED DISCLOSURES

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

	2017 (Un - Audited)	2016 (Audited)
	Rupees '000	
Size of the fund - Total assets	581,204	512,490
Percentage of investments made	88%	89%
Fair value of investments	510,363	454,770

36.1 The cost of above investments amounted to Rs. 505.29 million (2016: Rs. 437.63 million).

36.2 The break-up of fair value of investments is:

	2017	2016	2017	2016
	Percentage		Rupees '000	
Bank deposits	34%	13%	171,348	59,841
Government securities	13%	33%	65,648	148,374
Term finance certificates	4%	7%	21,061	31,799
Unit trust schemes	49%	47%	252,306	214,756
	100%	100%	510,363	454,770

36.3 The investments out of provident fund have been made in accordance with the provisions of Section 227 of the repealed Companies Ordinance, 1984 and the rules formulated for this purpose.

37. NUMBER OF EMPLOYEES

	2017	2016
Number of employees at June 30		
- Regular	841	775
- Contractual	47	37
Average number of employees during the year		
- Regular	811	779
- Contractual	42	24

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

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

	2017			2016		
	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	76,249	91,568	167,817	63,773	84,518	148,291
Trade debts	180,490	-	180,490	211,112	-	211,112
Other receivables	105,787	-	105,787	114,864	-	114,864
Bank balances	121,367	-	121,367	580,337	-	580,337
Cash and cheques in hand	480	-	480	981	-	981
Long term investment	-	786,112	786,112	-	4,500	4,500
Fair value through profit or loss						
Investments - at fair value through profit or loss	-	-	-	4,273,362	-	4,273,362
	484,373	877,680	1,362,053	5,244,429	89,018	5,333,447
Financial liabilities						
Long term finance	-	1,500,000	1,500,000	-	-	-
Trade and other liabilities	3,153,320	-	3,153,320	2,043,617	-	2,043,617
Short term borrowings	2,080,847	-	2,080,847	-	-	-
Accrued markup	45,990	-	45,990	-	-	-
	5,280,157	1,500,000	6,780,157	2,043,617	-	2,043,617
On balance sheet date gap	(4,795,784)	(622,320)	(5,418,104)	3,200,812	89,018	3,289,830
Net financial (liabilities) / assets						
Interest bearing	(2,071,023)	(622,320)	(2,693,343)	336,771	-	336,771
Non-interest bearing	(2,724,761)	-	(2,724,761)	2,864,041	89,018	2,953,059
	(4,795,784)	(622,320)	(5,418,104)	3,200,812	89,018	3,289,830

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

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, 2017, the Company has variable interest bearing financial liabilities of Rs. 3.63 billion (2016: Nil), and had the interest rate varied by 200 basis points with all the other variables held constant, profit before tax for the year would have been approximately Rs. 72.54 million (2016: Nil) 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, 2017, trade and other payables of Rs. 307.62 million (2016: Rs. 283.51 million), trade debts of Rs. 116.65 million (2016: Rs. 142.72 million) and bank balance of Rs. 6.19 million (2016: Rs. 9.75 million) are exposed to foreign currency risk.

As at June 30, 2017, if the Pakistan Rupee had weakened / strengthened by 2% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 3.73 million (2016: Rs. 2.82 million), as a result of foreign exchange gains / losses on translation of US Dollar denominated trade and other payables, and trade debts.

As at June 30, 2017, 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. 0.03 million (2016: 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 balance sheet 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, 2017 which is subject to change in market price.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

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. 1,362 million (2016: Rs. 5,333 million) the financial assets exposed to the credit risk amounts to Rs. 575.46 million (2016: Rs. 5,327.96 million). The carrying values of financial assets are as under:

	2017	2016
	Rupees '000	
Trade debts	180,490	211,112
Deposits, loans, advances and other receivables	273,604	263,155
Investments at fair value through profit or loss	-	4,273,362
Bank balances	121,367	580,337
	575,461	5,327,966

Trade debts 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, 2017, secured and unsecured trade debts amounted to Rs. 172.53 million and Rs. 7.96 million (2016: Rs. 206.82 million and Rs. 4.29 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. 42.98 million are maintained with the K-Electric Limited and loans & advances to employees amounting to Rs. 108.35 million (2016: Rs. 99.08 million) are secured against their retirement benefits.

The fair value through profit or loss investments represent investments in open ended mutual funds. The company manages its credit and price risk by investing in income based diversified mutual funds.

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 financial statements approximate their fair value.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

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, 2017 was as follows:

	2017
	--- Rupees '000 ---
Total borrowings	3,580,847
Cash and bank - note 13	(121,847)
Net debt	3,459,000
Equity	11,947,635
Total capital	15,406,635
Debt to capital ratio	22%

The Company was ungeared in last year.

39. CAPACITY AND PRODUCTION

	2017	2016
	Metric tons	
Production capacity		
- Clinker	1,740,000	1,740,000
- Cement	1,827,000	1,827,000
Actual production		
- Clinker	1,866,325	1,866,997
- Cement	2,081,858	1,967,391

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

40. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on September 11, 2017 has proposed a cash dividend of Rs. 13.5 per share (2016: Rs. 12.5 per share) amounting to Rs. 1,546 million (2016: Rs. 1,432 million) subject to the approval of the company in the forthcoming annual general meeting.

41. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors on September 11, 2017.

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

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated Balance Sheet of Attock Cement Pakistan Limited (the Holding Company) and its subsidiary company as at June 30, 2017 and the related consolidated Profit and Loss Account, consolidated Cash Flow Statement and consolidated Statement of Changes in Equity together with the, notes forming part thereof, for the year then ended. We have also expressed separate opinion on the financial statements of Attock Cement Pakistan Limited. The financial statements of Saqr Al-Keetan for Cement Production Company Limited was audited by other firm of auditors whose report has been furnished to us and our opinion, in so far as it relates to the amounts included for such company, is based solely on the report of such other auditors. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of Attock Cement Pakistan Limited (the Holding Company) and its subsidiary company as at June 30, 2017 and the results of their operations for the year then ended.

Chartered Accountants
Karachi

Dated: October 02, 2017
Name of the engagement partner: Farrukh Rehman

Consolidated
BALANCE SHEET
as at June 30, 2017

	Note	2017	2016
		----------- Rupees '000 -----------	
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	3	17,019,667	7,140,508
Long-term investment	4	4,500	4,500
Long-term loans and advances - considered good	5	48,588	41,538
Long-term deposits	6	42,980	42,980
		17,115,735	7,229,526
Current assets			
Stores, spares and loose tools	7	1,473,181	1,317,012
Stock-in-trade	8	456,601	599,753
Trade debts - considered good	9	180,490	211,112
Loans and advances - considered good	10	76,383	81,935
Short-term deposits and prepayments	11	28,550	17,518
Investments - at fair value through profit or loss		-	4,273,362
Other receivables	12	30,057	114,864
Taxation - payments less provisions		236,663	-
Tax refunds due from Government - Sales tax		496,755	-
Cash and bank balances	13	1,246,125	581,318
		4,224,805	7,196,874
Total assets		21,340,540	14,426,400
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	14	1,145,225	1,145,225
Unappropriated profit		10,802,410	9,301,618
Exchange revaluation reserve		(577)	-
Attributable to owners of Attock Cement Pakistan Limited - Holding company		11,947,058	10,446,843
Non-controlling interests		624,285	-
		12,571,343	10,446,843
LIABILITIES			
Non-current liabilities			
Long term loans	15	1,500,000	-
Liability against assets subject to finance lease	16	1,033	4,029
Deferred taxation	17	817,747	809,516
Retirement benefits - obligations	18	489,453	425,333
		2,808,233	1,238,878
Current liabilities	19	3,831,131	2,680,056
Trade and other payables	20	45,990	-
Accrued mark-up	21	2,080,847	-
Short term borrowings		-	-
Current maturity of liability against assets subject to finance lease	16	2,996	3,927
Taxation - provisions less payments		-	56,696
		5,960,964	2,740,679
Total liabilities		8,769,197	3,979,557
Contingency and commitments	22		
Total equity and liabilities		21,340,540	14,426,400

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

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

Consolidated

PROFIT & LOSS ACCOUNT

for the year ended June 30, 2017

	Note	2017	2016
		---------- Rupees '000 ----------	
Net sales	23	14,735,172	13,918,340
Cost of sales	24	(8,842,960)	(8,331,840)
Gross profit		5,892,212	5,586,500
Distribution costs	25	(903,531)	(954,746)
Administrative expenses	26	(419,378)	(401,792)
Other expenses	27	(333,645)	(314,042)
Other income	28	236,632	341,095
Profit from operations		4,472,290	4,257,015
Finance cost	29	(28,369)	(21,309)
Profit before taxation		4,443,921	4,235,706
Taxation	30	(1,409,864)	(1,345,683)
Profit after taxation		3,034,057	2,890,023
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		(101,734)	(224,510)
Impact of tax		-	48,682
		(101,734)	(175,828)
Items that will be reclassified to profit or loss			
Exchange revaluation reserve		(962)	-
Total comprehensive income for the year		2,931,361	2,714,195
Total comprehensive income attributable to:			
Owners of Attock Cement Pakistan Limited - Holding Company		2,931,746	2,714,195
Non-controlling interest		(385)	-
		2,931,361	2,714,195
Basic and diluted earnings per share	31	Rs. 26.49	Rs. 25.24

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

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

Consolidated
CASH FLOW STATEMENT
for the year ended June 30, 2017

	Note	2017	2016
		----------- Rupees '000 -----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	32	4,433,217	5,174,284
Finance cost paid		(28,369)	(21,309)
Income tax paid		(1,694,992)	(1,693,873)
Increase in long-term loans and advances		(7,050)	14,216
Retirement benefit obligations paid		(115,815)	(109,727)
Net cash generated from operating activities		2,586,991	3,363,591
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(8,960,745)	(1,572,267)
Proceeds from disposal of operating assets		3,750	4,364
Purchase of open ended mutual fund units		(2,498,310)	(13,526,865)
Proceeds from sale of open ended mutual fund units		6,844,342	12,632,459
Dividend received from open ended mutual funds units		-	5,462
Interest received		11,947	21,486
Net cash used in investing activities		(4,599,016)	(2,435,361)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,430,045)	(1,201,683)
Long term loan received		1,600,000	-
Amount received from non-controlling interest		529,010	-
Lease rentals paid		(3,927)	(3,927)
Net cash generated from / (used in) financing activities		695,038	(1,205,610)
Net decrease in cash and cash equivalents		(1,316,987)	(277,380)
Cash and cash equivalents at beginning of the year		581,318	858,698
Cash and cash equivalents at recognition of subsidiary		947	-
Cash and cash equivalents at end of the year	33	(734,722)	581,318

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

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

Consolidated

STATEMENT OF CHANGES IN EQUITY

for the year ended June 30, 2017

	Attributeable to the owners of the Holding Company					
	Share capital	Un-appropriated profit	Exchange revaluation reserve	Sub-Total	Non-controlling interests	Total Equity
	Rupees '000					
Balance as at July 01, 2015	1,145,225	7,789,909	-	7,789,909	-	8,935,134
Final dividend for the year ended June 30, 2015 @ Rs. 10.50 per share	-	(1,202,486)	-	(1,202,486)	-	(1,202,486)
Total comprehensive income for the year ended June 30, 2016						
Profit for the year ended June 30, 2016	-	2,890,023	-	2,890,023	-	2,890,023
Other comprehensive loss for the year ended June 30, 2016	-	(175,828)	-	(175,828)	-	(175,828)
	-	2,714,195	-	2,714,195	-	2,714,195
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 June 30, 2017	**1,145,225**	**10,802,410**	**(577)**	**10,801,833**	**624,285**	**12,571,343**

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

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. 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 in Dubai, UAE, to explore business opportunities in the growing markets of Middle East and Africa.

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

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

SAKCPCL was incorporated under the Iraqi law on November 3, 2014 by the name Saqr Al-Keetan for Cement Production Company Limited. Its principal place of business is in Iraq. The registered office of the company is at House # 35, Square 29, Near Al Buradia Super Market, Al Rbeea District Al Buradia, Basra. The company's cement manufacturing plant is located in Industrial Sector, Land No. 1/7, Sector 56, Al-Arquli Al-Janobi, Khor Al-Zubair, Basra, Iraq.

SAKCPCL is in its starting phase and has established letters of credit for plant and machinery in favor of Chinese suppliers.

1.2 These are the first consolidated financial statements of the Company.

The Company had entered into an 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" 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 company has invested USD 7.45 million. As the Company started remittance of its contribution of equity in SAKCPCL and are accordingly presenting its consolidated financial statements.

The Holding Company has obtained approval of State Bank of Pakistan prior to the remittance of equity. Shares will be issued after completion of legal formalities in Iraq.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

2.1.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP), companies the financial year of which closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

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Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the repealed Companies Ordinance, 1984 prevail.

2.1.2 Critical accounting estimates and judgments

The preparation of consolidated 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) Taxation - notes 17 & 30
(ii) Staff retirement benefits - note 18.1

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 financial statements.

2.1.3 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 1, 'Presentation of financial statements' aims to improve presentation and disclosure in financial reports by emphasising the importance of understandability, comparability and clarity in presentation.

The amendments provides clarification on number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.

- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.

- Notes – confirmation that the notes do not need to be presented in a particular order.

- Other Comprehensive Income (OCI) - arising from investments accounted for under the equity method - the share of the OCI arising from equity - accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of comprehensive income.

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 January 1, 2016 are considered not to be relevant for Group's financial statements and hence have not been detailed here.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

c) **Standards, interpretations and amendments to published approved accounting standards that are not yet effective but 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 addition to the foregoing, the Companies Act 2017 which is not effective on these financial statements, has added certain disclosure requirements which will be applicable in future.

2.2 Overall valuation policy

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

2.3 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:

- 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 interests are also recorded in equity.

2.4 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Maintenance and normal repairs are charged to profit and loss account 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 profit and loss account.

2.5 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, 2017 using the Projected Unit Credit method. The amount arising as a result of remeasurements are recognised in the balance sheet immediately, with a charge or credit to Other Comprehensive Income in the periods in which they occur. Past-service costs are recognised immediately in income.

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 company and the employees, at the rate of 10% of basic salary.

2.6 Investments

The Group determines the appropriate classification of its investment at the time of purchase as follows:

Long-term investments

The investment in associated company is stated at cost. Impairment loss is recognised whenever the carrying amount of investment exceeds its recoverable amount. An impairment loss is recognised in income currently.

Investments - held to maturity

These are investments with fixed or determinable payments and fixed maturity with the Group having positive intent and ability to hold till maturity. These are stated at amortised cost.

Investments - at fair value through profit or loss

Investments held for trading are classified at fair value through profit or loss account. These are measured at fair value which is re-assessed at each reporting date. In case of investments in open ended mutual funds, fair value is determined on the basis of period end Net Asset Value (NAV) as announced by the Asset Management Company. Changes in fair value are recognised in profit and loss account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

2.7 Stores, spares and loose tools

These 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.

2.8 Stock-in-trade

Stocks 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.

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.

2.9 Trade debts and other receivables

Trade debts 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 debts and other receivables considered irrecoverable are written-off.

2.10 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated balance sheet at cost. For the purposes of cash flow statement, 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.

2.11 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 profit and loss account 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 is 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 profit and loss account on a straight-line basis over the period of the lease.

2.12 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2.13 Provisions

Provisions are recognised in the consolidated balance sheet 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 consolidated balance sheet date and adjusted to reflect current best estimate.

2.14 Taxation

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 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 profit and loss account.

2.15 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.

2.16 Foreign currencies

2.16.1 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 balance sheet date. Exchange differences are included in profit and loss account.

2.16.2 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:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

2.16.3 The 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.

2.17 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.

2.18 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 balance sheet 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.

2.19 Dividend

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

	2017	2016
	Rupees '000	
3. FIXED ASSETS - property, plant and equipment		
Operating assets - note 3.1	5,343,547	5,343,479
Capital work-in-progress - note 3.2	11,146,091	1,353,300
Stores held for capital expenditure	530,029	443,729
	17,019,667	7,140,508

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

3.1 Operating assets

	Freehold land	Buildings and roads on freehold land	Plant and machinery	Quarry transport and equipment	Furniture and fittings	Office equipments	Vehicles owned	Vehicles held under finance lease	Total
	Rupees in '000								
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	21,669	456	8,063	29,807	-	488,782
Subsidiary recognition	-	-	-	5,622	1,374	3,880	1,531	-	12,407
Disposals - note 3.3	-	-	-	-	-	-	(2,512)	-	(2,512)
Transfers to stores	-	-	(59,364)	-	-	-	-	-	(59,364)
Depreciation charge	-	(72,162)	(335,587)	(4,262)	(1,434)	(8,803)	(13,198)	(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
Year ended 30 June 2016									
Opening net book value	4,554	919,311	4,537,427	16,952	3,273	14,533	41,448	13,595	5,551,093
Additions	-	18,104	240,445	-	1,365	8,683	9,739	-	278,336
Disposals	-	-	-	-	-	(295)	(2,931)	-	(3,226)
Transfers to stores	-	-	(54,522)	-	-	-	-	-	(54,522)
Depreciation charge	-	(71,281)	(327,589)	(4,739)	(1,397)	(7,796)	(11,571)	(3,829)	(428,202)
Closing net book value	4,554	866,134	4,395,761	12,213	3,241	15,125	36,685	9,766	5,343,479
At 30 June 2016									
Cost	4,554	1,499,958	8,943,447	199,586	30,875	104,234	81,541	21,275	10,885,470
Accumulated depreciation	-	(633,824)	(4,547,686)	(187,373)	(27,634)	(89,109)	(44,856)	(11,509)	(5,541,991)
Net book value	4,554	866,134	4,395,761	12,213	3,241	15,125	36,685	9,766	5,343,479
Rate of depreciation %	-	5%	5%	10%	20%	25%	20%	20%	

3.2 Capital work-in-progress

	2017			2016		
	Project - Line 3	Others	Total	Project - Line 3	Others	Total
	Rupees '000					
Civil works	2,385,322	69,724	**2,455,046**	68,915	90,918	159,833
Plant & machinery	8,112,502	167,740	**8,280,242**	-	113,946	113,946
Advances to suppliers	80,814	-	**80,814**	1,054,414	-	1,054,414
Others - note 3.2.1	176,136	153,853	**329,989**	24,067	1,040	25,107
	10,754,774	391,317	**11,146,091**	1,147,396	205,904	1,353,300

3.2.1 During the year, the Group has capitalised borrowing costs amounting to Rs. 81.99 million. Borrowing costs were capitalised at the current year's weighted average rate of 6.21% per annum.

3.2.2 This includes Rs. 343 million incurred for construction of Cement Grinding Plant in Iraq.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

3.3 The details of operating assets sold, having net book value in excess of Rs. 50,000 each are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceed	Mode of disposal	Particulars of purchaser
	----------------	Rupees '000	----------------			
Vehicle	1,628	415	1,213	1,575	Insurance Claim	EFU General Insurance Limited
"	64	-	64	58	"	EFU General Insurance Limited
"	1,995	1,795	200	810	Tender	National Transport Company Limited
"	2,023	1,820	203	203	Company Policy	Nasir Khan (Executive)
"	1,600	1,344	256	256	"	Syed Tanweer Hussain (Executive)
"	1,524	1,372	152	152	"	Tariq Jamil (Executive)
"	1,332	1,199	133	133	"	Muhammad Ejaz Hussain Qureshi (Executive)
"	870	783	87	87	"	Javaid Ahmed (Executive)
"	855	770	85	85	"	Abdul Hameed Baloch (Executive)
"	855	770	85	85	"	Abdul Hameed Essani (Executive)
	12,746	**10,268**	**2,478**	**3,444**		

	2017	2016
	----------- Rupees '000	-----------
4. LONG-TERM INVESTMENT		
Investment in associated company Attock Information Technology Services (Private) Limited - 450,000 (2016: 450,000) fully paid ordinary shares of Rs. 10 each - at cost - note 4.1	**4,500**	4,500

4.1 The Group holds 10% (2016: 10%) of investee's total equity. The break-up value per share is Rs. 45.53 (2016: Rs. 37.18). Total assets and total liabilities of the investee as at June 30, 2017 amounted to Rs. 222.53 million and Rs. 17.67 million (2016: Rs. 185.08 million and Rs. 17.77 million) respectively.

	2017	2016
	----------- Rupees '000	-----------
5. LONG-TERM LOANS AND ADVANCES - considered good		
Director - note 5.1	**7,009**	10,012
Executives - note 5.1	**42,877**	42,207
Other Employees	**58,321**	45,781
	108,207	98,000
Recoverable within one year - note 10	**(59,619)**	(56,462)
Long term portion	**48,588**	41,538

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

5.1 Reconciliation of the carrying amount of loans and advances to Directors and Executives:

	Director		Executives	
	2017	2016	2017	2016
	Rupees '000			
Opening balance	10,012	13,016	42,207	45,034
Disbursements	-	-	38,632	31,598
Repayments	(3,003)	(3,004)	(37,962)	(34,425)
	7,009	10,012	42,877	42,207

5.2 Amounts receivable from Director and Executives 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.

5.3 Rent advance was given to Director with the prior approval of Securities and Exchange Commission of Pakistan as required under section 195 of repealed Companies Ordinance 1984.

5.4 The maximum amounts due from Director and Executives at the end of any month during the year were Rs. 9.76 million (2016: Rs. 12.77 million) and Rs. 42.89 million (2016: Rs. 52.69 million) respectively.

5.5 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 financial statements.

6. LONG-TERM DEPOSITS

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

7. STORES, SPARES AND LOOSE TOOLS

	2017	2016
	Rupees '000	
Coal - note 7.1	801,864	606,443
Stores and spares - note 7.2	627,848	647,014
Bricks	81,988	97,366
Loose tools	3,252	2,691
	1,514,952	1,353,514
Less: Provision for slow moving and obsolete items	(41,771)	(36,502)
	1,473,181	1,317,012

7.1 This includes coal in transit amounting to Rs. 327.54 million (2016: Rs. 118.93 million).

7.2 This includes stores and spares in transit amounting to Rs. 28.04 million (2016: Rs. 78.39 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

		2017	2016
		----------- Rupees '000 -----------	
8.	**STOCK-IN-TRADE**		
	Raw materials	76,100	73,645
	Packing materials	92,781	122,653
	Work-in-process	182,580	302,245
	Finished goods	105,140	101,210
		456,601	599,753
9.	**TRADE DEBTS – considered good**		
	Secured	172,525	206,820
	Unsecured	7,965	4,292
		180,490	211,112
9.1	The age analysis of trade debts is as follows:		
	Not yet due	158,310	193,711
	1 to 30 days	22,180	17,095
	31 to 90 days	-	306
		180,490	211,112
10.	**LOANS AND ADVANCES – considered good**		
	Current portion of long-term loans and advances - note 5.5		
	Director	3,004	3,004
	Executives	26,363	25,956
	Other employees	30,252	27,502
		59,619	56,462
	Other advances - employees	145	1,083
	Advances to suppliers	16,619	24,390
		76,383	81,935
11.	**SHORT-TERM DEPOSITS AND PREPAYMENTS**		
	Deposits - considered good	16,485	6,228
	Prepayments	12,065	11,290
		28,550	17,518
12.	**OTHER RECEIVABLES**		
	Export rebate receivable	24,557	33,627
	Receivable from SAKCPCL	-	63,044
	Due from related parties	2,314	2,499
	Others	3,186	15,694
		30,057	114,864
13.	**CASH AND BANK BALANCES**		
	Cash at bank		
	- On PLS savings accounts - notes 13.1,13.2 & 13.3	986,387	336,771
	- On current accounts	254,457	243,566
	Cash in hand	5,281	981
		1,246,125	581,318

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

13.1 At June 30, 2017 the mark-up rates on PLS savings accounts range from 3.75% to 5.25% (2016: 3.75% to 6%) per annum.

13.2 This includes Rs. 1.63 million (2016: Rs. 1.65 million) corresponding to AED 0.057 million (2016: AED 0.058 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.

13.3 This include deposits of Rs. 54.17 million (2016: Rs. 58.89 million) obtained from customers which are kept in a separate bank account in compliance with the section 226 of the repealed Companies Ordinance, 1984.

14. SHARE CAPITAL

	2017	2016
	----------- Rupees '000 -----------	
Authorised share capital		
200,000,000 ordinary shares of Rs. 10 each (2016: 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

2017	2016		2017	2016
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

14.1 As at June 30, 2017, Pharaon Investment Group Limited (Holding) S.A.L, Lebanon and its nominees held 96,271,960 (2016: 96,271,960) ordinary shares of Rs. 10 each.

15. LONG TERM LOANS

	2017	2016
	----------- Rupees '000 -----------	
Long term loans	1,600,000	-
Less: Current portion of long term loan	(100,000)	-
	1,500,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

15.1 The Group has entered into a syndicated finance agreement with a consortium of banks for a term finance facility of Rs. 7 billion for the installation of new production line and Waste Heat Recovery System. 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, 2017 the Group has drawn 1.6 billion.

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

15.3 Outstanding non-funded letters of credit (being sub-limit to syndicate term finance) as at June 30, 2017 amounted to Rs. 993.50 million (2016: Nil).

16. LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2017			2016		
	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	3,198	202	2,996	4,516	589	3,927
Later than one year but not later than five years	1,047	14	1,033	4,245	216	4,029
	4,245	216	4,029	8,761	805	7,956

17. DEFERRED TAXATION

	2017	2016
	Rupees '000	
Credit balances arising in respect of:		
- accelerated tax depreciation allowances	826,680	817,039
- assets held under finance lease	1,330	2,118
Debit balances arising in respect of provision for		
- slow moving and obsolete stores and spares	(9,360)	(7,916)
- liabilities against finance lease	(903)	(1,725)
	817,747	809,516

17.1 Deferred tax liability is restricted to 74.69% (2016: 72.28%) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

18. RETIREMENT BENEFITS - obligations

18.1 Staff retirement benefits

18.1.1 As stated in note 2.5, 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, 2017.

18.1.2 Plan assets held in Trust are governed by local regulations which mainly include Trust Act, 1882; the repealed Companies Ordinance, 1984; 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.

18.1.3 The latest actuarial valuations of the Plans as at June 30, 2017 were carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuations are as follows:

	2017		2016	
	Pension Funds	Gratuity Funds	Pension Funds	Gratuity Funds
	Rupees '000			
18.1.4 Balance sheet reconciliation as at June 30				
Present value of defined benefit obligation	641,606	421,031	623,063	357,634
Fair value of plan assets	283,478	289,706	313,688	241,676
Deficit	358,128	131,325	309,375	115,958
18.1.5 Movement in the defined benefit obligation				
Obligation as at July 01	623,063	357,634	394,211	358,435
Service cost	21,860	18,469	14,733	17,265
Interest expense	56,751	31,738	45,823	32,452
Remeasurement on obligation	40,904	42,755	194,359	16,776
Benefits paid	(100,972)	(29,565)	(26,063)	(67,294)
Obligation as at June 30	641,606	421,031	623,063	357,634
18.1.6 Movement in the fair value of plan assets				
Fair value as at July 01	313,688	241,676	265,651	234,659
Interest income	28,952	21,665	31,285	20,774
Remeasurementon plan assets	(14,197)	(3,878)	(9,586)	(3,789)
Employer contributions	56,007	59,808	52,401	57,326
Benefits paid	(100,972)	(29,565)	(26,063)	(67,294)
Fair value as at June 30	283,478	289,706	313,688	241,676
18.1.7 Expense recognised in profit and loss account				
Service cost	21,860	18,469	14,733	17,265
Interest expense	27,799	10,073	14,538	11,678
	49,659	28,542	29,271	28,943

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

	2017 Pension Funds	2017 Gratuity Funds	2016 Pension Funds	2016 Gratuity Funds
	Rupees '000			
18.1.8 Remeasurement recognised in other comprehensive income				
Experience losses				
Remeasurementof fair value	40,904	42,755	194,359	16,776
of plan assets	14,197	3,878	9,586	3,789
Remeasurements	55,101	46,633	203,945	20,565
18.1.9 Net recognised liability				
Balance as at July 01	309,375	115,958	128,560	123,776
Expense for the year	49,659	28,542	29,271	28,943
Employer contributions	(56,007)	(59,808)	(52,401)	(57,326)
Remeasurement recognised in other comprehensive income	55,101	46,633	203,945	20,565
Balance as at June 30	358,128	131,325	309,375	115,958

18.1.10 Composition of plan assets:

	Pension Funds 2017 Amount in '000'	%	Pension Funds 2016 Amount in '000'	%	Gratuity Funds 2017 Amount in '000'	%	Gratuity Funds 2016 Amount in '000'	%
Pakistan Investment Bonds	-	-	28,369	9.04	-	-	-	-
Term Deposit Receipts	30,593	10.79	33,779	10.77	19,626	6.77	-	-
Term Finance Certificates	20,921	7.38	26,111	8.32	20,921	7.22	26,109	10.80
Open Ended Mutual Funds	227,855	80.38	220,768	70.38	245,769	84.83	214,497	88.76
Others (including bank balance)	4,109	1.45	4,661	1.49	3,390	1.18	1,070	0.44
	283,478	100.00	313,688	100.00	289,706	100.00	241,676	100.00

18.1.11 Actuarial assumptions

	2017 First	2017 Second & Third	2017 Fourth & onwords	2016 First	2016 Second & Third	2016 Fourth & onwords
	Year					
Expected rate of increase in salaries						
- Management staff						
Senior management	20.00%	10.00%	7.50%	10.00%	10.00%	7.25%
Junior management	10.00%	10.00%	7.50%	10.00%	10.00%	7.25%
- Non-management staff	20.00%	10.00%	7.50%	10.00%	10.00%	7.25%

The discount factor used for pension and gratuity funds is 9.25% (2016: 9.00%)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

18.1.12 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.

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

18.1.14 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 balance sheet date.

18.1.15 Sensitivity analysis for actuarial assumptions

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

		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 at 30 June	0.5%	(58,589)	65,878	(16,076)	17,281
Future salary increases	0.5%	15,507	(14,640)	13,001	(12,236)

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 / pension liability recognised within the balance sheet.

18.1.16 Historical information

	2017	2016	2015	2014	2013
	Rupees '000				
Pension Funds as at June 30					
Present value of defined benefit obligation	**641,606**	623,063	394,211	295,259	303,976
Fair value of plan assets	**(283,478)**	(313,688)	(265,651)	(206,748)	(205,564)
Deficit	**358,128**	309,375	128,560	88,511	98,412
Experience adjustments					
Gain / (loss) on obligation	**(40,904)**	(194,359)	(66,266)	(20,119)	(55,477)
(Loss) / gain on plan assets	**(14,197)**	(9,586)	(2,492)	7,413	(8,093)
	(55,101)	(203,945)	(68,758)	(12,706)	(63,570)
Gratuity Funds as at June 30					
Present value of defined benefit obligation	**421,031**	357,634	358,435	318,685	205,296
Fair value of plan assets	**(289,706)**	(241,676)	(234,659)	(166,703)	(154,756)
Deficit	**131,325**	115,958	123,776	151,982	50,540
Experience adjustments					
Gain / (loss) on obligation	**(42,755)**	(16,776)	(2,199)	(86,260)	(45,698)
(Loss) / gain on plan assets	**(3,878)**	(3,789)	(365)	(7,725)	(5,848)
	(46,633)	(20,565)	(2,564)	(93,985)	(51,546)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

18.1.17 As per actuarial advice, the Group is expected to recognise a service cost of Rs. 45.64 million in 2018 (2017: Rs. 40.33 million).

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

	Pension Fund	Gratuity Fund
	No. of years	
Management	**19.36**	**7.64**
Non-management	**19.18**	**8.98**

18.1.19 Expected maturity analysis of undiscounted retirement benefit plan.

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

19. TRADE AND OTHER PAYABLES

	2017	2016
	Rupees '000	
Creditors - note 19.1	**286,576**	235,303
Accrued liabilities - note 19.1	**1,533,925**	1,491,511
Electricity charges payable	**101,994**	98,478
Royalty payable	**68,448**	70,143
Excise duty payable	**1,260**	70,304
Advances from customers	**230,508**	133,956
Retention money - note 19.2	**1,100,389**	23,037
Security deposits - note 13.3	**54,172**	58,890
Workers' Profits Participation Fund - note 19.4	**241,000**	227,600
Workers' Welfare Fund - note 19.3	**196,000**	201,412
Sales tax payable	**-**	42,037
Payable to provident fund	**650**	1,089
Taxes deducted at source and payable to statutory authorities	**1,591**	3,167
Unclaimed dividend	**7,592**	6,106
Others - note 19.1	**7,026**	17,023
	3,831,131	2,680,056

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

19.1 Creditors, accrued liabilities and other liabilities include Rs. 8.5 million, Rs. 6.5 million and Rs. 5.8 million (2016: Rs. 5.2 million, Rs. 5.3 million and Rs. 5.8 million) respectively in respect of amounts due to related parties.

19.2 This includes retention money amounting to Rs. 1.09 billion (2016: Rs. 3.42 million) in respect of Project line 3.

19.3 This includes provision of Rs. 63.31 million and Rs. 40.05 million pertaining to the year 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.

19.4 Workers' Profits Participation Fund

	2017	2016
	----------- Rupees '000 -----------	
At beginning of the year	227,600	173,093
Charge for the year - note 27	241,000	227,600
	468,600	400,693
Interest on funds utilised in Group's business - note 29	3,846	2,269
	472,446	402,962
Less: Amount paid to the Fund	(231,446)	(175,362)
	241,000	227,600

20. ACCRUED MARK-UP

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

21. SHORT TERM BORROWINGS

	2017	2016
	----------- Rupees '000 -----------	
Short term running finance - note 21.1 & 21.2	1,980,847	-
Current maturity of long-term loan - note 15	100,000	-
	2,080,847	-

21.1 The facilities available from various banks amount to Rs. 3.24 billion (2016: Rs. 1.50 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Group's stock in trade and trade debts. The facilities expiring within one year are annual facilities subject to review at various dates during 2017 and 2018.

21.2 The rates of mark-up ranging between one month KIBOR minus 0.4% and 3 months KIBOR plus 0.25% (2016: one month KIBOR minus 0.5% and 3 months KIBOR plus 0.25%) per annum.

21.3 The facilities for opening letters of credit and guarantees as at June 30, 2017 amounted to Rs. 4.60 billion (2016: Rs. 4.60 billion) of which unutilised balance at year end amounted to Rs. 4.21 billion (2016: Rs. 3.98 billion).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

22. CONTINGENCY AND COMMITMENTS

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

22.2 Commitments for capital expenditure outstanding as at June 30, 2017 amounted to Rs. 1.901 billion (2016: Rs. 6.352 billion).

23. NET SALES

	2017	2016
	Rupees '000	Rupees '000
Gross local sales	16,316,388	13,964,727
Sales tax	(2,618,498)	(2,273,661)
Federal excise duty	(1,576,973)	(678,987)
	(4,195,471)	(2,952,648)
Commission	(359,526)	(326,383)
Net local sales	11,761,391	10,685,696
Export sales	2,973,781	3,232,644
	14,735,172	13,918,340

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

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

	2017	2016
	Rupees '000	Rupees '000
Africa	680,062	835,913
Middle East Asia	-	451,396
Sri Lanka	1,896,033	1,697,722
Others	397,686	247,613
	2,973,781	3,232,644

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

24. COST OF SALES

	2017	2016
	----------- Rupees '000 -----------	
Raw materials consumed	912,078	814,876
Packing materials consumed	837,231	928,618
Cement packaging and loading charges	25,693	22,235
Salaries, wages and benefits - note 24.1	1,418,237	1,249,712
Fuel	2,534,424	2,066,251
Electricity and water	1,712,671	1,850,455
Stores and spares consumed	463,232	450,671
Repairs and maintenance	115,263	119,445
Insurance	51,071	59,664
Vehicle running and maintenance	86,347	81,446
Security expenses	108,612	91,761
Depreciation	422,775	414,608
Other expenses - note 24.2	39,591	10,352
	8,727,225	8,160,094
Add: Opening work-in-process	302,245	450,950
Less: Closing work-in-process	(182,580)	(302,245)
	8,846,890	8,308,799
Add: Opening stock of finished goods	101,210	124,251
Less: Closing stock of finished goods	(105,140)	(101,210)
	8,842,960	8,331,840

24.1 Salaries, wages and benefits include Rs. 60.48 million and Rs. 28.02 million (2016: Rs. 43.83 million and Rs. 25.02 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

24.2 This includes provision for slow moving and obsolete items amounting to Rs. 5.27 million (2016: reversal of provision amounting to Rs. 2.76 million).

25. DISTRIBUTION COSTS

	2017	2016
	----------- Rupees '000 -----------	
Salaries, wages and benefits - note 25.1	93,760	84,871
Handling and other export related expenses	472,693	443,066
Carriage outward on export sales	225,151	241,257
Commission on export sales	40,588	48,895
Carriage outward on local sales	50,794	113,909
PSI marking fee	15,210	14,263
Advertisement and sales promotion	774	1,155
Travelling and entertainment	2,027	5,414
Other expenses	2,534	1,916
	903,531	954,746

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

25.1 Salaries, wages and benefits include Rs. 4.66 million and Rs. 1.95 million (2016: Rs. 3.40 million and Rs. 1.76 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

26. ADMINISTRATIVE EXPENSES

	2017	2016
	----------- Rupees '000 -----------	
Salaries, wages and benefits - note 26.1	311,928	295,515
Depreciation	14,396	13,594
Rent, rates and taxes	15,715	14,441
Utilities	4,844	4,854
Insurance	2,073	2,576
Repairs and maintenance	9,308	9,240
Communication and printing	14,749	13,840
Travelling and entertainment	5,655	8,965
Legal and professional charges	15,112	17,832
Auditors' remuneration - note 26.2	4,428	3,607
Donations - note 26.3	11,616	7,877
Other expenses	9,554	9,451
	419,378	401,792

26.1 Salaries, wages and benefits include Rs. 13.06 million and Rs. 5.28 million (2016: Rs. 11.02 million and Rs. 5.31 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

26.2 Auditors' remuneration

	2017	2016
	----------- Rupees '000 -----------	
Audit fee (including consolidation)	2,500	2,000
Fee for review of interim financial information and Statement of Compliance with Code of Corporate Governance	1,150	1,150
Taxation services	430	165
Other certifications, attestations and other services	85	85
Out-of-pocket expenses	263	207
	4,428	3,607

26.3 None of the Directors or their spouses had any interest in donees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

	2017	2016
	----------- Rupees '000 -----------	
27. OTHER EXPENSES		
Workers' Profits Participation Fund - note 19.4	241,000	227,600
Workers' Welfare Fund	92,645	86,442
	333,645	314,042
28. OTHER INCOME		
Income from financial assets		
Income on PLS savings accounts under interest / markup arrangements	11,947	21,486
Gain on sale of open ended mutual fund units	72,670	269,914
Gain on re-measurement of fair value of open ended mutual fund units	-	4,135
Dividend from open ended mutual funds	-	5,462
	72,670	279,511
Exchange gain	117	8,511
Income from non-financial assets		
Gain on disposal of operating assets	1,238	1,138
Others		
Export rebate	15,680	16,913
Scrap sales	36,191	12,997
Others - note 28.1	98,789	539
	236,632	341,095

28.1 This includes Rs. 98.06 million in respect of reversal of WWF provision. Through the Finance Acts of 2006 and 2008, certain amendments were brought in the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) including the levy of WWF which had been originally calculated at the rate of 2% of the total (taxable) income of the industrial establishment in a particular year, was amended to charge on higher of total (taxable) income or profit before tax. During the year, the Honorable Supreme Court of Pakistan through its judgement dated October 10, 2016, in Civil Appeals No. 1049 to 1055/2011 decided that amendments in WWF Ordinance made through Finance Acts were unconstitutional. Accordingly, the Group has reversed the excess provision calculated on the basis of profit before tax.

	2017	2016
	----------- Rupees '000 -----------	
29. FINANCE COST		
Bank charges and commission	23,996	18,120
Interest on Workers' Profits Participation Fund - note 19.4	3,846	2,269
Finance charges on finance lease	527	920
	28,369	21,309

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

	2017	2016
	----------- Rupees '000 -----------	
30. TAXATION		
Current		
- for the year - note 30.2	1,424,484	1,365,545
- prior years	(22,851)	(16,000)
Deferred	8,231	(3,862)
	1,409,864	1,345,683
30.1 Relationship between tax expense and accounting profit		
Profit before taxation	4,443,921	4,235,706
Tax at the applicable rate of 31% (2016: 32%)	1,377,616	1,355,426
Effect of final tax regime	(73,843)	(140,946)
Tax credits	-	(1,810)
Super tax	125,603	118,828
Others	3,339	30,185
Prior years' tax provision	(22,851)	(16,000)
	1,409,864	1,345,683

30.2 This includes Rs. 125.60 million (2016: Rs. 118.83 million) super tax imposed for rehabilitation of temporarily displaced persons under section 4B of the Income Tax Ordinance, 2001 through Finance Act, 2015 as further extended by Finance Act, 2016 and 2017 respectively.

	2017	2016
	----------- Rupees '000 -----------	
31. BASIC AND DILUTED EARNINGS PER SHARE		
Profit after taxation	3,034,057	2,890,023
Weighted average number of outstanding shares at the end of year (in thousands)	114,522	114,522
Basic and diluted earnings per share - note 31.1	Rs. 26.49	Rs. 25.24

31.1 Diluted earnings per share has not been presented as the Group did not have any convertible instruments in issue as at June 30, 2017 and 2016 which would have any effect on the earnings per share if the option to convert is exercised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

	2017	2016
	----------- Rupees '000 -----------	
32. CASH GENERATED FROM OPERATIONS		
Profit before taxation	4,443,921	4,235,706
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation	437,171	428,202
Gain on disposal of fixed assets	(1,238)	(1,138)
Gain on sale of open ended mutual fund units	(72,670)	(269,914)
Gain on re-measurement of fair value of open ended mutual fund units	-	(4,135)
Dividend from open ended mutual funds	-	(5,462)
Provision for slow moving and obsolete stock	5,269	(5,751)
Interest income	(11,947)	(21,486)
Finance cost	28,369	21,309
Retirement benefits obligations	78,201	58,214
Profit before working capital changes	4,907,076	4,435,545
Effect on cash flow due to working capital changes		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	(161,438)	(325,115)
Stock-in-trade	143,152	163,962
Trade debts	30,622	(86,698)
Loans and advances	5,552	(20,820)
Short term deposits and prepayments	103	(580)
Refunds due from government - Sales tax	(496,755)	147,585
Other receivables	84,807	(46,747)
	(393,957)	(168,413)
(Decrease) / Increase in current liabilities		
Trade and other payables	(79,902)	907,152
	(473,859)	738,739
Cash generated from operations	4,433,217	5,174,284
33. CASH AND CASH EQUIVALENTS		
Cash and bank balances - note 13	1,246,125	581,318
Short-term borrowings - note 21	(1,980,847)	-
	(734,722)	581,318

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

34. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executive Directors		Executives	
	2017	2016	2017	2016	2017	2016
	Rupees '000					
Managerial remuneration	25,269	22,972	13,686	14,423	240,420	187,222
Housing allowance	8,040	7,309	4,740	5,201	96,243	71,847
Utility allowance	3,063	2,784	916	1,031	20,616	15,264
Bonus	20,419	17,403	10,965	12,695	260,733	182,659
Retirement benefits	-	987	3,152	2,841	59,046	44,561
Others	3,310	5,975	2,996	3,233	60,211	38,599
	60,101	57,430	36,455	39,424	737,269	540,152
Number of person	1	1	2	2	198	157

The Chief Executive, Executive Directors 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 (2016: 3) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 2.39 million (2016: Rs. 1.93 million).

35. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the year are as follows:

	2017	2016
	Rupees '000	
Ultimate Holding company		
Dividend paid	1,203,400	1,010,856
Recovery of expenses	2,599	1,615
Associated companies		
Purchase of goods	227,880	199,913
Reimbursement of expenses	4,399	4,324
Recovery of expenses	12,268	5,127
Other related parties		
Payments made to retirement benefit funds	144,067	129,694
Key management personnel		
Loans and advances recovered during the year	3,003	18,192
Salaries and other short-term employee benefits	93,404	93,026
Post-employment benefits	3,152	3,828

The related party status of outstanding balances as at June 30, 2017 is included in other receivables, loans and advances and trade and other payables. These are settled in the ordinary course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

36. PROVIDENT FUND RELATED DISCLOSURES

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

	2017 (Un - Audited)	2016 (Audited)
	Rupees '000	
Size of the fund - Total assets	581,204	512,490
Percentage of investments made	88%	89%
Fair value of investments	510,363	454,770

36.1 The cost of above investments amounted to Rs. 505.29 million (2016: Rs. 437.63 million).

36.2 The break-up of fair value of investments is:

	2017	2016	2017	2016
	Percentage		Rupees '000	
Bank deposits	34%	13%	171,348	59,841
Government securities	13%	33%	65,648	148,374
Term finance certificates	4%	7%	21,061	31,799
Unit trust schemes	49%	47%	252,306	214,756
	100%	100%	510,363	454,770

36.3 The investments out of provident fund have been made in accordance with the provisions of Section 227 of the repealed Companies Ordinance, 1984 and the rules formulated for this purpose.

37. NUMBER OF EMPLOYEES

	2017	2016
Number of employees at June 30		
- Regular	850	775
- Contractual	47	37
Average number of employees during the year		
- Regular	817	779
- Contractual	42	24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

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 minimise earnings volatility and provide maximum return to shareholders.

38.2 Financial assets and liabilities by category and their respective maturities

	2017			2016		
	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	76,249	91,568	167,817	63,773	84,518	148,291
Trade debts	180,490	-	180,490	211,112	-	211,112
Other receivables	30,057	-	30,057	114,864	-	114,864
Bank balances	1,240,844	-	1,240,844	580,337	-	580,337
Cash and cheques in hand	5,281	-	5,281	981	-	981
Long term investment	-	4,500	4,500	-	4,500	4,500
Fair value through profit or loss						
Investments - at fair value through profit or loss	-	-	-	4,273,362	-	4,273,362
	1,532,921	96,068	1,628,989	5,244,429	89,018	5,333,447
Financial liabilities						
Long term finance	-	1,500,000	1,500,000	-	-	-
Trade and other liabilities	3,160,772	-	3,160,772	2,043,617	-	2,043,617
Short term borrowings	2,080,847	-	2,080,847	-	-	-
Accrued markup	45,990	-	45,990	-	-	-
	5,287,609	1,500,000	6,787,609	2,043,617	-	2,043,617
On balance sheet date gap	(3,754,688)	(1,403,932)	(5,158,620)	3,200,812	89,018	3,289,830
Net financial (liabilities) / assets						
Interest bearing	(1,140,450)	(1,403,932)	(2,544,382)	336,771	-	336,771
Non-interest bearing	(2,614,238)	-	(2,614,238)	2,864,041	89,018	2,953,059
	(3,754,688)	(1,403,932)	(5,158,620)	3,200,812	89,018	3,289,830

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

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 the Group's borrowings are on variable interest rate exposing company to interest rate risk.

At June 30, 2017, the Group has variable interest bearing financial liabilities of Rs. 3.63 billion (2016: Nil), and had the interest rate varied by 200 basis points with all the other variables held constant, profit before tax for the year would have been approximately Rs. 72.54 million (2016: Nil) 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 cash and bank balance maintained in foreign currency account. At June 30, 2017, trade and other payables of Rs. 315.37 million (2016: Rs. 283.51 million), trade debts of Rs. 116.65 million (2016: Rs. 142.72 million) and bank balance of Rs. 1,129.93 million (2016: Rs. 9.75 million) are exposed to foreign currency risk.

As at June 30, 2017, if the Pakistan Rupee had weakened / strengthened by 2% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 18.59 million (2016: Rs. 2.82 million), mainly as a result of foreign exchange gains / losses on translation of US Dollar denominated trade and other payables and trade debts.

As at June 30, 2017, 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. 0.03 million (2016: 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 balance sheet 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, 2017 which is subject to change in market price.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

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. 1,629 million (2016: Rs. 5,333 million) the financial assets exposed to the credit risk amounts to Rs. 1619 million (2016: Rs. 5,327.96 million). The carrying values of financial assets are as under:

	2017	2016
	Rupees '000	
Trade debts	180,490	211,112
Deposits, loans, advances and other receivables	197,874	263,155
Investments at fair value through profit or loss	-	4,273,362
Bank balances	1,240,844	580,337
	1,619,208	5,327,966

Trade debts of the Group 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, 2017, secured and unsecured trade debts amounted to Rs. 172.53 million and Rs. 7.96 million (2016: Rs. 206.82 million and Rs. 4.29 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. 42.98 million are maintained with the K-Electric Limited and loans & advances to employees amounting to Rs. 108.35 million (2016: Rs. 99.08 million) are secured against their retirement benefits.

The fair value through profit or loss investments represent investments in open ended mutual funds. The Group manages its credit and price risk by investing in income based diversified mutual funds.

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 financial statements approximate their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

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, 2017 was as follows:

	2017
	--- Rupees '000 ---
Total borrowings	3,580,847
Cash and bank - note 13	(1,246,125)
Net debt	2,334,722
Equity	12,571,343
Total capital	14,906,065
Debt to capital ratio	16%

39. CAPACITY AND PRODUCTION

	2017	2016
	----------- Metric tons -----------	
Production capacity		
- Clinker	1,740,000	1,740,000
- Cement	1,827,000	1,827,000
Actual production		
- Clinker	1,866,325	1,866,997
- Cement	2,081,858	1,967,391

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

40. LISTING 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 for each subsidiary that has NCI:

Name Of Subsidiary	Saqr Al-Keetan
	Rupees '000
Percentage Holding	60.00%
Total Assets	1,488,501
Total Liabilities	7,452
Total Comprehensive Income/(Loss)	-
Allocated to NCI	-
Accumulated NCI	-
Cash and Cash Equivalent	1,124,278

41. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on September 11, 2017 has proposed a cash dividend of Rs. 13.50 per share (2016: Rs. 12.5 per share) amounting to Rs. 1,546 million (2016: Rs. 1,432 million) subject to the approval of the Holding Company in the forthcoming annual general meeting.

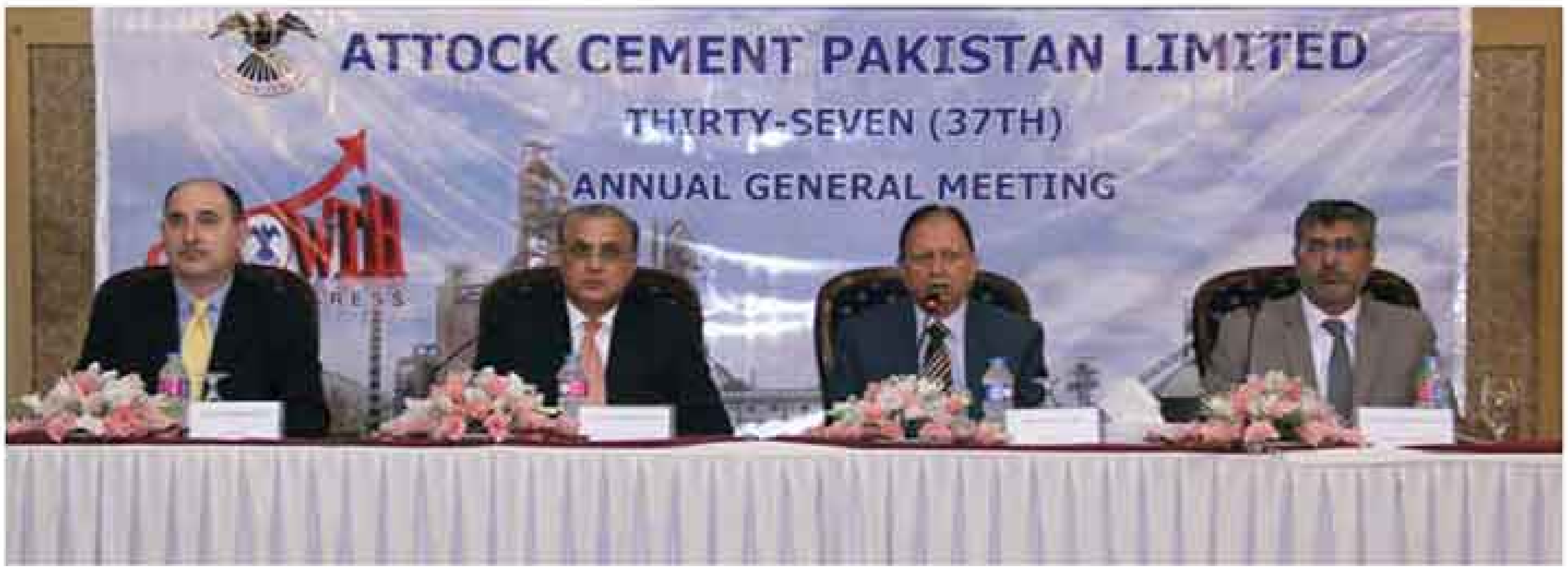
42. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were approved and authorised for issue by the Board of Directors of the Holding Company on September 11, 2017.

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

EVENTS

ANNUAL GENERAL MEETING



LONG SERVICE AWARD CEREMONY

کمپنی کے حصص فزیکل صورت میں رکھنے والے تمام حصص یافتگان/ممبران سے درخواست ہے کہ وہ اپنے کارآمدسی این آئی سی اوراین ٹی این سرٹیفکیٹ، کمپنی کے شیئر رجسٹرار، میسرز ٹیکنالوجی ٹریڈ (پرائیویٹ) لمیٹڈ کوارسال کریں تاکہ کمپنی اپنے حصص یافتگان/ممبران کا ریکارڈ مکمل کرسکے۔

کمپنی کے حصص سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ (سی ڈی سی) کے سینٹرل ڈیپازٹری سسٹم (سی ڈی ایس) میں اسکرپ لیس صورت میں رکھنے والے تمام حصص یافتگان/ممبران سے درخواست ہے کہ وہ اپنے کارآمدسی این آئی سی اوراین ٹی این سرٹیفکیٹ، اپنے سی ڈی سی پارٹیسی پینٹ/سی ڈی سی انویسٹر اکاؤنٹ سروسز کوارسال کردیں۔

مندرجہ بالا دستاویزات جمع نہ کرائے جانے کی صورت میں کمپنی اس بات کی پابند ہوگی کہ وہ عملدرآمد نہ کرنے والے ایسے تمام شیئر ہولڈرز/ممبران کونان فائلز کے طور پر تسلیم کرے جس کی وجہ سے ان پر ودہولڈنگ ٹیکس کی بلندتر شرح لاگو ہوگی۔

سالانہ رپورٹ کمپنی کی ویب سائیٹ www.attockcement.com پر جاری کردی گئی ہے۔

7۔ 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 مندرجہ ذیل ہدایات پر بھی عمل کریں جو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے سرکلر نمبر 1 مورخہ 26 جنوری 2000 کو جاری کی گئی تھیں:۔

الف: اجلاس میں شرکت کے لیے

i۔ انفرادی ممبر ہونے کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اجلاس میں شرکت کے وقت اپنے CNIC کی تصدیق کرائے گا۔

ii۔ کارپوریٹ ممبر ہونے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی بمعہ نامزد فرد کے دستخط کے نمونے (اگر پہلے سے مہیا نہیں کیے گئے)، اجلاس کے وقت پیش کرنا ہوگی۔

ب: پروکسی مقرر کرنے کے لیے

i۔ انفرادی ممبر ہونے کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر پروکسی فارم مندرجہ بالا شرائط کے مطابق جمع کرائے گا۔

ii۔ پروکسی فارم پر 2 گواہان کے دستخط ہوں گے جن کے نام، پتے اور CNIC نمبرز فارم پر تحریر کیے جائیں گے۔

iii۔ پروکسی فارم کے ساتھ اصل مالک کے CNIC یا پاسپورٹ کی تصدیق شدہ کاپی منسلک کی جائے گی۔

iv۔ اجلاس کے وقت پروکسی کو اپنا اصل CNIC یا اصل پاسپورٹ دکھانا ہوگا۔

v۔ کارپوریٹ ممبر ہونے کی صورت میں، بورڈ آف ڈائریکٹرز کی منظوری/ پاور آف اٹارنی بمعہ پروکسی کے دستخط کے نمونے (اگر پہلے سے جمع نہیں کرائے) کمپنی کے پاس پروکسی فارم کے ساتھ جمع کرانا ہوں گے۔

انکم ٹیکس آرڈیننس 2001 کی شق 150 کے مطابق ڈیویڈنڈ سے انکم ٹیکس کی کٹوتی:

یکم جولائی 2017 سے نافذ العمل فنانس ایکٹ کے مطابق نظر ثانی شدہ انکم ٹیکس آرڈیننس کے تحت ڈیویڈنڈ کی ادائیگیوں پر انکم ٹیکس کٹوتی کی شرح مندرجہ ذیل ہوگی:۔

الف: انکم ٹیکس ریٹرن فائلرز کے لیے ٹیکس کی کٹوتی کی شرح: 15.0 فی صد

ب: انکم ٹیکس ریٹرن نان فائلرز کے لیے ٹیکس کی کٹوتی کی شرح: 20.0 فی صد

نوٹس:

1۔ممبران کا رجسٹر اور کمپنی کی شیئر ٹرانسفر بک (حصص کی منتقلی کی کتاب) 17 اکتوبر 2017 سے 24 اکتوبر 2017 (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 16 اکتوبر 2017 کو موجود ہوں گے۔

3۔اگر کوئی ممبر کمپنی کے ڈائریکٹر کے طور پر انتخاب میں حصہ لینے کا خواہش مند ہو، اگرچہ وہ سبکدوش ہونے والا ڈائریکٹر یا اس کے علاوہ کوئی بھی ہو تو وہ کمپنی کے رجسٹرڈ دفتر میں کمپنی کے اجلاس سے کم از کم 14 روز پہلے مندرجہ ذیل چیزیں جمع کرائے گا:۔

الف: ایک نوٹس، جس میں بتایا گیا ہو وہ کمپنی کے ڈائریکٹر کے طور پر انتخاب میں حصہ لینے کا خواہشمند ہے،

ب: کوڈ آف کارپوریٹ گورننس کے معاملات کے لیے مطلوبہ ڈیکلریشن (جس کی کاپی رجسٹرڈ دفتر سے حاصل کی جاسکتی ہے)۔

پ: فارم 28 پر رضامندی اور

ت: کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی کاپی

4۔کمپنی کے اجلاس میں شرکت اور ووٹ دینے کا اہل کوئی بھی ممبر اپنی جانب سے کسی دوسرے فرد کو کمپنی کے اجلاس میں شرکت اور ووٹ دینے کے لیے بطور پروکسی مقرر کر سکتا ہے، دونوں کی جانب سے دستخط شدہ پروکسی کمپنی کے رجسٹرڈ دفتر میں اجلاس منعقد ہونے سے 48 گھنٹے قبل موصول ہو جانی چاہیے، پروکسی کا فارم اس نوٹس کے ساتھ منسلک ہے۔

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

6۔تمام ممبران سے درخواست ہے کہ وہ میل یا فیکس کے ذریعے اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) نمبر اور غیر ملکی ہونے کی صورت میں اپنے پاسپورٹ نمبر ارسال کریں تاکہ کمپنی متعلقہ قوانین کے مطابق عمل کر سکے، (جن ممبران نے پہلے ہی یہ نمبر ارسال کر دیے ہیں وہ اس سے مستثنیٰ ہیں)۔

"منظور کیا جاتا ہے کہ 31 مئی 2016 کو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے SRO 470 (I) 2016 کے ذریعے دی جانے والے ہدایات پر عملدرآمد کرتے ہوئے اور حصص یافتگان کی منشاء اور منظوری سے کمپنی کے بورڈ آف ڈائریکٹرز کو یہ اختیار دیا جاتا ہے کہ وہ کمپنی کے سالانہ آڈٹ شدہ حسابات کو اپنے ممبران میں سی ڈی/ ڈی وی ڈی/ یو ایس بی کے ذریعے تقسیم کریں، مزید براں کمپنی کے بورڈ آف ڈائریکٹرز اور کمپنی سیکریٹری کو یہ اختیار دیا جاتا ہے کہ وہ تمام مطلوبہ اقدامات کریں جو اس قرارداد کی جملہ ضرورتوں کو پورا کرنے کے لیے ضروری اور مطلوب ہیں۔

6۔ جیسا کہ کمپنیز ایکٹ 2017 کی شق 242 میں بتایا گیا ہے کہ لسٹڈ کمپنی ہونے کی صورت میں، کمپنی کی جانب سے اعلان کردہ کسی بھی نقد منافع (ڈیویڈنڈ) کو لازمی طور پر الیکٹرونک طریقے سے حصص یافتگان کے اکاؤنٹ میں براہ راست منتقل کیا جائے، اس پر عملدرآمد کرتے ہوئے کمپنی کے تمام حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنے بینک مینڈیٹ بمعہ مندرجہ ذیل تمام تفصیلات جلد از جلد کمپنی کے شیئر رجسٹرار کو مہیا کر دیں:۔

شیئر ہولڈر کا نام	
فولیو نمبر اور سی ڈی ایس اکاؤنٹ نمبر	
بینک اکاؤنٹ کا ٹائٹل	
بینک کا نام	
برانچ کا نام	
برانچ کا پتا	
بینک اکاؤنٹ نمبر	
آئی بی اے این	
شیئر ہولڈر کا سی این آئی سی	
شیئر ہولڈر کا فون نمبر	
شیئر ہولڈر کا موبائل فون نمبر	
شیئر ہولڈر کا ای میل ایڈریس	

7۔ چیئرمین کی اجازت سے مزید کسی معاملے کو کارروائی میں شامل کرنا

بحکم منجانب بورڈ

عرفان امان اللہ

کمپنی سیکریٹری

کراچی: مورخہ 3 اکتوبر 2017

نوٹس برائے 38واں سالانہ اجلاس عام

مطلع کیا جاتا ہے کہ اٹک سیمنٹ پاکستان لمیٹڈ کا 38واں سالانہ اجلاس عام 24 اکتوبر 2017 بروز منگل کو صبح 10:30 بجے میریٹ ہوٹل کراچی میں ہوگا جس میں مندرجہ ذیل امور زیر بحث آئیں گے:۔

معمول کی کاروائی:

1۔ 30 جون 2017 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ حسابات اور اس پر آڈیٹرز اور ڈائریکٹرز کی رپورٹ کی وصولی کرنا، جائزہ لینا اور منظور کرنا۔

2۔ 30 جون 2017 کو ختم ہونے والے سال کے لیے بورڈ آف ڈائریکٹرز کی جانب سے سفارش کردہ 135 فی صد (13.50 روپے فی حصص) کے حساب سے حتمی نقد منافع (ڈیوڈنڈ) پر غور اور اگر مناسب ہو تو اس کی منظور کرنا۔

3۔ مالی سال 18-2017 کے لیے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین کرنا۔

خصوصی کاروائی:

4۔ آئندہ تین (3) سال کے عرصے کے لیے کمپنی کے سات (7) ڈائریکٹرز کا انتخاب کرنا، ڈائریکٹرز کی یہ تعداد 20 جون 2017 کو منعقدہ کمپنی کے بورڈ آف ڈائریکٹرز کے اجلاس میں متعین کی گئی تھی۔

سبکدوش ہونے والے ڈائریکٹرز کے نام مندرجہ ذیل ہیں:۔

i۔ جناب لائتھ جی فراؤن
ii۔ جناب وایل جی فراؤن
iii۔ جناب شعیب اے ملک
iv۔ جناب عبدالستار
v۔ آغا شیر شاہ
vi۔ جناب ساجد نواز
vii۔ جناب بابر بشیر نواز

سبکدوش ہونے والے ڈائریکٹرز کو دوبارہ بھی منتخب کیا جا سکتا ہے۔

5۔ تجویز دی جاتی ہے کہ 31 مئی 2016 کو 2016 (I) SRO 470 کے ذریعے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ ہدایات پر عمل کرتے ہوئے مندرجہ ذیل قرارداد کو ایک خصوصی قرارداد کے ذریعے منظور کیا جائے:۔

رہے گا، اس سے نہ صرف پاکستان بلکہ خطے کی دیگر مارکیٹوں میں سیمنٹ کی طلب میں اضافہ ہوگا، اس منصوبے کے تحت زیادہ تر توانائی کے منصوبے تعمیرات کے مختلف مراحل میں ہیں اور حکومت کی بھرپور توجہ ان کی بروقت تکمیل میں مددگار ثابت ہوگی کیونکہ متعلقہ ادارے اس بات کے خواہاں ہیں کہ آئندہ سال ہونے والے عام انتخابات سے پہلے ملک میں توانائی کے بحران پر قابو پالیاجائے، اگرچہ مالیاتی استحکام آرہا ہے تاہم اب بھی بڑھتے ہوئے قرضے اور کرنٹ اکائونٹ خسارہ معیشت کی ترقی کی رفتار کو متاثر کرسکتاہے۔موجودہ سیاسی عدم استحکام کی وجہ سے سرمایہ کاروں کا اعتماد مجروح ہوسکتاہے،ہمیں توقع ہے کہ آئندہ سال عام انتخابات ہونے کی وجہ سے پبلک سیکٹر انفرااسٹرکچر پر زیادہ خرچ ہوگا دوسری جانب نجی شعبے کی جانب سے بھی میگا پروجیکٹس پر آئندہ سال بھی سرمایہ کاری جاری رہے گی جس کی وجہ سے سیمنٹ کی طلب بڑھتی رہے گی ،تاہم ملک میں جاری موجودہ سیاسی بے یقینی سرمایہ کاروں کے اعتماد پر منفی اثرات مرتب کرے گی، اس کے ساتھ جنوب کی مارکیٹ کی پیداواری استعداد قیمتوں کے موجودہ توازن کو میڈیم ٹرم کی بنیاد پر متاثر کرسکتی ہے۔

فنانس ایکٹ ۲۰۱۷میں حکومت نے فیڈرل ایکسائز ڈیوٹی (ایف ای ڈی) میں ۲۵۰روپے فی ٹن کے حساب سے اضافہ کردیاتھا،اس اضافے کی وجہ سے تعمیراتی اخراجات بڑھ جائیں گے اور قلیل سے وسط مدتی بنیادپر ملک میں کم لاگت مکانات کی تعمیرات کا عمل متاثر ہوسکتاہے۔

مزید دنیا کی بڑی معیشتوں کی جانب سے طلب میں اضافے کے بعد عالمی منڈی میں کوئلے کی قیمتوں میں اضافہ ہونے لگاہے ، اگر اضافے کا یہ رجحان برقرار رہاتو مارجن پر اس کا منفی اثر پڑے گا۔

اپنی طویل مدتی حکمت عملی کے ساتھ، آپ کی کمپنی برآمدات پر مضبوط گرفت رکھے گی ، سری لنکا اور مشرقی افریقہ کی مارکیٹوں میں کمپنی کی پروڈکٹس بہت پاپولر ہیں جہاں کمپنی نے اب اپنے کسٹمرز کی وسیع بنیاد قائم کرلی ہے، اس پیٹرن کے مطابق کمپنی اب یہی حکمت عملی آنے والی بھارتی مارکیٹ کے لیے بھی اپنا رہی ہے اور اس کے ابتدائی نتائج کافی حوصلہ افزا ہیں۔
انتظامیہ کی جانب سے زیادہ دنوں تک کام کرکے پیداوار میں اضافے، کوئلے کی محتاط خریداری، ٹیکنالوجیکل ایڈوانسمنٹ کے ذریعے پلانٹ کی کارکردگی میں اضافے اور سیلز مکس کی تبدیلی کے ذریعے مارجنز کو بڑھانے کی ہر ممکن کوشش کی جارہی ہے، جس سے نہ صرف کمپنی کے مارجن میں اضافہ ہوگا بلکہ مارکیٹ میں کمپنی کی پروڈکٹس کی لاگت کو مسابقت کے مطابق بنانے میں مدد ملے گی جو کمپنی کے منافع کو برقرار رکھنے میں مددگار ہوگی۔

منجانب بورڈ

بابر بشیر نواز
چیف ایگزیکٹو

مورخہ :۱۱ ستمبر ۲۰۱۷
دبئی، متحدہ عرب امارات

۱۰۔ خصوصی منصوبے قائم کرنا،ویلیو فارمنی اسٹڈیز یا دیگر انوسٹی گیشن،بورڈ آف ڈائریکٹرز کی جانب سے تخصیص شدہ کسی معاملے پر چیف ایگزیکٹو کی مشاورت اور ایکسٹرنل آڈیٹرز یا کسی ایکسٹرنل باڈی کی جانب کسی معاملے کو متعین کرنا۔

۱۱۔ قانونی شرائط سے متعلق تعمیل کا تعین کرنا

۱۲۔ بورڈ آف ڈائریکٹرز کی جانب سے دیے گئے مزید کسی معاملے یا مسئلے پر توجہ دینا

۱۳۔ ایکسٹرنل آڈیٹرز

- ایکسٹرنل آڈیٹرز کی تقرری کے لیے سفارشات دینا
- ایکسٹرنل آڈیٹرز کا استعفیٰ یا برخاستگی
- آڈٹ فیس
- فنانشل اسٹیٹمنٹ کے آڈٹ کے علاوہ ایکسٹرنل آڈیٹرز کی جانب سے کمپنی کے لیے کسی اور خدمات کی فراہمی۔
- عبوری اور حتمی آڈٹ اور کسی دوسرے معاملے ،جس کو آڈیٹر نمایاں کرنا چاہتاہو ، کے بارے میں ایکسٹرنل آڈیٹر کو سہولت فراہم کرنا اور اس کے ساتھ تبادلہ خیال کرنا۔

ہیومن ریسورس کمیٹی:

کوڈ آف کارپوریٹ گورننس کی تعمیل کرتے ہوئے بورڈ نے ہیومن ریسورس کمیٹی قائم کی جس کے مندرجہ ذیل ممبران ہیں۔

نمبر شمار	ڈائریکٹرز کے نام	حیثیت
1	جناب شعیب اے ملک	نان ایگزیکٹو ڈائریکٹر / چیئرمین
2	جناب عبدالستار	نان ایگزیکٹو ڈائریکٹر / ممبر
3	جناب بابر بشیر نواز	ایگزیکٹو ڈائریکٹر / ممبر

شرائطِ حوالہ

اس کمیٹی کی شرائطِ حوالہ مندرجہ ذیل ہیں

- بورڈ کو ہیومن ریسورس مینجمنٹ پالیسیوں کے بارے میں سفارشات دینا
- سی ای او کے انتخاب، تشخیص، معاوضے(بشمول ریٹائرمنٹ کے فوائد) اور ان کے جانشین کے لیے منصوبہ بندی کے بارے میں بورڈ کو سفارشات دینا۔
- سی او او، سی ایف او، کمپنی سیکریٹری اور ہیڈ آف انٹرنل آڈٹ کے انتخاب، تشخیص، معاوضے(بشمول ریٹائرمنٹ کے فوائد) اور ان کے جانشین کے لیے منصوبہ بندی کے بارے میں بورڈ کو سفارشات دینا۔
- سی ای او کی جانب سے سی ای او یا سی او او کو براہ راست رپورٹ کرنے والے اہم انتظامی پوزیشن رکھنے والوں کے معاملات کے بارے میں توجہ اور منظوری کے لیے سی ای او کی سفارشات۔

مستقبل کی توقعات:

توقع کی جارہی ہے کہ آئندہ برسوں کے دوران پاکستان کی ترقی کا زیادہ تر دارومدار چائنا پاکستان اکنامک کوریڈور(سی پی ای سی) پر

آڈیٹرز:

سبکدوش ہونے والے آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس ۳۸ویں سالانہ اجلاس کے اختتام پر ریٹائر ہوجائینگے اورانہوں نے اپنی دوبارہ تقرری کی پیش کش کی ہے، آڈٹ کمیٹی نے ان کی دوبارہ تقرری کی سفارش کی ہے۔

آڈٹ کمیٹی:

بورڈ آف ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کی تعمیل کرتے ہوئے آڈٹ کمیٹی قائم کی ہے جس کے ممبران مندرجہ ذیل ہیں:۔

نمبر شمار	ڈائریکٹرز کے نام	پوزیشن	حیثیت
1	جناب عبدالستار	چیئرمین	نان ایگزیکٹو ڈائریکٹر
2	جناب شعیب اے ملک	ممبر	نان ایگزیکٹو ڈائریکٹر
3	جناب آغا شیر شاہ	ممبر	نان ایگزیکٹواور انڈیپنڈنٹ ڈائریکٹر

شرائطِ حوالہ

۱۔ اثاثہ جات کی حفاظت کے لیے مناسب اقدامات کا تعین

۲۔ اشاعت سے قبل نتائج کے ابتدائی اعلان کا جائزہ

۳۔ سہ ماہی، ششماہی اور سالانہ فنانشل اسٹیٹمنٹ کا بورڈ آف ڈائریکٹرز کی منظوری سے قبل مندرجہ ذیل امور پر خصوصی توجہ سے جائزہ لینا

- فیصلہ کرنے کے مواقع
- آڈٹ کے نتائج سے اہم فیصلے
- کاروبار کے جاری رہنے کے خدشات
- اکاؤنٹنگ کی پالیسیوں اور پریکٹسز میں تبدیلیاں
- قابل اطلاق اکاؤنٹنگ اسٹنڈرڈز کی تعمیل
- لسٹنگ ریگولیشنز اور دیگر قانونی اور ریگولیٹری شرائط کی تعمیل اور
- اہم متعلقہ پارٹی ٹرانزیکشنز

۴۔ آڈیٹر کی جانب سے جاری انتظامیہ کو خط اور اس پر انتظامیہ کے جواب کا جائزہ

۵۔ انٹرنل اور ایکسٹرنل آڈیٹرز کے درمیان رابطہ کو یقینی بنانا

۶۔ انٹرنل آڈٹ کی حدود اور اسکوپ کا جائزہ اور اس بات کو یقینی بنانا کہ انٹرنل آڈٹ کا عمل مناسب وسائل رکھتا ہے اور اس کو مناسب انداز میں لگایا گیاہے۔

۷۔ فراڈ، بدعنوانی اور اختیارات کے ناجائز استعمال کے بارے میں انٹرنل تحقیقات کے نتائج اوراس پر انتظامیہ کے ردعمل کا جائزہ لینا۔

۸۔ یہ معلومات حاصل کرنا کہ انٹرنل کنٹرول سسٹم میں فنانشل اور آپریشنل کنٹرول،خرید و فروخت ، وصولیوں و ادائیگیوں، اثاثہ جات اورذمے داریوں کی مناسب ریکارڈنگ کے لیے اکاؤنٹنگ سسٹم اور رپورٹنگ اسٹرکچر موثر اور کافی ہے۔

۹۔ بورڈ آف ڈائریکٹرز کی منظوری سے قبل انٹرنل کنٹرول سسٹم کی اسٹیٹمنٹ کا جائزہ لینا۔

ج: لسٹنگ ریگولیشنز میں کارپوریٹ گورننس کی پریکٹسز کے بارے میں دی گئی تفصیلات میں کسی قسم کا انحراف نہیں کیا گیا۔

چ: تازہ ترین اکاؤنٹس کی بنیاد پر ٹرمینل بینیفٹ اسکیمز کی سرمایہ کاری کی مالیت مندرجہ ذیل ہے:

	روپے ملین میں	اختتام سال
پروویڈنٹ فنڈ (آڈٹ شدہ)	526	دسمبر 2016
گریچویٹی فنڈز (غیر آڈٹ شدہ)	286	جون 2017
پینشن فنڈز (غیر آڈٹ شدہ)	279	جون 2017

ا۔ سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ (۵) اجلاس ہوئے جن میں ڈائریکٹرز اور چیف ایگزیکٹو کی حاضری مندرجہ ذیل ہے:

نمبر شمار	ڈائریکٹرز/چیف ایگزیکٹو کا نام	حیثیت	اجلاسوں میں حاضری
1	ڈاکٹر غائتھ آر فراؤن (مرحوم)	چیئرمین/نان ایگزیکٹو ڈائریکٹر	2
2	جناب لائتھ جی فراؤن	نان ایگزیکٹو ڈائریکٹر	5
3	جناب وائیل جی فراؤن	نان ایگزیکٹو ڈائریکٹر	5
4	جناب شعیب اے ملک	نان ایگزیکٹو ڈائریکٹر	5
5	جناب عبدالستار	نان ایگزیکٹو ڈائریکٹر	5
6	آغا شیر شاہ	نان ایگزیکٹو انڈیپنڈنٹ ڈائریکٹر	3
7	جناب ساجد نواز	نان ایگزیکٹو انڈیپنڈنٹ ڈائریکٹر	5
8	جناب بابر بشیر نواز	ایگزیکٹو ڈائریکٹر/چیف ایگزیکٹو	5

سال کے دوران ،۶ جنوری ۲۰۱۷ کو چیئرمین /ڈائریکٹر ڈاکٹر غائتھ آر فراؤن کی ناگہانی موت کی وجہ سے بورڈ میں ڈائریکٹر کی ایک نشست خالی ہوگئی، ۲۷ جنوری ۲۰۱۷ کو جناب ساجد نواز کی تقرری کر کے اس خالی نشست کو پر کر لیا گیا۔

ح: سال کے دوران آڈٹ کمیٹی کے چار(۴) اجلاس ہوئے جن میں ڈائریکٹرز کی حاضری مندرجہ ذیل رہی:

نمبر شمار	ڈائریکٹرز	حیثیت	اجلاسوں میں حاضری
1	جناب عبدالستار	چیئرمین/نان ایگزیکٹو ڈائریکٹر	4
2	جناب شعیب اے ملک	نان ایگزیکٹو ڈائریکٹر	4
3	آغا شیر شاہ	نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹر	3

خ: سال ۲۰۱۶-۱۷ کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے اہل خانہ اور چھوٹے بچوں کی جانب سے شیئر ٹرانزیکشنز کی تفصیلات صفحہ نمبر ۴۴ پر دی گئی ہیں۔

د: گزشتہ چھ (۶) سال کا آپریٹنگ اور فنانشل ڈیٹا صفحہ نمبر ۵۱ پر دیا گیا ہے۔

شیئر ہولڈنگ کا پیٹرن:

۳۰ جون ۲۰۱۷ کو کمپنی کا شیئر ہولڈنگ پیٹرن صفحہ نمبر ۴۴ پر دیا گیا ہے۔

خواتین مریضوں کی سہولت کے لیے جام غلام قادر اسپتال ، حب کے لیبر روم میں متعدد آلات فراہم کیے گئے۔
جام غلام قادر اسپتال میں آئی سی یو اور لیبر روم کا قیام حب اور اس کے گرد ونواح میں رہنے والے لوگوں کے لیے عظیم سرمایہ ثابت ہو گا۔

ہیلتھ، سیفٹی اور انوائرمنٹ:
کمپنی کا ہیلتھ ، سیفٹی اور کلین انوائرمنٹ پروگرام کامیابی کے ساتھ چل رہا ہے اور اپنے ممبران کوحادثات سے محفوظ کام کرنے کی جگہ فراہم کررہاہے، مستقل بنیادوں پر سیفٹی پروگرامات کے انعقاد سے کمپنی کے ملازمین میں حادثات سے محفوظ کام کرنے کی جگہ کی اہمیت کے بارے آگاہی میں بڑے پیمانے پر اضافہ ہواہے، کمپنی اس طرح کی سرگرمیوں کو اجتاعی ذمے داری سمجھتی ہے اور اس کے شرکاء اس کے طریقہ کار کو اس کی روح کے مطابق اپنانے کو یقینی بناتے ہیں۔

منصوبوں پر پیش رفت:

نئی پروڈکشن لائن کی تنصیب
نئی پروڈکشن لائن پر کام شیڈول کے مطابق جاری ہے اور توقع ہے کہ کمرشل پروڈکشن دسمبر۲۰۱۷تک شروع ہوجائے گی، تمام پلانٹ اور مشینری سائیٹ پر پہنچ چکی ہے اور سول، میکینکل اور الیکٹریکل انفرااسٹرکچر کا کام بڑی حد تک مکمل ہوچکاہے۔

بصرہ، عراق میں سیمنٹ گرائنڈنگ یونٹ:
آپ کی کمپنی کی بصرہ، عراق میں سٹر ال کیتان نامی سبسڈری کی جانب سے چین کے سپلائرز کے نام اعتبار نامے (ایل سی) کھل چکی ہیں اور توقع ہے کہ پلانٹ اور مشینری کی پہلی ترسیل اکتوبر۲۰۱۷کے آخر تک پہنچ جائے گی، سول کام شروع ہوچکاہے اور توقع ہے کہ گرائنڈنگ کی سہولت جون ۲۰۱۸تک آپریشنل ہوجائے گی۔

کوڈ آف کارپوریٹ گورننس کی تعمیل:
ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ :۔
الف: منسلک فنانشل اسٹیٹمنٹ کمپنی کے معاملات کی صورتحال،اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی کی تبدیلی سے متعلق تمام صورتحال کو درست انداز میں پیش کیا گیاہے۔

ب: کمپنی کی جانب سے حسابات کی کتابوں کو صحیح انداز میں تیار کیاگیاہے۔

پ: فنانشل اسٹیٹمنٹ کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیاگیاہے اور اکاؤنٹنگ کے اندازے مناسب اور محتاط فیصلوں کی بنیاد پر لگائے گئے ہیں۔

ت: فنانشل اسٹیٹمنٹ کی تیاری میں پاکستان میں لاگو انٹرنیشنل اکاؤنٹنگ رپورٹنگ اسٹینڈرڈز کی پیروی کی گئی ہے۔

ٹ: انٹرنل کنٹرول کا سسٹم اپنے ڈیزائن میں مضبوط ہے اور اس کو موثر طریقے سے مانیٹر کیا جاتاہے اور اس پر عملدرآمد کیا جاتاہے۔

ث: کمپنی کی کارکردگی جاری رہنے کے بارے میں کسی قسم کا شبہ نہیں پایاجاتا۔

کارپوریٹ سماجی ذمے داری:

علاقے میں صاف پانی کی فراہمی، معیاری تعلیم اور صحت کی سہولتوں کی فراہمی کے لیے کمپنی مقامی کارپوریٹ سپورٹ پروگرام میں مسلسل سرمایہ کاری کرتی ہے، کمپنی اپنے فیکٹری ایریا میں اور اس سے باہر پینے کا صاف پانی فراہم کرتی ہے،اس سرگرمی کے نتیجے میں پورے سال کے دوران ۵۰۰۰ سے زائد افراد کو پینے کا صاف پانی فراہم کیا جاتا ہے۔

کمپنی کے دو اسکولوں بشمول فیلکن پبلک اسکول اور ٹی سی ایف اسپانسر کردہ ڈاکٹر غائتھ آر فراؤن کیمپس میں تقریباً ۶۰۰ طلباء کو بالکل مفت معیاری تعلیم فراہم کی جارہی ہے۔

اے سی پی ایل کی فیکٹری کے قیام سے کمپنی کا میڈیکل ڈپارٹمنٹ شروع ہی سے فعال ہوچکا ہے اور اب یہ نہ صرف ملازمین بلکہ اطراف میں رہنے والے لوگوں کو بھی میڈیکل سہولتیں مہیا کرنے کے لیے اہم کردار ادا کررہا ہے۔

میڈیکل ٹیم خدمت کا جذبہ اور لگن رکھنے والے ڈاکٹروں اور نرسنگ آفیسرز پر مشتمل ہے ، ڈاکٹرز اور نرسنگ آفیسرز ۲۴ گھنٹوں کے لیے دستیاب ہوتے ہیں اور فیکٹری کے اندر اور اردگرد کے دیہاتوں میں کام کرتے ہیں۔

اے سی پی ایل کی انتظامیہ بہتر بنیادی صحت کی سہولتیں فراہم کرنے کے لیے سفارشات کی حوصلہ افزائی کرتی ہے اور ان کی روشنی میں اپنے مراکز کو اپ گریڈ کرنے کے اقدامات کرتی رہتی ہے۔اس سال کے دوران ہمارے فرسٹ ایڈ اور میڈیکل سینٹر کو کارڈیک مانیٹر فراہم کیے گئے ہیں، جس سے سخت بیمار مریضوں کی کارڈیو تنفس کی سرگرمی کے ساتھ بلڈ پریشر کو مانیٹر کرنے میں مدد ملے گی۔اس تشخیص سے مریض کو بڑے اسپتال میں منتقل کرنے (اگر ضرورت ہو) سے پہلے بنیادی ٹریٹمنٹ بہتر انداز میں فراہم ہوسکے گی، علاوہ ازیں پہلے سے موجود بیڈز کے علاوہ چار مزید اسٹریچر کم بیڈ فراہم کردیے گئے ، ان اسٹریچرز سے کسی مریض کو بہتر طریقے سے شفٹ کرنے کی سہولت حاصل ہوگی۔

مزیدبراں پورے ہفتے کے دوران میڈیکل سینٹر میں دیگر ویلفیئر سرگرمیاں کرائی جاتی ہیں،جن میں ہر روز اوسطاً ۳۰ سے ۴۰ مریض فائدہ اٹھاتے ہیں، ہم لیڈی میڈیکل اور نرسنگ آفیسر کی سہولت بھی مہیا کرتے ہیں جو گائنی اور دیگر معاملات کی دیکھ بھال کرتی ہیں۔لیڈی میڈیکل آفیسر کی جانب سے ہر ہفتے میں تین روز او پی ڈی کی سہولت فراہم کی جاتی ہے۔

مئی ۲۰۱۶ سے پیر بخش گوٹھ میں اضافی ویلفیئر کلینک قائم کردیا گیا ہے، جس میں صبح کے اوقات میں ہفتے میں چار روز او پی ڈی کی سہولت فراہم کی جاتی ہے، جس میں مریضوں کی اوسط تعداد ۳۵ سے ۴۰ ہوتی ہے جو اکثر اوقات اس سے بڑھ بھی جاتی ہے۔

کم آمدنی رکھنے والے مقامی افراد کی صحت سے متعلق معاملات کا احساس کرتے ہوئے حب کے علاقے میں مختلف اوقات میں دو میڈیکل کیمپس کا انعقاد کیا گیا جس میں لگ بھگ ۲۲۰۰ مریضوں کو مفت دوائیں فراہم کی گئیں۔

اس سال کے دوران کمپنی نے مقامی انتظامیہ کی درخواست پر جام غلام قادر اسپتال ، حب میں پہلی بار انٹینسیو کیئر یونٹ (آئی سی یو) قائم کیا گیا، یہ آئی سی یو مکمل طور پر ائیر کنڈیشنڈ ہے اور اس میں آئی سی یو کی جملہ ضروریات کے مطابق مکمل انفرااسٹرکچر اور آلات موجود ہیں،اس منصوبے پر کم و بیش ۳٫۳ ملین روپے کی لاگت آئی ۔

برآمدات کے محاذ پر مارکیٹوں میں سخت مسابقت کا سامنا رہا اور علاقائی طور پر کمپنی کو سخت مسابقت کا سامنا رہا، تاہم مستحکم برانڈ امیج اور بہتر کوالٹی کی بنیاد پر کمپنی سری لنکا اور جنوبی افریقہ کی مارکیٹوں میں اپنا کلیدی کسٹمرز بیس برقرار رکھنے میں کامیاب رہی، سال کے دوران کمپنی نے بھارت کی مارکیٹ میں جگہ بنائی اور بھارتی خریداروں کی جانب سے اطمینان بخش مثبت جواب ملے، دسمبر ۲۰۱۷ تک نئی استعداد کے متوقع حصول کے بعد آپ کی کمپنی اس مارکیٹ کو سرگرمی کے ساتھ تلاش کرنے کا عمل شروع کرے گی جس کے لیے بنیادی کام پہلے ہی کیا جا چکا ہے۔

افرادی قوت:

کمپنی اپنے لوگوں پر بھروسہ کرتی ہے اور ان پر سرمایہ کاری کرتی ہے، ہمارے طویل سفر سے ہمیں یہ سبق حاصل ہوا ہے کہ افرادی قوت، سسٹم اور طریقہ کار سے زیادہ اہم ہوتے ہیں، اور اسی لیے ہم کام کرنے کا ایک خوش کن ماحول فراہم کرتے ہیں جہاں ترقی اور کیرئیر میں بہتری کے مواقع تسلسل کے ساتھ ملتے ہیں۔ کمپنی پیشہ ورانہ ترقی کے لیے تسلسل کے ساتھ ٹریننگ کا اہتمام کرتی ہے اور جاب کو قابل فخر بنانے کو یقینی بناتی ہے۔ کمپنی کی سرمایہ کاری کی سرگرمیوں میں ٹیم ورک اور اجتماعی فیصلے اس کا طرہ امتیاز ہیں جو اسٹاف ممبرز کو شراکت کا احساس دیتے ہیں۔

ہم کمپنی کے ملازمین کے مابین عمدہ تعلقات پر یقین رکھتے ہیں اور انہیں کام کرنے کا بہترین ماحول فراہم کرتے ہیں اسی لیے ہم ملازمین کی مصروفیت کے لیے، اسپورٹس ڈے اور دعوت جیسے پروگرام کا انعقاد کراتے ہیں۔

بین الادارہ جاتی رابطوں کی حوصلہ افزائی کے ٹیم بلڈنگ سرگرمیوں اور دیگر تقریبات / اجتماعات کا مسلسل انعقاد کیا جاتا ہے جو بالآخر کمپنی کی مجموعی پیداوار کو بڑھانے میں مددگار ثابت ہوتے ہیں۔ اس کے علاوہ ملازمین سے متعلق پالیسیوں، کمپنی میں پائے جانے والے مجموعی ماحول اور ملازمین کو مزید سہولتوں کی فراہمی 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 لیے 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 ڈیولپمنٹ تقریبات کا انعقاد کیا جاتا ہے۔ کمپنی کے اندر موجود ٹریننگ دینے کی صلاحیت رکھنے والے افراد کا چناؤ کیا جاتا ہے جن کے ذریعے ٹریننگ کی ضروریات کو پورا کرنے اور اس کو مزید موثر بنانے کے لیے ان کو تیار کیا جاتا ہے۔

کمپنی کے ملازمین کے معاوضے کا معاملہ مارکیٹ کے رجحانات کے عین مطابق اور ملازمین کی کارکردگی کی بنیاد پر ہے، اس سلسلے میں بنچ مارک متعین کرنے کے لیے تسلسل کے ساتھ مارکیٹ سروے کیے جاتے ہیں۔

کوالٹی کی حامل افرادی قوت پر یقین رکھتے ہوئے اور عمدہ ہیومن ریسورس تیار کرنے کے لیے کمپنی انتظامیہ اپنے مینجمنٹ ٹریننگ کی تقریبات کا انعقاد کرتی ہے جو مقامی تعلیم یافتہ نوجوانوں اور دیگر نوجوان گریجویٹس کے لیے ہوتے ہیں، اس پروگرام کے تحت کمپنی کے مینوفیکچرنگ ایریا میں مقامی افراد کو مواقع دیے جاتے ہیں تاکہ کمپنی کی ورک فورس میں مزید تنوع پیدا ہو، اس کے علاوہ ایچ آر ڈپارٹمنٹ مستقل طور پر ایمپلائر برانڈنگ سرگرمیوں میں شریک رہتا ہے اور نوجوانوں کو میرٹ کی بنیاد پر ملازمت کے مناسب مواقع کی فراہمی کے لیے جاب فیئرز، بھرتیوں کی مہم میں شرکت کرتا ہے اور یونیورسٹیوں کا دورہ کرتا رہتا ہے۔

(iii)اختصاص

سال کے مالیاتی نتائج درج ذیل ہیں:

	2017	2016
	------- روپے ہزار میں -------	
بعد از ٹیکس منافع	**3,034,057**	2,890,023
منفی: دیگر جامع اخراجات	**(101,734)**	(175,828)
	2,932,323	2,714,195
غیر منقسم شدہ منافع	**9,301,618**	7,789,909
دستیاب منافع برائے اختصاص	**12,233,941**	10,504,104
اختصاص:		
۲۰۱۶ کے لیے ادا شدہ حتمی نقد منافع ۱۲٫۵ روپے فی حصص (۱۰٫۵۰ روپے فی حصص: ۲۰۱۵)	**(1,431,531)**	(1,202,486)
غیر منقسم شدہ منافع	**10,802,410**	9,301,618

۱۱ ستمبر ۲۰۱۷ کو منعقدہ اجلاس میں بورڈ نے ۳۰ جون ۲۰۱۷ کو ختم ہونے والے سال کے لیے ۱۳٫۵۰ روپے فی حصص (۱۳۵ فی صد) کی شرح سے حتمی نقد منافع دینے کی تجویز دی ہے جس کی مجموعی رقم ۱٫۵۴۶ ملین روپے بنتی ہے۔

قومی خزانے میں ادائیگی:

سال کے دوران کمپنی نے سیلز ٹیکس، انکم ٹیکس، ایکسائز ڈیوٹی اور دیگر قانونی لیویز کی مد میں مجموعی طور پر ۶٫۵۰۰ ملین روپے قومی خزانے میں جمع کرائے ہیں، کمپنی نے اپنے حصص یافتگان، ملازمین، سپلائرز اور کنٹریکٹرز سے ودہولڈنگ انکم ٹیکس کی مد میں کٹوتی کرکے اس مد میں جمع شدہ تقریبا ۴۲۹ ملین روپے کی رقم بھی جمع کرائی ہے، مزید براں زیرہ جائزہ سال کے دوران آپ کی کمپنی نے برآمدات کے ذریعے ۲۸٫۴ ملین ڈالر کا قیمتی غیر ملکی زرمبادلہ بھی کمایا ہے۔

مارکیٹنگ:

زیر جائزہ سال کے دوران آپ کی کمپنی نے جنوب کی مارکیٹ میں ، جہاں آپ کی کمپنی اپنی مصنوعات مارکیٹ کرتی ہے، ۸ فی صد کا اضافہ ہوا جو کہ گزشتہ سال کے دوران ہونے والے ۱۷ فی صد اضافے سے خاصا کم ہے، سال کے پہلے نصف حصے کے دوران یہ گروتھ بہت بہتر تھی جو کہ ۱۱ فی صد پر رہی تاہم سال کے دوسرے نصف حصے کے دوران مقامی فروخت ۱۱ فی صد کم ہوگئی جس کی وجہ ملک میں جاری سیاسی بے یقینی تھی جس نے سرمایہ کاروں کے اعتماد کو بری طرح متاثر کیا۔

مارکیٹ کے منفی رجحانات اور جنوبی مارکیٹ میں شمالی برانڈز کے ساتھ سخت مسابقت کے باوجود کمپنی نے مقامی مارکیٹ میں اپنی گروتھ کو برقرار رکھا اور گزشتہ سال کے مقابلے میں ۱۱ فی صد اضافہ ریکارڈ کیا، ساؤتھ مارکیٹ میں کمپنی کا مجموعی مارکیٹ شیئر اس سے پہلے سال کے ۲۴ فی صد سے بڑھ کر ۳۰٫۲۴ فی صد ہوگیا، کراچی کی اہم مارکیٹ میں کوالٹی اور قیمت کے لحاظ سے آپکا برانڈ صف اول کے ایک برانڈ کی طرح چھایا رہا اور مسابقت کے برخلاف قیمت کی بنیاد پر اپنی نمایاں حیثیت کو بڑھانے میں کامیاب رہا۔

مالیاتی کارکردگی:

۳۰ جون ۲۰۱۷ کو ختم ہونے والے سال کے دوران آپ کی کمپنی کے اہم مالیاتی نتائج کا اس سے پہلے کے سال سے تقابلی جائزہ

	2016 – 2017	2015 – 2016	اضافہ / کمی	اضافہ / کمی
	ملین روپے میں			%
خالص فروخت	**14,735**	13,918	817	6
گراس منافع	**5,892**	5,587	305	5
قبل از ٹیکس منافع	**4,444**	4,236	208	5
بعد از ٹیکس منافع	**3,034**	2,890	144	5
فی حصص آمدنی (روپے میں)	**26.49**	25.24	1.25	5

(i) فروخت کی کارکردگی

فروخت کی مجموعی آمدنی میں پچھلے مالی سال کے مقابلے میں ۸۱۷ ملین روپے (۶ فی صد) کا اضافہ ہوا، یہ اضافہ گزشتہ سال کے دوران فروخت ہونے والے سیمنٹ کے مقابلے میں ۱۱۱,۹۹۳ ٹن سیمنٹ زیادہ فروخت کرنے کی وجہ سے ہوا۔ مقامی مارکیٹ میں سیمنٹ کی قیمت فروخت مستحکم رہی جبکہ برآمدی مارکیٹ میں بڑے تقابل کی وجہ سے بہتری کے امکانات کم رہے۔ تاہم دونوں مارکیٹوں میں مجموعی طور پر آپ کی کمپنی مجموعی اوسط میں مناسب اضافہ کرنے میں کامیاب رہی۔

(ii) منافع

اس سال کے دوران کمپنی کو ۳,۰۳۴ ملین روپے کا بعد از ٹیکس منافع حاصل ہوا جو گزشتہ سال میں ہونے والے ۲,۸۹۰ ملین روپے منافع سے ۱۴۴ ملین روپے (۵ فی صد) زیادہ ہے۔ گراس اور آپریٹنگ مارجن گزشتہ سال کے بالترتیب ۴۰ فی صد اور ۳۰ فی صد کی سطح پر برقرار رہے۔

اہم اخراجات کا جائزہ درج ذیل ہے:۔

- بین الاقوامی مارکیٹ میں کوئلے کی قیمتوں میں مسلسل اضافے کی وجہ سے ایندھن کے مجموعی اخراجات میں ۱۶۸ روپے فی ٹن (۱۶ فی صد) کا اضافہ ہوا، کمپنی کی کوئلے کی خریداری کی اوسط لاگت ۶۰ ڈالر فی ٹن سی اینڈ ایف کراچی سے بڑھ کر ۹۰ ڈالر فی ٹن سی اینڈ ایف کراچی ہوگئی، اگرچہ کوئلے کی قیمت کا اثر ۵۰ فی صد تھا تاہم احتیاطی طور پر کوئلے کا اسٹاک ذخیرہ کرلینے کی وجہ سے لاگت کے اثرات کو کافی حد تک کم کرلیا گیا۔

- پلانٹ کی بہتر کارکردگی اور یکم جنوری ۲۰۱۶ سے نافذ العمل ۳ روپے فی یونٹ کی سبسڈی ملنے کی وجہ سے بجلی کی لاگت میں ۱۱۷ روپے فی ٹن کی شرح سے کمی آئی۔

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کی جانب سے آپ کی کمپنی کی سالانہ رپورٹ اور ۳۰جون ۲۰۱۷کو ختم ہونے والے سال کے آڈٹ شدہ مالی حسابات پیش خدمت ہیں۔

پروڈکشن و سیلز:

مالی سال ۲۰۱۶-۱۷کے دوران کمپنی نے لائن ون اور لائن ٹو دونوں میں اپنی مقررہ استعداد کا۱۰۰فی صدحاصل کیا،دونوں لائنوں نے توقع سے بھی زیادہ کارکردگی کا مظاہرہ کیااور سال کے دوران بالترتیب ۳۲۴کاروباری روز اور۳۲۹کاروباری روز چلتی رہیں،مقامی فروخت اور برآمدات میں کمپنی کو درپیش متعدد چیلنجز اور مشکلات کے باوجودآپ کی کمپنی نے مقامی اور علاقائی مارکیٹوں میں تاریخی طورپر سب سے زیادہ ۲,۰۸۲,۵۸۲ٹن کی ترسیل کی،ان اعدادوشمار کی تفصیلات مندرجہ ذیل چارٹ میں دی گئی ہیں۔

کلنکر کی پیداوار ◄

2015 – 2016	2016 – 2017
1,866,997	1,866,325
مقدار میٹرک ٹن	مقدار میٹرک ٹن

سیمنٹ کی پیداوار ◄

2015 – 2016	2016 – 2017
1,967,391	2,081,858
مقدار میٹرک ٹن	مقدار میٹرک ٹن

سیمنٹ کی ترسیل ◄

2015 – 2016	2016 – 2017
1,970,589	2,082,582
مقدار میٹرک ٹن	مقدار میٹرک ٹن

استعداد کا استعمال ◄

2015 – 2016	2016 – 2017
107%	107%

زیرجائزہ سال کے دوران کمپنی نے دونوں لائنوں میں اپنی پوری استعداد پر چلتے ہوئے اوسطا اپنی مقررہ استعدادکا ۱۰۷فی صد حاصل کیا۔

کمپنی نے مقامی اور برآمدی مارکیٹ میں۲,۰۸۲,۵۸۲ میٹرک ٹن سیمنٹ فروخت کیا جو اس سے گزشتہ سال کے مقابلے میں۶فی صد زیادہ ہے،زیرجائزہ سال کے دوران کمپنی نے مقامی مارکیٹ میں۱,۵۸۲,۴۲۷میٹرک ٹن سیمنٹ فروخت کیا جو سال ۲۰۱۵-۱۶ میں فروخت ہونے والے ۱,۴۲۹,۵۹۳میٹرک ٹن سیمنٹ سے ۱۱فی صد زیادہ ہے جومقامی انڈسٹری مارکیٹ میں ہونے والی ترقی کے مارجن سے بھی زیادہ ہے،۵۰۰,۱۵۵میٹرک ٹن کی بقیہ سیمنٹ کی اضافی مقدار خطے کی دیگر مارکیٹوں بشمول سری لنکا، یمن، بھارت اور دیگر مشرقی افریقی اور بحر ہند کی مارکیٹوں میں برآمد کیا گیا ،۲۰۱۵-۱۶میں یہ مقدار۵۴۰,۹۹۶میٹرک ٹن تھی۔

FORM OF PROXY

38th 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 38th Annual General Meeting of the Company to be held on October 24, 2017 and at any adjournment thereof.

Signed this ______________________ day of ______________________ 2017.

____
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 اڑتیسواں 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 24 اکتوبر 2017 کو منعقد ہونے والے اڑتیسویں

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 ______________ 2017۔

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، پتہ 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۔

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FALCON CEMENT

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Email: acpl@attockcement.com, Website: www.attockcement.com