



Annual Report

2017

BUILDING ON
STRENGTH

BESTWAY CEMENT LIMITED



BUILDING ON STRENGTH



STRONGER, TOGETHER



70TH
ANNIVERSARY
INDEPENDENCE DAY
14TH AUGUST



With a sound understanding of market needs and a persistent desire for advancement, Bestway Cement continues to be the best quality largest cement manufacturer of Pakistan producing the widest range of construction solutions.

We reaffirm our resolve not just on this Independence Day, but everyday, to stand united and continue Building on Strength a Better Pakistan!

BUILDING ON STRENGTH



CONTENTS

Company Information	4
Notice of Annual General Meeting	5
Vision & Mission	6
Environment Excellence	8
Product Portfolio	10
Chairman's Review	12
Director's Report	14
CSR and Organisational Activities	22
Report of the Audit Committee	26
Statement of Compliance with the Code of Corporate Governance	28
Review Report to the Members on Statement of Compliance with the Code of Corporate Governance	30
Auditors' Report to the Members	31
Balance Sheet	34
Profit and Loss Account	36
Statement of Comprehensive Income	37
Statement of Changes in Equity	38
Cash Flow Statement	39
Notes to the Financial Statements	40
Key Operating and Financial Data for Six Years	91
Pattern of Shareholding	92
ڈائریکٹرز رپورٹ	104
Proxy Form	106
پراکسی فارم	108



COMPANY INFORMATION

Board of Directors

Sir Mohammed Anwar Pervez, O.B.E., H. Pk.	Chairman
Mr. Zameer Mohammed Choudrey, CBE	Chief Executive
Mr. Mohammed Younus Sheikh	Director
Mr. Dawood Pervez	Director
Mr. Muhammad Irfan A. Sheikh	Director Finance & CFO
Ms. Najma Naheed Pirzada	Director
Mr. Haider Zameer Choudrey	Director

Audit Committee

Mr. Mohammed Younus Sheikh	Chairman
Mr. Dawood Pervez	
Ms. Najma Naheed Pirzada	

Human Resource & Remuneration Committee

Mr. Muhammad Irfan A. Sheikh	Chairman
Mr. Mohammed Younus Sheikh	
Mr. Dawood Pervez	

Company Secretary

Ms. Sehar Husain

Registered / Head Office

Bestway Building, 19-A, College Road,
F-7 Markaz, Islamabad.
Tel: +92 (0) 51 265 4856 – 64
Fax: +92 (0) 51 265 4865
Email: management@bestway.com.pk

Plant Sites

Hattar

Suraj Gali Road, Village Shadi, Hattar, Distt. Haripur,
Khyber Pakhtunkhwa, Pakistan.
Tel: +92 (0) 995 639 261 – 3
Fax: +92 (0) 995 639 265
Email: gmworks1@bestway.com.pk

Farooqia

12 km, Taxila-Haripur Road,
Farooqia, Tehsil & Distt. Haripur,
Khyber Pakhtunkhwa, Pakistan.
Tel: +92 (0) 995 639 501 – 3
Fax: +92 (0) 995 639 505
Email: gmworks2@bestway.com.pk

Chakwal

Village Tatral, Near PSO Petrol Pump,
22 km Kallar Kahar, Choa Saiden Shah Road,
Chakwal, Pakistan.
Tel: +92 (0) 543 584 560 – 62
Fax: +92 (0) 543 584 274
Email: gmworks3@bestway.com.pk

Kallar Kahar

Choie Mallot Road, Tehsil Kallar Kahar,
Distt. Chakwal, Pakistan.
Tel: +92 (0) 51 402 0111
Fax: +92 (0) 51 402 0230
Email: gmworks4@bestway.com.pk

Sales Office

House 276, Near Riphah University,
Opposite Roomi Park, Peshawar Road,
Rawalpindi.
Tel: +92 (0) 51 551 3110, 512 5128 – 9
Fax: +92 (0) 51 551 3109
Email: directorsales@bestway.com.pk

Statutory Auditors

KPMG Taseer Hadi & Co. Chartered Accountants.

Legal Advisor

Syed Hassan Ali Raza, Advocate High Court.

Shares Department

Technology Trade (Pvt.) Ltd. Dagia House,
241-C, Block -2, P.E.C.H.S.,
Shahrah-e-Quaideen, Karachi.
Tel: +92 (0) 213 439 1316-7 & 19, 213 438 7960-61
Fax: +92 (0) 213 439 1318

Bankers

- Allied Bank Limited
- Askari Bank Limited
- Bank Alfalah Limited
- Citibank
- Dubai Islamic Bank Pakistan Limited
- Faysal Bank Limited
- Habib Bank Limited
- MCB Bank Limited
- Meezan Bank Limited
- NIB Bank Limited
- National Bank of Pakistan
- Soneri Bank Limited
- Standard Chartered Bank (Pakistan) Limited
- United Bank Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of Bestway Cement Limited (the Company) will be held at Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad at 10:00 a.m. on Thursday, September 28, 2017 to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of Annual General Meeting held on December 09, 2016.
2. To receive, consider and adopt the audited accounts for the year ended June 30, 2017 together with the Directors' and Auditors' Reports thereon.
3. To approve and declare final cash dividend of 30% in addition to 90% interim dividends already paid for the year ended June 30, 2017, as recommended by the Board of Directors.
4. To appoint auditors of the Company and fix their remuneration for the year ending June 30, 2018. The present auditors M/s KPMG Taseer Hadi & Co. retire and being eligible, offer themselves for reappointment.
5. Any other business with the permission of the chair.

By Order of the Board

September 07, 2017
Islamabad

Sehar Husain
Company Secretary

NOTES

1. The share transfer books of the Company will remain closed from 22-09-2017 to 28-09-2017 (both days inclusive). No transfer will be accepted for registration during this period. Transfers received in order at Technology Trade (Pvt.) Ltd, Dagia House, 241-C, Block-2, P.E.C.H.S., Off: Shahrah-e-Quaideen, Karachi upto the close of business on 21-09-2017 will be treated in time to attend the Annual General Meeting and for other entitlements.
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote instead of him/her. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting.

For CDC Account Holders/Corporate Entities:

In addition to the above the following requirements have to be met:

3. The proxy form shall be witnessed by two persons whose names, addresses and NIC numbers shall be mentioned on the form.
4. Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
5. The proxy shall produce his original NIC or original passport at the time of meeting.
6. 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.
7. Shareholders are informed that rate of withholding tax for non filers is 20% against 15% for filers of the income tax returns. The shareholders are advised to e-file their returns as the Department places the names of the e-filers on their website and to provide their NTN to the Shares Registrars of the Company for availing the benefit of lower withholding rate.
8. In terms of section 242 of Companies Act, 2017, listed Companies are required to pay cash dividend only through electronic mode directly into the bank account designated by the entitled shareholders. In order to comply with this requirement, shareholders are therefore requested to immediately provide the dividend mandate (bank account detail) to the share registrar of the company in case of physical shares and to the CDC in case shares are held electronically.
9. Shareholders are requested to provide copies of their valid CNICs, mandatory for dispatch of dividend warrants and also promptly notify any changes in their addresses.

VISION

To produce high quality cement at the lowest cost.



MISSION

Our Mission is to:

- ▶ Consistently produce high quality cement.
- ▶ Endeavour to be the lowest cost producer.
- ▶ Achieve 25% of the market share of the North Zone in the short term and ultimately 30% in the longer term.
- ▶ Consistently maintain a high standard of customer service.
- ▶ Continue to invest in human resource through training, development and promotions from within whenever possible in order to meet future expansion needs.
- ▶ Continue to set aside adequate funds from the net profits for fulfilling its various social responsibilities, particularly in the field of education and health.







BESTWAY CEMENT PRODUCT PORTFOLIO





CHAIRMAN'S REVIEW

A YEAR OF GREAT PROGRESS

2016-17 highlights

On behalf of the Board of Directors, it gives me immense pleasure to place before you the financial statements of Bestway Cement Limited for the year ended 30 June 2017.

Due to the relentless efforts of our management team, Bestway continues to maintain its position as the largest cement manufacturer and market leader in Pakistan. Significant investments have been made in long-term growth drivers including infrastructure and human capital development. We have not only consolidated our leadership position, but the management team led by the Chief Executive has achieved a higher turnover and profitability. Gross profit for the year grew by 6.5% to Rs. 22.5 billion whereas the Company has reported a gross turnover of Rs. 71.4 billion in the year ended 30 June 2017 compared to Rs. 58.5 billion during last year, an increase of 22%.

Under the guidance of our Chief Executive, we continue to be forerunners in the cement industry focused on minimising environmental externalities, and contributing to the country's power generation capacity. After pioneering the use of Waste Heat Recovery Power Plant (WHRPP) at our Chakwal plant in 2009, the Company has since then set up WHRPPs at all its sites. WHRPP Kallar Kahar, with a generation capacity of 12MWs was successfully completed during the year and became fully operational effective from December 2016. The Company has also decided to set up a brownfield cement plant with a capacity of 6000 tons of clinker per day along with WHRPP of 9 MWs capacity at its Farooqia site.

These green initiatives have allowed us to not only significantly reduce production costs but also enhance the operational efficiencies of our businesses which have in turn allowed us to maintain our market competitiveness. Our prudent approach towards working capital management, has allowed us to once again generate solid free cash flow.

Sustainability

I firmly believe that our commitment to good financial performance needs to be matched by a continued focus on corporate social responsibility, by working with integrity and delivering sustainable business development.

During the period under review the company has provided financial assistance of more than Rs. 88.0 million to various educational and health institutions along with supporting indigents of the local community by way of monthly stipends.

Looking forward, we will continue to explore new initiatives which impact the socio-economic development of local communities such as improving access to health services and education, taking part in urban development and environmental conservation programs and generating more employment opportunities. We take pride in setting ambitious long-term sustainability targets and reporting on our progress.

Governance

Strong governance and transparent reporting are critical to retaining various stakeholders' trust and the long-term creation of value. Our firm commitment to corporate governance best practices enables us in achieving that goal and in managing our risks and opportunities effectively. Accordingly in 2016-17, the Company continued to conduct its operations with integrity and responsibility. Transparency in Bestway's operations has been an area of steady focus and continuous review over the years. All efforts are made to ensure adherence to strict internal standards of conduct as well as prescribed industry regulations.

Outlook

In 2017-18, our focus will be to further strengthen our market position by catering to the growing domestic demand owing to an increase in infrastructure development projects initiated by the Government including projects like CPEC.

Whilst there are still many challenges ahead including rising inflation and erratic fuel prices, we will strive to drive margin improvement in our business together with delivering value product, consistent with our past achievements.

Our continuing success as a business depends on the quality of our people and their determination, experience and creativity. I wish to express my enormous admiration for our dedicated teams of people who, with their talents and energy, are the determining factors of Bestway's current and future successes.

I salute my fellow directors for their commitment and the contribution they make to our strategic deliberations and on behalf of the board I applaud every one of our stakeholders for their contribution to the continuing success of the company.



Sir Mohammed Anwar Pervez, OBE H Pk
Chairman

DIRECTORS' REPORT

The Board of Directors take pleasure in presenting their report together with audited financial statements for the year ended 30 June 2017 and the Auditors' Report thereon.

Overview of the Economy

The country's GDP growth was recorded at 5.3% for the fiscal year ended 30 June 2017 (2016: 4.7%) and inflation stood at 4.1% (2016: 2.8%). Large scale manufacturing sector recorded a growth of 5.1% (2016: 4.6%). Construction activity in the country remained positive with a growth of 9% (2016: 14.6%) driven by the government's focus on infrastructural development and allocation of resources for the Public Sector Development Program. However, power shortage continues to remain a significant challenge to economic growth.

Industry Overview

The cement sector continued to benefit from large scale infrastructure development, including various projects under CPEC. Domestic demand for cement grew by 8% during the year (2016: 17%). Volumes increased to 35.7 million tonnes compared with 33.0 million tonnes recorded for last year. Exports on the other hand, registered a decline of 21% (2016: 18.4%) from 5.9 million tonnes to 4.7 million tonnes, driven by Pakistani cement becoming less competitive in international markets due to rising input costs. The situation was exacerbated by Afghanistan border closure during the third quarter. Overall, cement despatches increased by 3.7% (2016: 9.9%) from 38.9 million tonnes to 40.3 million tonnes during the year.

Clinker sales by the industry stood at 1.86 million tonnes. Overall, despatches by the industry including clinker registered a growth of 8.4% during the year.

Rising fuel and energy prices and declining retentions due to fierce competition have meant that margins have come under pressure. This is likely to continue for the foreseeable future.

Production and Sales Review

	Year ended 30 June 2017	Year ended 30 June 2016	Increase	Percentage
	Tonnes	Tonnes	Tonnes	%
Clinker production	8,083,321	5,823,380	2,259,941	39%
Cement production	7,571,505	6,883,460	688,045	10%
Cement and Xtreme Bond sales	7,478,456	6,903,492	574,964	8%
Clinker sales	850,641	-	850,641	-

Your Company's despatches of cement grew by 8% as against a growth of just 3.7% by the industry during the year. In addition, Bestway's sale of clinker accounted for more than 46% of clinker sales by the industry as a whole. Despite fierce competition, Bestway successfully retained its share of the market in the North Zone and its position as the largest cement producer and the market leader in the country.

Operating Highlights

The Company recorded gross turnover of Rs. 71.4 billion in the year ended 30 June 2017 compared to Rs. 58.5 billion during last year, an increase of 22%. Net turnover for the year stood at Rs. 51.6 billion as against Rs. 45.7 billion, an increase of 13%. The increase in sales is attributed to growing domestic demand and clinker sales during the year, partially dampened by declining exports and retention prices.

Gross profit for the year grew by 6.5% to Rs. 22.5 billion.

Financial charges stood at Rs. 0.8 billion for the year against Rs. 1.8 billion for last year, this decrease was primarily due to substantial repayments of borrowings enabled by healthy cash flows and efficient cash management.

Bestway's cost efficient operational framework continues to result in robust profitability. Profit before tax for the year amounted to Rs. 18.7 billion; 9.3% higher as compared to Rs. 17.1 billion for the year ended 30 June 2016. Profit after taxation also increased by 12% from 11.9 billion to Rs. 13.3 billion.

Earnings per share of the Company for the year ended 30 June 2017 were reported at Rs. 22.29 against Rs. 20.16 from last year.

Balance Sheet

Total Equity of the Company grew to Rs. 47.8 billion compared to Rs. 41.9 billion for the year ended 30 June 2017.

Your Company continued to discharge its repayment obligations on all types of loans on a timely basis. The Company's long term loan as at 30 June 2017 stood at Rs. 10 billion compared to Rs. 16.5 billion for last year as the company repaid Rs. 6.5 billion of its loans.

Net current assets on 30 June 2017 were maintained at Rs. 2 billion (2016: Rs. 2 billion).

Other Investments

United Bank Limited

Your Company's investment in United Bank Limited continues to yield strong returns for the Company. The Bank's profit before tax for the year ended 31 December 2016 stood at Rs. 47.2 billion against Rs. 43.4 billion for last year which represents an increase of 8.8%.

We are delighted to inform you that the bank paid out a cash dividend of 130% for its year ended 31 December 2016 thus providing a return of Rs. 1.2 billion on your investment.

UBL Insurers Limited

On 11 May 2017, the Company acquired 14,088,199 ordinary shares of Rs. 10 each representing 12.23% in UBL Insurers Limited (UIL) held by the Abu Dhabi Group at Rs. 104.2 million.

Contribution to the National Exchequer

Bestway Cement is among the largest taxpayers in the country. During the year under review, your Company's contribution to the exchequer amounted to more than Rs. 23 billion on account of income tax, sales tax and excise duty. In addition, your Company pays large amounts in the form of various indirect taxes to the federal, provincial and local governments.

Capacity Expansion

Your Company decided to set up a brownfield cement plant with a capacity of 6,000 tonnes of clinker per day along with WHRPP of 9MW capacity at its Farooqia site. This will assist the Company in fulfilling growing demand for cement and maintaining its position as the market leader amidst capacity expansions by its competitors.

Plants' Performance

Your Company's management follows an elaborate plan of preventative maintenance, which it has adopted right from the beginning. This proactive approach ensures efficient and stable operations with minimum disruptions. During the period under review, all our cement plants and the waste heat recovery plants operated satisfactorily.

Return to Shareholders

Your Company is mindful of providing a superior return to its shareholders. In view of the reported performance by your Company, the directors feel great pleasure in declaring a final cash dividend of 30% taking the payout for the year to date to 120%.

Alternative Energy and CPP Initiatives

Cement manufacturing is an energy-intensive process. Power represents one of the largest costs of production. Persistent power crisis in the country necessitated a shift from conventional fossil fuels to alternate energy solutions. As part of its strategy to reduce its reliance on the national grid, your Company has set up Waste Heat Recovery Power Plant (WHRPP) at all its sites. Bestway's WHRPP at Chakwal was the first in the cement industry of Pakistan prompting others to follow suit.

WHRPP at Kallar Kahar with a generation capacity of 12MWs was successfully completed during the year and became fully operational effective from December 2016, ahead of schedule.

During the year, the Company has also started work on another WHRPP alongside Farooqia's new production line with a generation capacity of 9MWs. Work on the project was initiated during the year and is expected to be fully operational in the first quarter of 2018-19. The project will not only generate power, but also reduce emission of waste gases and positively impact the environment.

This is an important step in energy conservation for your Company, making it a forerunner in adopting WHR technology at all its operations. These projects serve to significantly reduce the Company's dependence on external source of electricity thus helping in reduction of production costs, improving operational efficiency and protecting the environment.

Quality Assurance

Quality realisation and effectiveness have been the key driving force for your Company. With strict quality control procedures in place, the Company has deployed control equipment at the plants. Bestway's laboratories are equipped with state-of-the-art x-ray fluorescent analyser and diffractometer and were the first in Pakistan to introduce the technology. By virtue of this equipment, the Company has been able to consistently produce better quality cement than is currently available in the country. Our laboratories at Farooqia plant have attained ISO 17025 certification for the competence to carry out tests and/or calibrations, making your Company the second cement producer in Pakistan to have achieved this milestone. ISO 17025 is for use by laboratories in developing their management system for quality, administrative and technical operations. The remaining laboratories at other plants are close to getting certified for the same.



Sales & Marketing

Bestway is the largest cement manufacturer in Pakistan, certified for ISO 9001 Quality Management System. Your Company continues to be firmly established as a premium brand in the domestic market, as well as various international markets. Your Company has once again retained its position as the largest exporter of cement to Afghanistan and also among the largest to India. Your Company has been able to achieve its status as the market leader due to its consistently superior quality, effective marketing strategy, customer care and sheer dedication of its sales and marketing teams.

Your Company is among the few in the country which are certified to export its cement to India and also possesses CE-Certificate of Conformity. These certifications enable your Company to pursue export opportunities in India, the European Community and countries where CE- Certification is required.

During the year, your Company continued to expand its already impressive array of products. Bestway is well recognised for its widest range of supreme quality products among its competitors. The expansion in the range of products has further strengthened Bestway's standing in both domestic and international markets.

Training and Development

Your Company places great importance on the training, development and education of its personnel. In order to keep its workforce abreast with best operational techniques and practices, technical and general managerial training courses are organised for various departments and categories of personnel. Staff members are also sent on courses, workshops and seminars organised externally by other institutions. The Company actively encourages and assists its employees in pursuit of professional development and career enhancement.

As part of its commitment to skills development and grooming of workforce, your Company regularly employs freshly qualified graduates, professionals and even unskilled human resource. There are carefully planned training programmes in place to ensure that these personnel are equipped with necessary knowledge, hands-on experience and confidence to become skilled and productive resource.

During the year under review, your Company employed 277 trainee engineers, management trainees and apprentices. Trainee engineers undergo intensive training in electrical, mechanical and mining departments, while management trainees are inducted in marketing, finance, personnel and administration where they are carefully trained to become effective managers in the future. Apprentices are employed in various technical departments at all the factories. While some of those trainees and apprentices are retained in the Company, others move on to other industries where they successfully build upon the foundation provided to them at Bestway Cement through the training imparted to them for the advancement of their careers and contributing towards the development of the country.



Health, Safety and Environment

Your Company reputes itself as a responsible corporate citizen and gives highest priority to the importance of health and safety for not only its own employees, but also for subcontracted personnel, in respect of effective conduct of our business. Your Company is therefore committed to preventing injury at workplace and strives for continuous improvement in its environment, health and safety management and performance.

Initiatives including training on health and safety, safety meetings, incident reporting, safety audits, safety champions, good housekeeping and hygiene controls are actively and consistently pursued to instil safe behaviour in all personnel. Your Company has strived to make industrial operations safer, and has established numerous directives and standards to increase awareness among both employees and contractors. These advisories are to be strictly adhered to across the organisation and shared with external stakeholders as best practices.

Your Company actively pursues protection and upgradation of the environment by ensuring that its plants continue to comply with established environmental quality standards at all times. Our plants not only meet the stringent environmental quality standards prescribed by the Environment Protection Authority of Pakistan, they even surpass the international standards for emissions. In addition to having a robust environmental control mechanism in place to ensure cleaner environment, your Company also conducts a quarterly review of its production facilities through an independent expert.

Your Company believes that it is possible to create a symbiotic relationship between multiple industries, so waste from one company can be used as fuel or raw material for another, thus preserving natural resources. Our plants are ISO 14001:2004 Environmental Management System (EMS) certified, and the Company regularly participates in various environment uplift programmes including tree plantation drives and quarry rehabilitation initiatives. The well being of the social environment in which Bestway operates is considered an integral part of the Company's success.

You would be delighted to learn that for the eighth year running Bestway Cement has been awarded the coveted Environment Excellence Award by the National Forum for Environment and Health for effective implementation of environmental friendly policies and practices at all four plant sites.



Corporate Social Responsibility

As a business conglomerate with strong local roots, your Company invests in its operations for the long term and thus appreciates that it has a special responsibility particularly towards the local community and takes pride in its active participation in the development and welfare of the under-privileged. This starts with our own employees, whose health and safety is one of our top priorities. Your Company plays a vital role in the socio-economic development of local communities such as improving access to health services and education, taking part in urban development and environmental conservation programs and helping create businesses and jobs.



Bestway Foundation, the charitable trust of the Bestway Group to which your Company is a major contributor, was established in 1997. It works in close association with Bestway Cement and its main goal is provision of education and improving civic facilities in the rural communities. The Foundation is also certified from the Pakistan Centre for Philanthropy.

In keeping with its philosophy, the Foundation decided to establish a well-equipped large state-of-the-art school in the village Tatal of District Chakwal. The Bestway Foundation School, Tatal which was completed during the last year at a cost of Rs. 67 million, can accommodate more than 400 pupils. Currently, almost 200 students are being provided free and quality education at the school.

The Foundation continues to impart free college education exclusively to Girls through Farah Pervaz Degree College in Gujar Khan. In addition to its own established educational institutions, the Foundation continues to support numerous government schools in underprivileged rural areas in Punjab and KPK.

The Foundation also provides scholarships to a large number of talented students throughout the country, a vast majority of who are medical and engineering students, who for want of sufficient resources are unable to continue their higher studies.

During the year, the Foundation also provided financial assistance of more than Rs. 88.0 million to various educational and health institutions. Some of the beneficiaries include Sindh Institute of Urology, National Society for Mentally and Emotionally Handicapped Children, Al Mustafa Trust, The Layton Rahmatullah Benevolent Trust, Abdul Sattar Edhi Foundation, Sahara for Life Trust, Zamung Kor, Shaikat Khanum Memorial Trust, Sultana Foundation and Thathi Welfare Foundation.

In addition to pursuing its core objective of improving education, Bestway Foundation also provides financial assistance to a large number of widows and indigents of the local communities in the form of monthly stipends.

In the area of basic health, free medical facilities are provided to thousands of patients in the local communities through all four dispensaries located at our factory premises. During the year under review, more than thirty five thousand patients benefited from these free dispensaries.

Your Company also ardently supported WWF Pakistan for its mega tree plantation initiative in regards to the Earth Hour 2017 and planted approximately 3,000 saplings in the underprivileged schools around its factory areas in KPK and Punjab in less than a week. This activity not only practically engaged students, teachers and non-teaching staff in planting saplings but it also created awareness about environment conservation amongst thousands of audience from the local community.

In persistence to serving the community, your Company arranged for free Ramadan Dastarkhwan at its Head Office and plants, which catered more than 8,000 needy people for free Iftar and dinner for the entire month. Nearly 1,200 households also benefited from the food packages distributed during the holy month.

Your Company recognises the importance of what the future beholds for the generations ahead. Whilst playing its part, its valuable and skilled resources volunteered guest lecturers to graduates and under graduate students of universities such as National University of Science and Technology on carefully designed focused outlines. In addition to these, a number of field trips to the plants were also organised during the year for the students to enhance their knowledge in their respective areas of education.

Holding Company

The Company is a subsidiary of Bestway (Holdings) Limited, a company incorporated under the laws of United Kingdom.

Future Outlook

Domestic demand is expected to continue to grow due to increasing construction activity arising from the Government's focus on infrastructure development including projects like CPEC and growing demand from housing sector.

While cement exports are generally on the decline, your Company anticipates growth in its sales to India. Bestway is firmly established as the leading exporter of cement to Afghanistan and India, and will continue to maintain its focus on these markets.

Encouraged by growing demand for cement, many cement producers have embarked upon capacity expansions. Some of those projects are expected to become operational over the next two to three years resulting in over supply of cement. This is likely to put margins under pressure.

Inflation is likely to rise which would result in rising interest rates. Pakistan continues to suffer from current account deficit as a result of which steady depreciation of Pakistani Rupee is likely to continue in the foreseeable future. A weaker Rupee would further squeeze cement industry's margins as it is heavily reliant upon imported coal and various other inputs.

International fuel prices have been rather erratic in the recent past but are likely to incline in the near future. Increasing fuel prices will squeeze margins further as fuel and power constitute substantial part of cost of cement production.

Like always, your management is cognisant of the challenges that lie ahead and will continue to maximise opportunities and work towards further growth and superior returns in the ensuing years.

The Directors are pleased to state that:

- The financial statements prepared by the management of the Company fairly present its state of affairs, the results of its operations, cash flows and changes in equity.
- The Company has maintained proper books of account.
- Appropriate accounting policies have been adopted and consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored. The system itself is also subject to continuous review for enhancement wherever and whenever necessary.
- There are no doubts about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- None of the directors, executives, their spouses and minor children transacted any shares of the Company during the year under review.

- Key financial data for the last six years is given in subsequent pages.
- Outstanding taxes, duties and charges have been disclosed in the financial statements.
- A statement of the pattern of shareholding in the Company as on 30 June 2017 of certain classes of shareholders whose disclosure is required under the Code of Corporate Governance is in subsequent pages.
- The Company maintained a provident fund scheme for its eligible employees. The value of investments by the fund was Rs. 108 million as on June 30, 2017 (un-audited)
- Attendance by each director in the 5 Board Meetings held during the year was as follows:

	No. of meetings attended
Sir Mohammed Anwar Pervez	2
Mr. Zameer Mohammed Choudrey	5
Mr. Muhammad Irfan Anwar Sheikh	5
Mr. Mohammed Younus Sheikh	4
Mr. Dawood Pervez	4
Mr. Haider Zameer Choudrey	2
Ms. Najma Naheed Pirzada	4
Mr. Javaid Akhtar	2

Leave of absence was granted to the Directors who could not attend some of the Board meetings.

- Attendance by each director in the 4 Audit Committee meetings held during the year was as follows:

	No. of meetings attended
Mr. Mohammed Younus Sheikh	4
Mr. Dawood Pervez	4
Ms. Najma Naheed Pirzada	4

- Attendance by each director in the 2 HR and Remuneration Committee meetings held during the year was as follows:

	No. of meetings attended
Mr. Muhammad Irfan Anwar Sheikh	2
Mr. Mohammed Younus Sheikh	2
Mr. Dawood Pervez	2

Auditors

The present auditors, Messrs KPMG Taseer Hadi & Co., Chartered Accountants retired at the conclusion of the meeting and being eligible, have offered themselves for reappointment. The Audit Committee of the Company having considered the matter, recommends the retiring auditors for reappointment.

Acknowledgements

The Directors wish to place on record their appreciation for the continued support, contribution and confidence demonstrated in the Company by its shareholders, members of staff, customers, suppliers, our Bankers particularly, Allied Bank Limited, Habib Bank Limited, Faysal Bank Limited, Meezan Bank Limited, MCB Bank Limited, United Bank Limited, Askari Bank Limited, Soneri Bank Limited, Bank Alfalah Limited, Dubai Islamic Bank Pakistan Limited, Standard Chartered Bank (Pakistan) Limited, National Bank of Pakistan, Citibank and various government agencies throughout the year.



Zameer Mohammed Choudrey
Chief Executive

Islamabad
22 August 2017



Muhammad Irfan A. Sheikh
Director

CSR AND ORGANISATIONAL Activities

CSR Activities

Free Eye camp in collaboration with Al-Shifa Eye Trust Hospital



Ramadan Food Package distributed among deserving local villagers



Appreciation cheques distribution among position holders students of local area schools



Donation of schools furniture to Govt. Primary School Pind Gujran - Hattar



Training & Development

First Aid Training supervised by Rescue 1122



Trainee Engineers plant orientation and on field training



Earth Hour

Earth hour observed in collaboration with WWF at National Assembly, Islamabad



Tree Plantation

Bestway Cement Limited, planted 3,000 indigenous species of trees in Hattar, Taxila and Islamabad in collaboration with WWF-Pakistan



World Environment Day

World Environment Day observed at plants in collaboration with Environment Protection Department



World Safety Day



Arjumand Painting Award 2017

Bestway Cement, awarded second prize winner of the competition



Distributors, Retailers & Key Accounts Engagements



Bestway Super League – BSL 2017



Summit Mount Everest - 2017

Bestway Cement a proud co-sponsor of Lt. Col (Retd.) Dr. Adul Jabbar Bhatti's Summit Mount Everest 2017



REPORT OF THE AUDIT COMMITTEE

The role of the Board Audit Committee in the context of the Board's broader governance framework is to oversee:

- The integrity of Company's financial statements;
- The appointment, remuneration, qualification, independence and performance of External Auditors;
- Risk management and internal control arrangements;
- The performance of Internal audit function;
- Compliance with legal and regulatory requirements;
- Compliance by management with constraints imposed by Board.

The Audit Committee has concluded its review of the conduct and operations of the Company during the year ended June 30, 2017, and reports that:

- The Company has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the Auditors of the Company.
- Understanding and compliance with Company's code and policies has been affirmed by the Management and employees of the Company individually. The Company's Code of Conduct has been disseminated and placed on Company's website.
- Appropriate accounting policies have been consistently applied. Applicable International Accounting Standards were followed in preparation of financial statements of the Company on a going concern basis, for the financial year ended 30 June, 2017, which present fairly the state of affairs, results of operations, profits, cash flows and changes in equity of the Company for the year under review.
- The Chief Executive Officer and the Chief Financial Officer have endorsed the Financial Statements and Directors Report. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Ordinance, 1984. The financial statements comply with the requirements of the Fourth Schedule to the Companies Ordinance, 1984 and the external reporting is consistent with Management processes and adequate for shareholder needs.
- The preparation of Financial Statements is in conformity with International Financial Reporting Standards as applicable in Pakistan and requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments were continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances.
- All direct or indirect trading and holdings of Company's shares by Directors & executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholdings. The Annual Secretarial Compliance Certificates are being filed regularly within stipulated time.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the Chief Executive and executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.

REPORT OF THE AUDIT COMMITTEE

Internal Audit

- The internal control framework has been effectively implemented through an independent in-house Internal Audit function established by the Board which is independent of the External Audit function.
- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders wealth at all levels within the Company.
- The Internal Audit Department carried out independent audits in accordance with an internal audit plan which was approved by the Board Audit Committee. The Committee has reviewed material Internal Audit findings, taking appropriate action or bringing the matters to the Board's attention where required.
- The Head of Internal Audit has direct access to the Chairman of the Board Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.
- During the year four Board Audit Committee meetings were held to ensure that the Audit Function effectively performed its assigned task.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

External Auditors

- The statutory Auditors of the Company, M/s KPMG Taseer Hadi & Co., Chartered Accountants, have completed their Audit assignment of the "Company's Financial Statements" and have reviewed the "Statement of Compliance with the Code of Corporate Governance" for the financial year ended 30 June, 2017 and shall retire on the conclusion of the 24th Annual General Meeting.
- The Audit Committee has reviewed and discussed Audit observations and Audit Management Letter with the External Auditors.
- The Auditors have been allowed direct access to the Committee and the effectiveness, independence and objectivity of the Auditors has thereby been ensured. The Auditors attended the General Meeting of the Company during the year. The auditors have indicated their willingness to continue as Auditors.
- The Audit Committee has recommended the reappointment of KPMG Taseer Hadi & Co., Chartered Accountants, as External Auditors of the Company for the year ending 30 June 2018.
- The Firm has no financial or other relationship of any kind with the Company except that of External Auditors and other services as permitted under the listing regulations.

Islamabad
22 August 2017



Mohammed Younus Sheikh
Chairman, Board Audit Committee

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Name of Company Bestway Cement Limited
Year Ended June 30, 2017

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

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

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

Category	Names
Independent Director	1. Ms. Najma Naheed Pirzada
Executive Directors	1. Mr. Zameer Mohammed Choudrey 2. Mr. Muhammad Irfan Anwar Sheikh
Non-Executive Directors	1. Sir Mohammed Anwar Pervez 2. Mr. Dawood Pervez 3. Mr. Mohammed Younus Sheikh 4. Mr. Haider Zameer Choudrey

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 have defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy on the board has occurred as on June 29, 2017 during the year ended 30 June, 2017 and shall be filled up by the Directors within ninety days from the date of such vacancy having occurred.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company alongwith 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 the particulars of the significant policies alongwith the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by 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, alongwith the agenda and working papers were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.

9. All the Board is fully compliant with the requirement of directors training program.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of their employment.
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 the CEO and the CFO before approval by 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 members including the Chairman are non-executive directors while the third is an independent director.
16. The meetings of the Audit Committee were held at least once in every quarter prior to the approval of interim and final results of the Company. As required by the CCG the terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises of three members, of whom the Chairman is an executive director while the other two are non-executive directors.
18. The board has set up an effective internal audit function which is working since inception. The members of the department 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 Programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants' (IFAC) guidelines on the code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
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 the 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 the Company's securities, was determined and intimated to the Directors, employees and the Stock Exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through the 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.

For and on behalf of the Board



Chief Executive

Islamabad
22 August 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 Bestway Cement Limited ("the Company") for the year ended 30 June 2017 to comply with the requirements of Listing Regulation No. 5.19 of the Pakistan Stock Exchange Limited, where the Company is listed.

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

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

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in 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 30 June 2017.

Islamabad
22 August 2017



KPMG Taseer Hadi & Co.
Chartered Accountants
Atif Zamurrad Malik

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Bestway Cement Limited ("the Company") as at 30 June 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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 financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) In our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) In our opinion:
 - (i) The balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) The expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) The business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) 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, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 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 Central Zakat Fund established under section 7 of that Ordinance.

Islamabad
22 August 2017



KPMG Taseer Hadi & Co.
Chartered Accountants
Atif Zamurrad Malik

HEARTIEST CONGRATULATIONS ON CONQUERING MOUNT EVEREST

THE ONE WHO DARES, WINS!
SUMMIT MOUNT EVEREST - MAY 2017



With a paramount honour and utmost pleasure BESTWAY CEMENT congratulates Lt. Col (Retd.) Dr. Abdul Jabbar Bhatti on becoming the 4th and oldest Pakistani to reach the summit of Mount Everest. BESTWAY CEMENT as proud co-sponsors of this expedition celebrate these moments of triumph with the nation because the summit of Mount Everest is not conquered every day and you have made us all proud!



Lt. Col (Retd.)
Dr. Abdul Jabbar Bhatti

BESTWAY CEMENT LIMITED

www.bestway.com.pk | UAN: +92 51 111 111 722

A person in a white shirt is pointing at a tablet displaying various financial charts and graphs. The background is blurred, showing other people in a meeting. The text "FINANCIAL STATEMENTS" is overlaid in the center in a bold, blue font.

FINANCIAL STATEMENTS

BALANCE SHEET

AS AT 30 JUNE 2017

	Note	2017 (Rupees '000)	2016 (Rupees '000)
EQUITY			
Share capital	7	5,962,528	5,793,849
Shares to be issued pursuant to amalgamation		-	168,679
Capital reserves	8	7,227,825	7,846,648
Revenue reserves	9	34,578,902	28,174,199
Total equity		47,769,255	41,983,375
LIABILITIES			
Long term financing	10	6,000,000	9,900,000
Long term musharaka	11	4,000,000	6,600,000
Deferred liabilities	12	10,470,138	9,602,355
Non-current liabilities		20,470,138	26,102,355
Trade and other payables	14	8,492,974	7,047,658
Mark up accrued		144,788	246,088
Short-term borrowings	15	4,887,967	2,440,678
Current liabilities		13,525,729	9,734,424
Total liabilities		33,995,867	35,836,779
Total equity and liabilities		81,765,122	77,820,154
Contingencies and commitments	16		

The annexed notes 1 to 46 form an integral part of these financial statements.


CHIEF EXECUTIVE

BALANCE SHEET

AS AT 30 JUNE 2017

	Note	2017 (Rupees '000)	2016 (Rupees '000)
ASSETS			
Property, plant and equipment	17	44,732,200	42,955,029
Intangible assets and goodwill	18	9,262,737	11,022,747
Investment property	19	250,214	350,538
Long term investments	20	11,851,307	11,592,746
Long term deposits	21	134,689	134,473
Non-current assets		66,231,147	66,055,533
Stores, spare parts and loose tools	22	6,237,794	6,045,626
Stock in trade	23	3,490,716	1,452,357
Trade debts	24	1,462,355	1,175,809
Advances	25	1,384,348	861,913
Deposits and prepayments	26	83,855	61,570
Other receivables	27	1,317,800	762,230
Advance tax - net		1,348,666	1,022,559
Cash and bank balances	28	208,441	382,557
Current assets		15,533,975	11,764,621
Total assets		81,765,122	77,820,154



DIRECTOR & CFO

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 (Rupees '000)	2016 (Rupees '000)
Gross turnover	29	71,440,848	58,543,507
Less: rebates and discounts		(1,810,264)	(1,635,472)
Less: sales tax and excise duty		(18,007,108)	(11,186,995)
Revenue		51,623,476	45,721,040
Cost of sales	30	(29,090,753)	(24,573,384)
Gross profit		22,532,723	21,147,656
Other income	31	99,860	172,795
Selling and distribution expenses	32	(1,558,903)	(1,176,860)
Administrative expenses	33	(2,404,652)	(2,463,969)
Other expenses	34	(1,229,785)	(890,963)
Operating profit		17,439,243	16,788,659
Net finance costs	35	(830,715)	(1,822,500)
Share of profit of equity-accounted investees, net of tax	36	2,055,638	2,111,835
Profit before tax		18,664,166	17,077,994
Income tax expense	13.1	(5,371,526)	(5,197,577)
Profit		13,292,640	11,880,417
Profit attributable to:			
Owners of the Company		13,292,640	11,853,178
Non-controlling interests		-	27,239
		13,292,640	11,880,417
Earnings per share - basic and diluted	37	22.29	20.16

The annexed notes 1 to 46 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR & CFO

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

		2017	2016
	Note	(Rupees '000)	(Rupees '000)
Profit		13,292,640	11,880,417
Items that will not be reclassified to profit or loss			
Measurement of defined benefit liability	12.2.1	(29,495)	(26,025)
Related tax		7,964	6,956
		(21,531)	(19,069)
<i>Company's share of equity-accounted investees' OCI</i>			
Re-measurement of defined benefit liability	20.2.1	(9,279)	(15,971)
Related tax		(220)	(14)
		(9,499)	(15,985)
		(31,030)	(35,054)
Items that are or may be reclassified subsequently to profit or loss			
<i>Company's share of equity-accounted investees' OCI</i>			
Foreign operations - foreign currency translation differences	20.2.1	(31,799)	(9,060)
Available-for-sale financial assets - net change in fair value	20.2.1	(644,819)	(259,832)
Related tax		57,795	(12,945)
		(618,823)	(281,837)
Other comprehensive income, net of tax		(649,853)	(316,891)
Total comprehensive income		12,642,787	11,563,526
Total comprehensive income attributable to:			
Owners of the Company		12,642,787	11,536,287
Non-controlling interests		-	27,239
		12,642,787	11,563,526

The annexed notes 1 to 46 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR & CFO

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Attributable to owners of the Company						Non-Controlling Interests (NCI)	Total equity	
	Share capital	Shares to be issued pursuant to amalgamation	Share premium	Capital reserves	Surplus on revaluation of available-for-sale investments	Revenue reserve			
			Exchange translation reserve		Unappropriated profit	Total			
Balance at 01 July 2015	5,793,849	-	3,225,770	1,111,398	1,635,266	22,149,923	33,916,206	2,526,837	36,443,043
Total comprehensive income									
Profit	-	-	-	-	-	11,853,178	11,853,178	27,239	11,880,417
Other comprehensive income	-	-	-	(9,060)	(272,777)	(35,054)	(316,891)	-	(316,891)
Total comprehensive income	-	-	-	(9,060)	(272,777)	11,818,124	11,536,287	27,239	11,563,526
Transactions with owners of the Company									
Distributions									
Dividend - Final 2015 @ Rs. 2.5 per share	-	-	-	-	-	(1,448,462)	(1,448,462)	-	(1,448,462)
Dividends - Interim 2016 @ Rs. 7.5 per share	-	-	-	-	-	(4,345,386)	(4,345,386)	-	(4,345,386)
Total distributions	-	-	-	-	-	(5,793,848)	(5,793,848)	-	(5,793,848)
Changes in ownership interests									
Shares to be issued pursuant to amalgamation	-	168,679	2,156,051	-	-	-	2,324,730	-	2,324,730
Dividend paid by Pakcem to NCI	-	-	-	-	-	-	-	(42,941)	(42,941)
Acquisition of NCI	-	-	-	-	-	-	-	(2,511,135)	(2,511,135)
Total changes in ownership interests	-	168,679	2,156,051	-	-	-	2,324,730	(2,554,076)	(229,346)
Total transactions with owners of the Company	-	168,679	2,156,051	-	-	(5,793,848)	(3,469,118)	(2,554,076)	(6,023,194)
Balance at 30 June 2016	5,793,849	168,679	5,381,821	1,102,338	1,362,489	28,174,199	41,983,375	-	41,983,375
Balance at 01 July 2016	5,793,849	168,679	5,381,821	1,102,338	1,362,489	28,174,199	41,983,375	-	41,983,375
Total comprehensive income									
Profit	-	-	-	-	-	13,292,640	13,292,640	-	13,292,640
Other comprehensive income	-	-	-	(31,799)	(587,024)	(31,030)	(649,853)	-	(649,853)
Total comprehensive income	-	-	-	(31,799)	(587,024)	13,261,610	12,642,787	-	12,642,787
Transactions with owners of the Company									
Distributions									
Dividend - Final 2016 @ Rs. 2.5 per share	-	-	-	-	-	(1,490,632)	(1,490,632)	-	(1,490,632)
Dividends - Interim 2017 @ Rs. 9 per share	-	-	-	-	-	(5,366,275)	(5,366,275)	-	(5,366,275)
Total distributions	-	-	-	-	-	(6,856,907)	(6,856,907)	-	(6,856,907)
Changes in ownership interests									
Shares issued pursuant to amalgamation	168,679	(168,679)	-	-	-	-	-	-	-
Total transactions with owners of the Company	168,679	(168,679)	-	-	-	(6,856,907)	(6,856,907)	-	(6,856,907)
Balance at 30 June 2017	5,962,528	-	5,381,821	1,070,539	775,465	34,578,902	47,769,255	-	47,769,255

The annexed notes 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE



DIRECTOR & CFO

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 (Rupees '000)	2016 (Rupees '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit		18,664,166	17,077,994
<i>Adjustments for:</i>			
Gain on disposal of property, plant and equipment	17.1.2	(27,322)	(8,427)
Depreciation	17.1.3	2,035,686	1,966,331
Property, plant and equipment-written off		422,407	183,347
Amortisation	18.5	1,760,010	1,753,404
Rental income from investment property	31	(27,606)	(27,051)
Profit on deposit accounts	31	(16,793)	(125,241)
Due from government agencies written off		-	40,102
Provision for impairment of investment		-	22,409
Provision for doubtful debts		-	1,335
Other advances and receivables written off		-	82,868
Provision for stamp duty		-	12,430
Provision for obsolete spare parts		-	3,932
Provision for slow moving stock	30	(9,505)	28,235
Gain on re-measurement of investment property to fair value	19	(5,418)	(4,633)
Finance cost		830,715	1,822,500
Share of profit of equity-accounted investment, net of tax	36	(2,055,638)	(2,111,835)
Provision for staff retirement benefits		69,029	57,998
		2,975,565	3,697,704
		21,639,731	20,775,698
<i>Changes in:</i>			
Stores, spares parts and loose tools		(182,667)	(1,825,633)
Stock in trade		(2,038,359)	1,237,633
Trade debts		(286,546)	(314,443)
Advances		(522,434)	(501,036)
Deposits and prepayments		(22,283)	4,161
Other receivables		39,884	(14,306)
Due from government agencies		(595,453)	71,306
Trade and other payables		1,447,559	1,922,422
		(2,160,299)	580,104
Cash generated from operating activities		19,479,432	21,355,802
Long term advances - net		-	12,337
Long term deposits - net		(216)	(991)
Finance cost paid		(932,014)	(2,013,641)
Staff retirement benefits paid	12.2.1	(33,412)	(23,483)
Income tax paid		(4,829,424)	(3,995,921)
Net cash from operating activities		13,684,366	15,334,103
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(4,153,684)	(1,662,920)
Proceeds from sale of property, plant and equipment	17.1.2	51,484	14,774
Acquisition of interest in joint venture		-	(22,409)
Acquisition of interest in equity accounted investee	20.3.1	(106,267)	-
Rent received from investment property		25,364	25,554
Dividend received	20.2.1	1,217,447	1,217,447
Profit on deposit accounts received		16,792	128,319
Net cash used in investing activities		(2,948,864)	(299,235)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(3,900,000)	(7,273,584)
Repayment of long term musharaka		(2,600,000)	(3,400,000)
Dividends paid		(6,856,907)	(6,811,533)
Dividend paid to NCI		-	(42,941)
Net cash used in financing activities		(13,356,907)	(17,528,058)
Net decrease in cash and cash equivalents		(2,621,405)	(2,493,190)
Cash and cash equivalents at beginning of the year - restated		(2,058,121)	435,069
Cash and cash equivalents at end of the year	38	(4,679,526)	(2,058,121)

The annexed notes 1 to 46 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR & CFO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. THE COMPANY AND ITS OPERATIONS

Bestway Cement Limited ("the Company") is a public limited company incorporated in Pakistan on 22 December 1993 under the Companies Act, 2017 (previously the Companies Ordinance, 1984) and is listed on the Pakistan Stock Exchange Limited since 09 April 2001. The Company is principally engaged in production and sale of cement. Registered office of the Company is located at Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad.

The Company is a subsidiary of Bestway (Holdings) Limited, U.K.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of or the directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail. The applicable financial reporting framework for banks also includes the Banking Companies Ordinance, 1962 and the provisions of and directives issued by the State Bank of Pakistan. The applicable financial reporting framework for insurance companies also includes the Insurance Ordinance, 2001 and the provisions of and directives issued by the Securities and Exchange Commission of Pakistan.

Details of the Company's accounting policies are included in Note 6.

3. USE OF JUDGMENTS AND ESTIMATES

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

Note 12.2.2 – measurement of defined benefit obligation – key actuarial assumptions

Note 18.4 – impairment test – key assumptions underlying recoverable amounts

Notes 13 and 16 – contingencies including tax related contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

Note 19 – investment property

Note 41 – financial instruments

Note 17 – useful lives of property, plant and equipment

Note 18 – recognition, measurement and useful life of intangible assets

Notes 22 and 23 – provision for inventory obsolescence

Note 24 – provision for doubtful debts

Note 13 – provision for income tax

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair value, both for financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4. BASIS OF PRESENTATION AND MEASUREMENT

During the year on 30 May 2017, the Companies Act, 2017 (the Act) was enacted which replaced and repealed the Companies Ordinance, 1984 (the repealed Ordinance). However, the Securities and Exchange Commission of Pakistan (SECP) through its Circular No. 17 of 2017 dated 20 July 2017 has advised the Companies whose financial year closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on the following basis on each reporting date.

Item	Measurement basis
Investment property	Fair value
Net defined benefit liability	Fair value of plan assets less the present value of the defined benefit obligation determined through actuarial valuation.

4.1 Functional and presentation currency

These financial statements are presented in Pak Rupees (PKR or Rupee), which is the Company's functional currency. All amounts have been rounded off to the nearest thousand, unless otherwise stated.

5. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO THE APPROVED ACCOUNTING STANDARDS

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2017:

- Amendments to IAS 12 *Income Taxes* are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 7 *Statement of Cash Flows* are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

- Amendments to IFRS 2 *Share-based Payment* clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognised for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.
- Transfers of Investment Property (Amendments to IAS 40 *Investment Property* - effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.
- Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:
 - Amendments to IFRS 12 *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after 1 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The amendments are not likely to have an impact on Company's financial statements.
 - Amendments to IAS 28 *Investments in Associates and Joint Ventures* (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.
 - IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognised. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognised. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.
 - IFRIC 23 *Uncertainty over Income Tax Treatments* (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.

In addition, the Companies Act, 2017 was enacted on 30 May 2017 and Securities and Exchange Commission of Pakistan (SECP) vide its circular 17 of 2017 has clarified that the companies whose financial year closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 applicable for financial year beginning on 1 July 2017 requires certain additional disclosures and changes for certain accounting treatments including accounting for investments in associates which may require change in the relevant accounting policy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

6. SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

6.1 Business combinations

The Company accounts for business combination using the acquisition method when control is transferred to the Company. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent gain is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries: Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests (NCI): NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Company's interest in a subsidiary, except those part of the initial acquisition transaction, that do not result in a loss of control are accounted for as equity transactions.

Loss of control: When the Company loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees: The Company's interests in equity-accounted investees comprise of interests in associate and a joint venture. Associates are those entities in which the Company has significant influence, but not control over the financial and operating policies. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investee, until the date on which significant influence or joint control ceases.

Intra-company transactions: Intra-company balances and transactions, and any unrealised income and expenses arising from intra-company transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

6.2 Employee benefits

Short-term employee benefits: Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plan: The Company operates an approved contributory provident fund for all its employees whose services were transferred to the Company upon amalgamation of the Pakcem Limited (herein after referred as "Pakcem"). Equal monthly contributions are made to the fund by the Company and the employees, at the rate of 10% of the employee's basic salary. The Company's contribution to the provident fund is expensed as the related service is provided. Prepaid contributions are recognised as asset to the extent that a cash refund or a reduction in future payment is available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

Defined benefit plans: The Company operates the following defined benefit plans:

- (a) **Gratuity:** The Company maintains an unfunded gratuity scheme for eligible employees. The employees transferred to the Company on the amalgamation of Pakcem into the Company are not covered under this scheme. The calculation of defined benefit obligations in respect of gratuity is performed annually by a qualified actuary using the Projected Unit Credit (PUC) Actuarial Cost Method. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Re-measurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefits payments. Net interest expense and other expenses related to defined benefit plan is recognised in profit or loss.

- (b) **Compensated absences:** The Company recognises provision for compensated absences on an undiscounted basis and are expensed as the related services are provided. A liability is recognised for the amount expected to be paid under compensated absences if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. The compensated absences are payable to employees at the time of retirement/termination of service. The provision is determined on the basis of last drawn salary and accumulated leaves balance at the reporting date.

6.3 Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax: Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset if certain criteria are met.

Deferred tax: Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this assumption. Deferred tax assets and liabilities are offset if certain criteria are met.

6.4 Provisions

A provision is recognised in Balance Sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessment of time value of money and risk specific to the liability. The unwinding of discount is recognised as finance cost.

6.5 Property, Plant and Equipment

Recognition and measurement: Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. Freehold land and capital work in progress are stated at cost less any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure: Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation: Depreciation is calculated to write off the cost of items of property, plant and equipment less their residual values using the reducing balance method, except leasehold land, buildings and plant and machinery which are depreciated on a straight-line basis. Depreciation is recognised in profit or loss. Leased assets are depreciated over the shorter of the leased term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated. Rates of depreciation/estimated useful lives are mentioned in note 17.1.1. Depreciation is charged on prorata basis from the month in which an asset is acquired or capitalised, while no depreciation is charged for the month in which the asset is disposed off. Days in excess of fifteen days are considered as full month for the purpose of calculation of depreciation. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

6.6 Intangible assets and goodwill

Recognition and measurement

Goodwill: Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Other intangible assets: Other intangible assets including operational benefits, brands that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure: Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

Amortisation: Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Goodwill is not amortised. The estimated useful lives of intangible assets are given in note 18.1. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

6.7 Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

6.8 Impairment

Financial assets: Financial assets not classified at fair value through profit or loss, including an interest in equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on the terms that the Company would not consider otherwise and indication that a debtor will enter bankruptcy.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. For financial assets measured at amortised cost, the Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics. In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit and loss account and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

For equity-accounted investees, an impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

Non-financial assets: At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups that are expected to benefit from the synergies of the combination.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

The recoverable amount of an asset or CGU is greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amounts of any goodwill allocated to CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

6.9 Foreign currency

Foreign currency transactions: Transactions in foreign currency are translated into Pak Rupee at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupee at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are recognised in profit or loss.

Foreign operations: The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Pak Rupee at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Pak Rupee at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income, and accumulated in the foreign currency translation reserve except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed off in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Company disposes off part of its interest in a subsidiary but retains control, then the relevant portion of the cumulative amount is reattributed to NCI. When the Company disposes off only a part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

6.10 Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at lower of weighted average cost and net realizable value. For items which are slow moving and/or identified as surplus to the Company's requirements, adequate provision is made for any excess book value over estimated net realizable value. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for obsolescence.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

6.11 Stock in trade

Stocks of raw materials, work in process and finished goods are valued at the lower of weighted average cost and net realizable value. Cost of raw materials, work in process and finished goods comprises of direct materials, labor and appropriate manufacturing overheads. Net realizable value signifies estimated selling price less estimated cost of completion and estimated cost to sell.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

6.12 Revenue

Sale of goods: Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates. The timing of transfer of risk and rewards varies depending on the individual terms of the sale agreement. For sale of cement, the transfer usually occurs on delivery of goods to the customer, however, for some international shipments the transfer occurs on the loading of goods onto the relevant carrier at the port. Generally for such sales, the customer has no right of return.

Investment property rental income: Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as integral part of the total rental income, over the term of the lease.

6.13 Finance income and finance costs

The Company's finance income and finance costs include interest income, interest expense, foreign currency gain or loss on financial assets and financial liabilities. Interest income or expense is recognised using the effective interest method. Mark-up, interest and other charges on borrowings used for the acquisition and construction of qualifying assets are capitalised up to the date when the qualifying assets are substantially ready for their intended use. Borrowing cost is included in the related property, plant and equipment acquired/constructed out of the proceeds of such borrowings.

6.14 Financial instruments

Classification: The Company classifies non-derivative financial assets into the loans and receivables category. The Company classifies non-derivative financial liabilities into other financial liabilities category.

Recognition and derecognition: The Company recognises financial assets and financial liabilities on the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Measurement: Financial assets categorized as loans and receivables are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Financial liabilities categorized as other financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

6.15 Leases

Determining whether an arrangement contains a lease: At inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Lease assets: Leases of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's Balance Sheet.

Lease payments: Payments made over operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

6.16 Share capital and dividend

Ordinary shares are classified as equity and recognised at their face value. Dividend distribution to the shareholders is recognised as liability in the period in which it is declared.

6.17 Operating profit

Operating profit is the result generated from continuing principal revenue producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity accounted investees and income taxes.

6.18 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

6.19 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

7. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2017		2016		2017		2016
Number of shares				(Rupees '000)		(Rupees '000)
532,214,361	515,346,496	Ordinary shares of Rs.10 each issued for cash	5,322,144	5,153,465		
64,038,422	64,038,422	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	640,384	640,384		
596,252,783	579,384,918		5,962,528	5,793,849		
Authorised share capital						
700,000,000 (2016: 700,000,000) ordinary shares of Rs. 10 each			7,000,000	7,000,000		

7.1 During the year, 16,867,865 ordinary shares of Rs. 10 each were issued pursuant to amalgamation of Pakcem Limited.

7.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

7.3 Bestway (Holdings) Limited, U.K. is the parent company controlling 336,362,368 i.e. 56.41% shares in the Company as at 30 June 2017 (2016: 320,667,055 i.e. 55.35%). Directors and associated companies hold 92,756,211 (2016: 81,928,735) and 23,324,913 (2016: 38,516,376) ordinary shares respectively at year-end.

7.4 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and sustain future development of the business. The Board of Directors of the Company monitors the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also determines the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company was not subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 (Rupees '000)	2016 (Rupees '000)
8. CAPITAL RESERVES			
Share premium on ordinary shares already issued		5,381,821	5,381,821
OCI accumulated in reserves:			
- Exchange translation reserve		1,070,539	1,102,338
- Surplus on revaluation of available-for-sale investments		775,465	1,362,489
	8.1	1,846,004	2,464,827
		7,227,825	7,846,648

8.1 These represent the Company's shares in reserves of equity-accounted investees. These are not available for distribution.

9. REVENUE RESERVES

These represent unappropriated profit and are available for distribution.

	Note	2017 (Rupees '000)	2016 (Rupees '000)
10. LONG TERM FINANCE FACILITY			
Syndicate term finance facility - secured	10.1	6,000,000	9,900,000

10.1 This represents the outstanding balance of term finance facility of Rs. 15 billion (2016: Rs. 15 billion) from a syndicate of banks with Allied Bank Limited as the lead bank. This facility is repayable in 10 stepped up semi-annual instalments starting from October 2015. Mark-up is payable on semi annual basis at the rate of 6 months' KIBOR plus 0.20% (2016: 6 months' KIBOR plus 0.50%) per annum. The facility is secured against all present and future assets excluding land and buildings of the Company for an amount of Rs. 33.33 billion and a mortgage charge created by way of deposit of title deeds. During the year, the Company prepaid all installments due within 12 months from the balance sheet date. Accordingly, no amount has been transferred to current portion.

	Note	2017 (Rupees '000)	2016 (Rupees '000)
11. LONG TERM MUSHARAKA FACILITY			
Syndicate musharaka facility - secured	11.1	4,000,000	6,600,000

11.1 This represents the outstanding balance of musharaka facility of Rs. 10 billion (2016: Rs. 10 billion) from a syndicate of banks. This facility is repayable in 10 stepped up semi-annual instalments starting from October 2015. Mark-up is payable on semi annual basis at the rate of 6 months KIBOR plus 0.20% (2016: 6 month KIBOR plus 0.50%) per annum. The facility is secured as explained in 10.1. During the year, the Company prepaid all installments due within 12 months from the balance sheet date. Accordingly, no amount has been transferred to current portion.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 (Rupees '000)	2016 (Rupees '000)
12. DEFERRED LIABILITIES			
Deferred taxation	12.1	10,089,266	9,286,595
Provision for gratuity	12.2	364,820	300,150
Provision for compensated absences	12.3	16,052	15,610
		10,470,138	9,602,355

12.1 Movement in deferred tax balances

	Net balance at 01 July 2016	Recognised in profit or loss	Recognised in OCI	Balance at 30 June 2017		
				Net	Deferred tax assets	Deferred tax liabilities
2017						
				(Rupees '000)		
Property, plant and equipment	8,481,730	(282,192)	-	8,199,538	-	8,199,538
Intangible assets	1,042,429	(451,125)	-	591,304	-	591,304
Available for sale investments	194,641	-	(57,794)	136,847	-	136,847
Share of profit of associate	875,752	300,879	-	1,176,631	-	1,176,631
Other differences related to associates OCI	8,057	-	220	8,277	-	8,277
Tax credits	(1,297,288)	1,297,288	-	-	-	-
Other temporary differences	(18,726)	3,359	(7,964)	(23,331)	(23,331)	-
Tax (assets)/liabilities before set-off	9,286,595	868,209	(65,538)	10,089,266	(23,331)	10,112,597
Set-off of tax				-	23,331	(23,331)
Net tax (assets)/liabilities				10,089,266	-	10,089,266
2016						
				(Rupees '000)		
Property, plant and equipment	8,445,892	35,838	-	8,481,730	-	8,481,730
Intangible assets	1,503,297	(460,868)	-	1,042,429	-	1,042,429
Available for sale investments	181,696	-	12,945	194,641	-	194,641
Share of profit of associate	611,163	264,589	-	875,752	-	875,752
Other differences related to associates OCI	8,043	-	14	8,057	-	8,057
Tax losses	(3,003,730)	3,003,730	-	-	-	-
Tax credits	(380,250)	(917,038)	-	(1,297,288)	(1,297,288)	-
Other temporary differences	(843)	(17,883)	-	(18,726)	(18,726)	-
Tax (assets)/ liabilities before set-off	7,365,268	1,908,368	12,959	9,286,595	(1,316,014)	10,602,609
Set-off of tax				-	1,316,014	(1,316,014)
Net tax (assets)/ liabilities				9,286,595	-	9,286,595

12.1.1 Based on the Company's estimate of future export sales, adjustment of Rs. 1 billion (2016: Rs. 1 billion) has been made in the taxable temporary differences at the year end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 (Rupees '000)	2016 (Rupees '000)
12.2 Provision for gratuity			
The Company maintains an unfunded gratuity scheme for eligible employees.			
Present value of defined benefit obligation		364,820	300,150
Net defined benefit liability	12.2.1	364,820	300,150

12.2.1 Movement in net defined benefit liability

The following table shows a reconciliation from the opening balance to the closing balance for net defined benefit liability and its components.

	2017 (Rupees '000)	2016 (Rupees '000)
Balance at the beginning of the year	300,150	236,483
Included in profit or loss:		
- Current service cost	48,235	35,933
- Interest cost	20,352	22,065
	68,587	57,998
Included in OCI:		
- Re-measurement loss - Experience adjustment	29,495	26,025
Benefits paid	(33,412)	(20,356)
Balance at the end of the year	364,820	300,150

12.2.2 Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2017	2016
Discount rate	7.75%	7.25%
Future salary growth	6.75%	6.25%
Withdrawal rates	Moderate	Moderate

Assumption regarding future mortality has been based on published statistics and mortality tables. The mortality rates are based on State Life Insurance Corporation (SLIC) 2001-05 ultimate mortality rate (2016: SLIC 2001-05 ultimate mortality rate), rated down by one year.

At 30 June 2017, the weighted average duration of the defined benefit obligation was 7.35 years (2016: 7.42 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

12.2.3 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2017 Increase (Rupees '000)	2017 Decrease (Rupees '000)	2016 Increase (Rupees '000)	2016 Decrease (Rupees '000)
Discount rate (1% movement)	(24,747)	28,857	(20,328)	23,717
Future salary growth (1% movement)	30,294	(26,371)	24,894	(21,658)
Future mortality (1 year change)	97	(98)	80	(80)
Withdrawal rate (10% movement)	573	(603)	463	(486)

Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

12.2.4 Expected maturity profile

Following are the expected distribution and timing of benefit payments at year end:

	2017 (Rupees '000)	2016 (Rupees '000)
Year 1	108,163	84,722
Year 2	17,231	17,590
Year 3	21,967	17,496
Year 4	24,441	22,812
Year 5	19,296	19,975
Year 6 to Year 10	89,635	68,546
Year 11 and beyond	515,593	382,896

Expected gratuity expense for the next financial year is Rs. 84.61 million (2016: Rs. 56.21 million).

12.2.5 Risks associated with defined benefit plan

Longevity risks

The risk arises when the actual lifetime of retiree is longer than the estimate of future employee lifetime expectation. This risk is measured at the plan level over the entire retiree population.

Salary increase risk

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal risk

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

12.2.6 Historical information

	Present value of defined benefit obligation (Rupees '000)	Net liability at the end of the year (Rupees '000)
2017	364,820	364,820
2016	300,150	300,150
2015	236,483	236,483
2014	199,730	199,730
2013	164,451	164,451

12.3 Provision for compensated absences

Actuarial valuation of compensated absences has not been carried out since the management believes that the effect of actuarial valuation would not be material.

	2017 (Rupees '000)	2016 (Rupees '000)
--	-----------------------	-----------------------

13. INCOME TAX

13.1 Amounts recognised in profit or loss

Current tax	4,503,317	3,289,209
Deferred tax	868,209	1,908,368
Tax expense for the year	5,371,526	5,197,577

	2017 (Rupees '000)	2016 (Rupees '000)
--	-----------------------	-----------------------

Reconciliation of effective tax rate

Accounting profit before tax			18,664,166	17,077,994
Tax using the Company's domestic tax rate	31%	32%	5,785,891	5,464,958
Super tax	3%	3%	585,336	567,511
Reduction in tax rate	0%	2%	-	344,902
Tax effects of:				
Share of profits of equity-accounted investees	(2%)	(2%)	(359,338)	(411,808)
Income taxable under final tax regime (exports)	(2%)	(3%)	(396,742)	(443,029)
Others	0%	0%	(35,775)	66,052
Recognition of tax credits	(1%)	(2%)	(207,846)	(391,469)
	29%	30%	5,371,526	5,197,117

13.2 Income tax contingencies

Income tax assessments of the Company for certain tax years are pending at various levels. The management of the Company is confident of the favourable outcome in these cases and accordingly no provision has been recognised in these financial statements in respect of tax demands raised by the tax authority through amendments/rectifications of assessments in the matters.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

13.2.1 Status of the Company's tax assessments is as follows. Income tax contingencies of Pakcem, acquired by the Company, are disclosed in note 13.2.3

- i) The assessments for the Assessment Year 2000-2001 to 2002-2003 were finalized by the tax authorities mainly by curtailing business expenditure claimed by the Company and charging surcharge on minimum tax. The appeals for Assessment Year 2000-2001 were decided against the Company by the Appellant Tribunal Inland Revenue ["ATIR"] against which the Company filed reference with the Honourable Islamabad High Court which is pending adjudication. The appeal filed with the Commissioner Inland Revenue (Appeals) [the "CIR(A)"] for the Assessment Year 2001-2002 was decided against the Company while certain issues were decided in favour of the Company for the Assessment Year 2002-2003. Against these orders of the CIR(A), the Company is in appeal with the ATIR which is pending for adjudication.
- ii) The tax authority levied tax of Rs. 99.08 million under section 161 of the Ordinance along with default surcharge of Rs. 124.93 million for Tax Year 2005 by rejecting the legal ground of time limitation raised by the Company. On the Company's appeal, the CIR(A) passed an order by setting aside the assessment order which was agitated by the Company before the ATIR which did not succeed too on legal grounds, now Company is in reference before Islamabad High Court which is pending for adjudication.
- iii) The tax authority amended assessment of the Company for the Tax Year 2007 charging tax of Rs. 29.26 million by making various disallowances and levying tax on property income and dividend income under the presumptive mode of taxation [PTR]. The CIR(A) annulled the order on all the issues except for upholding the taxation of property income and dividend income under PTR and disallowance of deduction claimed on account of donations paid during the year. The Company as well as the tax authority have filed cross appeals before the ATIR which are pending for adjudication.
- iv) The tax authority amended the assessment of the Company for the Tax Year 2009 thereby making various disallowances. The Company filed appeal with the CIR(A) and simultaneously moved rectification application with the tax authority. While disposing of the rectification application, the tax authority allowed partial relief to the Company. In terms of rectification order, the revised taxable income for the year was worked out to Rs. 1.82 billion which was however, set off against brought forward business losses. The remaining issues were decided by the CIR(A) in favour of the Company except the issue of disallowance of deductions claimed on account of donations. The Company as well as the tax authority filed cross appeals before the ATIR, where the order of the CIR(A) were maintained. Company, being not satisfied with the order, has filed reference before the Islamabad High Court, which is pending for adjudication.
- v) Income tax assessments of the Company for the Tax Years 2010 to 2012 were amended on alleged concealment of sales by working back production taking gypsum consumed as five per cent of cement produced and raising tax demand of Rs. 16.97 billion (including Rs. 2.10 billion related to MCL). On appeal by the Company, the CIR(A) cancelled the assessments for the Tax Years 2010 and 2011 and set aside the assessment for the Tax Year 2012 for denovo consideration. Being dissatisfied with the order of the CIR(A), the Company has filed second appeal before the ATIR for Tax Year 2012.

The tax authority has again taken up the same issues through notice dated 12 November 2013 for all the years under consideration. On detailed reply by the Company, the tax authority changed the dimension of the case to under utilization of installed capacity and confronted the Company to assess the sales by assuming 98% capacity utilization. The amended assessment for the Tax Years 2010 and 2011 has been made at a demand of Rs. 2.48 billion against which the Company has filed appeals before the CIR(A) who deleted the addition made on the ground of suppression of sales and set-aside the order on the remaining issues assailed in appeal. Both the Company and the tax authority have filed cross appeals before the ATIR, which are subjudice till date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

vi) The tax authority framed orders under section 4B of the Ordinance to recover (Rs. 23 million from BCL and Rs. 28.7 million from Pakcem) on account of super tax allegedly short paid by the Company for the Tax Year 2015. Being aggrieved Company filed appeals before CIR(A) who vide an ex-parte decision dishonored the Company contention. Company has agitated the appellate orders before the ATIR which are subjudice till date.

vii) The tax authority framed ex-parte amended assessment for the TY 2013, by charging tax on dividend income at corporate rate of tax of 35% and disallowing the adjustment of tax loss by Rs. 664 million. On Appeal the CIR(A) set-aside the amended assessment order. Being not satisfied with the order of the CIR (A), the Company has filed an appeal before the ATIR which is subjudice till date.

In re-assessment the ADCIR framed the order by disallowing rebates and discounts; adjustment of losses in consequence of merger and charged tax on dividend income at corporate tax rate and created a demand of Rs. 867.65 million. Company has agitated the assessments in appeal as well as through rectification application, which are pending for adjudication till to date.

viii) Tax authorities firstly u/s 122(5A) and subsequently after completion of audit proceedings and taking into account effect of order issued 122(5A) has framed the assessment u/s 122(5) of the ITO, 2001 for the TY 2014 by disallowing deduction of price match on local as well as on export sales. Further, credit of tax paid was also curtailed. Company agitated the assessments in appeal as well as through rectification application. The DCIR has rectified the order at a tax demand of Rs. 225.28 million which has been paid under protest by the Company while appeal is pending with CIR(A) for adjudication

13.2.2 The following income tax contingencies stand transferred to the Company from Mustehkam Cement Limited ('MCL') under the scheme of amalgamation:

i) The tax authority required MCL to furnish a reconciliation for various expenses incurred during the Tax Year 2007 with payments there-against divulged in the withholding tax statements. MCL contested this notice by contending that the information requisitioned by the tax authority is hit by time limitation laid down in section 174(3) of the Ordinance for maintenance of records. However, the tax authority did not concur with the stance of MCL and held that MCL did not withhold tax from the payments made against those heads of accounts and ordered to recover the tax from MCL under section 161 of the Ordinance along with default surcharge under section 205 of the Ordinance. Through the said order, tax demand of Rs. 24 million was raised. Being aggrieved, MCL has preferred an appeal before the CIR(A) and also moved a rectification application with the tax authority. In disposal of appeal filed by MCL, the CIR(A) has set aside the order of the tax authority and has directed the tax authority to frame the order after proper examination of records. The rectification application of MCL is however pending adjudication till date. Being dissatisfied with the order of the CIR(A), MCL had filed second appeal before the ATIR, which is subjudice till date.

ii) For the Assessment Year 1998-99, the tax authority charged additional tax amounting to Rs. 10.39 million in terms of section 87 of the repealed Income Tax Ordinance, 1979 for non-payment of advance tax. At that time, no appeal was filed with the CIR(A) against the impugned order on instructions of the Government of Pakistan (GoP) as MCL was a state-owned enterprise then, and the GoP insisted to resolve the disputes with the Federal Board of Revenue (FBR) through inter-ministerial consultations. After MCL's privatization, it pursued its case before the appellate authorities and accordingly filed an appeal with the CIR(A) with the request for condonation of delay in time for filing of appeal within the prescribed time. This request for condonation of delay was not accepted. MCL filed appeal with the ATIR where the request for condonation in filling of appeal was also not entertained. Accordingly, MCL filed a reference with the Honourable Islamabad High Court, which is subjudice till date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

- iii) The tax authority passed a rectification order for the Tax Year 2011, thereby, charging minimum tax on export sales and charging surcharge on minimum tax liability. Being aggrieved with the rectification, MCL filed an appeal before the CIR(A) who has set-aside the rectification order. Being not satisfied with the order of the CIR (A), the Company has filed an appeal before the ATIR which is subjudice till date.
- iv) The tax authorities have framed the assessment u/s 122(5A) for tax year 2013 in case of MCL (pre-merger return) by disallowing adjustment of BF losses and charged WWF and also re-calculated the allocation of expenses to exports and created demand of Rs. 124.82 million. Company filed an appeal before CIR(A) which is pending for adjudication.

The management of the Company is confident of the favourable outcome of the appeals filed by it and accordingly no provision has been made in these financial statements in respect of the matters discussed above.

13.2.3 The following income tax contingencies stand transferred to the Company pursuant to the Scheme of Amalgamation of Pakcem with the Company:

- i) The tax authority, vide an order dated 14 March 2011, raised a demand of Rs. 268.56 million by subjecting reversal of interest and penal charges on foreign currency loans to tax, for the Tax Year 2005. Pakcem filed an appeal with the CIR(A) which was decided against Pakcem. Pakcem then filed an appeal before the ATIR against the aforementioned order of CIR(A). The ATIR decided the appeal in the favour of Pakcem. However, the tax authority being aggrieved by the order of the ATIR, has filed a reference application with the Honourable Islamabad High Court.
- ii) The tax authority vide an order dated 28 June 2013, reduced the tax refund of Pakcem from Rs. 122.66 million to Rs. 71.48 million for the Tax Year 2010, owing to alleged suppression of sales amounting to Rs. 331.90 million, charging of minimum tax, and apportionment of expenses between local and export sales. Pakcem filed a rectification application with the tax authority and also filed an appeal with the CIR(A). The CIR(A) vide its order dated 30 January 2014 has remanded the case for denovo consideration.
- iii) The tax authority amended the assessment for the Tax Year 2008 and reduced tax losses by Rs. 2.58 billion on account of a waiver of customs duties amounting to Rs. 815.18 million alleged suppression of sales amounting to Rs. 1.19 billion and computation of profits attributable to exports. However, no tax demand was raised by the tax authority. Pakcem filed an appeal before the CIR(A) against the amended order. In 2014, the CIR(A) set aside the matters of additions to income on account of waiver of customs duties and taxes amounting to Rs. 815.18 million and suppression of sales amounting to Rs. 1.19 billion. The matter of computation of profits attributable to exports was, however, decided against Pakcem. Pakcem has filed an appeal against the decision of the CIR(A) before the ATIR. The tax authority, based on the decision of the CIR(A), has initiated the re-assessment proceedings which are in progress.

The management of the Company is confident of the favourable outcome of the appeals filed by it and accordingly no provision has been recognised in these financial statements in respect of tax demands raised by the tax authority through amendments/rectifications of assessments in the matters discussed above.

Certain cases (including those relating to Pakcem), other than those disclosed in these financial statements, are pending in different courts of law. The management is of the view that the outcome of those cases is expected to be favourable and a liability, if any, arising at the conclusion of those cases is not likely to be material. Accordingly, no provision has been made in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

13.2.4 The Company has during the year distributed sufficient interim dividends for the year ended 30 June 2017, which complies with the requirements of section 5A of the Income Tax Ordinance 2001. Accordingly, no provision for tax on undistributed reserves has been recognised in these financial statements for the year ended 30 June 2017.

	Note	2017 (Rupees '000)	2016 (Rupees '000) (Re-presented)
14. TRADE AND OTHER PAYABLES			
Payable to contractors and suppliers		2,803,012	2,571,832
Accrued liabilities	14.1	2,786,212	1,822,822
Advances from customers		250,670	409,897
Security deposits		89,989	91,224
Retention money		33,164	27,041
Workers' Profit Participation Fund payable	14.2	1,065,987	790,344
Workers' Welfare Fund payable	14.3	627,970	285,107
Sales tax payable		-	215,486
Excise duty payable		136,146	243,982
Advance rent of investment property		5,111	6,338
Donations payable to Bestway Foundation		378,442	266,330
Dividend payable		102,332	27,496
Withholding taxes payable		122,941	160,902
Other payables	14.4	90,998	128,857
		8,492,974	7,047,658

14.1 This includes an amount of Rs. 13.2 million (2016: Rs. 12.4 million) payable to Sui Northern Gas Pipeline Limited (SNGPL) against gas consumption during the month of June 2017 by the Company. The Company has issued bank guarantees in the normal course of business to SNGPL for commercial and industrial use of gas for an amount of Rs. 1.39 billion (2016: Rs. 1.25 billion).

	2017 (Rupees '000)	2016 (Rupees '000) (Re-presented)
14.2 Workers' Profit Participation Fund payable		
Balance at the beginning of the year	790,344	594,979
Allocation for the year	886,922	784,518
Payments to the Fund during the year	(611,279)	(589,153)
Balance at the end of the year	1,065,987	790,344

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	2017 (Rupees '000)	2016 (Rupees '000)
14.3 Workers' Welfare Fund payable		
Balance at the beginning of the year	285,107	312,966
Allocation for the year	342,863	106,445
Payments to the Fund during the year	-	(134,304)
Balance at the end of the year	627,970	285,107

- 14.4** These include an amount of Rs. 42 million (2016: Rs. 42 million) on account of provision, recorded on a prudent basis, which the management feels may ultimately be required to be paid to the land owners as compensation against land acquired for Hattar plant. The Honorable Peshawar High Court in its order dated 1 November 2012 enhanced the amount of compensation award to Rs. 320 million. Against this substantial increase, the Company has filed nine appeals in the Honorable Supreme Court of Pakistan. No hearing date has been fixed so far due to non appointment of legal counsel by the respondent(s).

	2017 (Rupees '000)	2016 (Rupees '000)
15. SHORT-TERM BORROWINGS - secured		
Running finance facilities from banking companies	4,887,967	2,440,678
	4,887,967	2,440,678

- 15.1** These facilities are obtained from various commercial banks with an aggregate limit of Rs. 6.25 billion (2016: Rs. 4.02 billion). The facilities carry mark-up at three months KIBOR plus 0.05% to 0.25%, one month KIBOR plus 0.05% and Export refinance facility at 2.15% to 3% per annum (2016: three months KIBOR plus 0.10% to 0.50% per annum, one month KIBOR plus 0.15% per annum). These facilities are secured by first pari passu hypothecation charge on all present and future movable assets and current assets for an amount of Rs. 11.64 billion (2016: Rs. 5.16 billion).

- 15.2** The company has running finance and other short term borrowing facilities aggregating to Rs. 1.36 billion (2016: Rs. 1.69 billion) which remained un-availed at the year end.

	2017 (Rupees '000)	2016 (Rupees '000)
16. CONTINGENCIES AND COMMITMENTS		
16.1 Contingencies		
16.1.1 Guarantees and claims		
Letters of guarantee issued by banks on behalf of the Company	383,611	495,982
Post-dated cheques issued in favour of the Collector of Customs	-	2,830
Company's share of guarantees and claims of equity-accounted investee:		
- Letters of guarantee	1,124,019	1,626,187
- Performance bonds, bid bonds and warranties	13,500,939	12,013,895
- Claims not acknowledged as debt	914,535	950,264

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

16.1.2 Litigations

16.1.2.1 The Competition Commission of Pakistan (CCP) issued a show cause notice dated 28 October 2008 to 21 cement companies (including the Company) under section 30 of the Competition Ordinance, 2007. On 27 August 2009, CCP imposed a penalty aggregating Rs. 1.12 billion on the Company and Pakcem (acquired by the Company). The cement manufacturers (including the Company) have challenged the CCP order in the Honorable High Court and the Honorable High Court has passed an interim order restraining CCP from taking any adverse action against those 21 cement companies.

Appeals against the CCP's orders were also filed as an abundant precaution in the Honorable Supreme Court of Pakistan under Section 42 of the Competition Ordinance, 2007. During the year, the cases were fixed for hearing on time to time, however, due to non availability of defendant, the hearings of the case were adjourned. These appeals are still pending and management is confident of a favorable outcome of the case, accordingly no provision has been made in these financial statements.

16.1.2.2 In 2002, State Life Insurance Corporation of Pakistan (an initial shareholder of Pakcem) filed two suits before the Honorable Sindh High Court against Mr. Khawaja Mohammad Jaweed (the then Chairman of the Chakwal Group, the previous parent of Pakcem) for recovery of an aggregate amount of Rs. 461 million plus markup (at rates ranging from 16% to 20%) on account of agreements of sale and repurchase of shares, executed at various times in August 1995, between State Life Insurance Corporation of Pakistan and the then Chairman of the Chakwal Group. During the year 2014, Pakcem received a letter from Chakwal Group stating that Pakcem is also a party to the case and can be held liable to pay the damages by the Honorable Sindh High Court. The legal advisor of the Company is of the opinion that the Company can be extricated from the case, provided that it can be shown to the Court that the then Chairman of the Chakwal Group was not authorized to act in this regard on behalf of Pakcem. No provision has been made against the aforementioned case in these financial statements, as the management and its legal counsel are confident that the matter will ultimately be decided in favor of the Company.

16.1.2.3 Contingencies relating to sales tax and federal excise duty of the Company are as follows. Sales tax and excise duty contingencies of Pakcem, acquired by the Company, are disclosed in note 16.1.2.4.

- i) The Commissioner Inland Revenue (Appeals-I) [CIR (A)] while deciding the appeal filed against the Order-in-Original No. 20 of 2013 dated 07 May 2013 [the OIO] for the years 2010, 2011 and 2012 passed by the tax authority raising alleged aggregate demand of Rs.19.09 billion (including Rs. 3.33 billion related to Mustehkam Cement Limited [MCL], which was amalgamated into the Company in 2013), remanded the case back to the tax authority by observing that the OIO is completely silent about the earlier judgment passed by the Customs, Excise and Sales Tax Appellate Tribunal dated 30 April 2003 on the similar issue that the cement produced/sold by the Company was less than the quantity of cement worked out in standard mix of 95:5 (5 being gypsum). The Company is in appeal against the order of the CIR(A) which is pending disposal to date. On similar issue in a parallel case, the Appellate Tribunal Inland Revenue [the ATIR] has set aside the demand raised by the tax authority by observing that working out production on the basis of working back gypsum percentage should not be followed as there are many other ingredients required to manufacture cement.

Further, taking up the reassessment proceedings, the tax authority passed the Order-in-Original No. 09/065 of 2014 dated 18 March 2013 [the Order] by following a completely different view that the production of cement should be worked out at the rate of 98% of installed capacity for all years under review. Resultantly, an aggregate demand of Rs. 8.54 billion (including Rs. 1.56 billion related to MCL) against the Company was raised. Being aggrieved with this decision, the Company filed an appeal before the CIR(A) who upheld the treatment followed by the tax authority with modification that instead of 98%, the capacity should be worked out on average production in parallel cases for the years. However, the tax authority has worked out production by applying a rate of 86.66% instead of 98%. As a result demand of Rs. 5.28 billion (including Rs. 0.92 billion related to MCL) along with default surcharge and penalty was raised. On appeal filed by the Company the ATIR has annulled the orders of tax authority. The tax authority has filed reference before the Honourable Islamabad High Court against the appellate orders of the ATIR.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

- ii) The tax authority conducted audit of sales tax of the Company and consequent to audit proceedings framed Order-in-Original No. 01 of 2015 dated 31 August 2015 through which a tax demand of Rs. 230.91 million was raised. Against the said order, the Company filed an appeal before the CIR(A), who upheld the impugned order. Being dissatisfied with the order, the Company has filed an appeal before the ATIR, which is pending to date.
- iii) Based on an audit for the period from July 2009 to June 2010, the tax authority vide Order-in-Original No. 23 of 2013 dated 30 April 2013 raised aggregate sales tax demand of Rs. 639.17 million against the Company mainly alleging suppression of production. On appeal by the Company, the CIR(A) vide order dated 25 July 2013, set aside the order in original and directed the tax authority for denovo consideration. The Company has filed an appeal before the ATIR against the order of the CIR(A), which is pending adjudication.

16.1.2.4 Contingencies relating to sales tax and federal excise duty of Pakcem (acquired by the Company) are as follows:

- i) For the tax period January 2007 to December 2007, the tax authority raised sales tax/federal excise duty demand of Rs. 690 million, vide Order-in-Original No.19 of 2011 dated 25 October 2011. Pakcem filed an appeal against the said order before the CIR(A). The CIR(A) endorsed the view of the tax authority, but reduced the demand to Rs. 489 million. Pakcem filed an appeal before the ATIR against the order of the CIR(A) and ATIR, vide its order dated 30 March 2012, set aside the orders of the CIR(A) and directed the tax authority for denovo consideration. Pakcem then filed an appeal before the Honorable Islamabad High Court against the order of the ATIR. In the meanwhile as directed by the ATIR, the tax authority vide its re-assessment order dated 31 October 2012 again raised a demand of Rs. 489 million. Pakcem filed an appeal before the CIR(A) against the aforementioned order of the tax authority. The CIR(A) vide its order dated 20 December 2012 remanded back the order of the tax authority for re-assessment. Pakcem has also filed an appeal before the ATIR, against the order of the CIR (A), which is pending a decision. Further, as directed by the CIR(A), the matter is also pending for adjudication with the tax authority. To date no order has been passed.
- ii) The tax authority vide orders dated 23 April 2010 and 05 May 2010, raised demand of Rs. 56.23 million against Pakcem, on account of federal excise duty on royalty and fee for technical services, paid for the years 2006 to 2008. On appeal, the CIR(A) vide an order dated 20 September 2010 set aside the demand. In consequence of appeal filed by tax authority, the ATIR decided the matter against Pakcem, vide its order dated 06 August 2012. Pakcem has filed an appeal before the Honorable Islamabad High Court and also filed an application for injunction against the recovery proceedings of default surcharge and penalty of Rs. 49.79 million along with an application for early fixation of hearing. The injunction was granted and date of hearing was fixed for 15 March 2016. Final judgement is pending as of the reporting date.
- iii) The Sindh Revenue Board (SRB) after conducting audit of financial statements of Pakcem for the years 2012 and 2013 demanded sales tax on royalty and technical assistance fee on franchise services received by Pakcem from then ultimate parent company 'Lafarge'. Being aggrieved on account of SRB jurisdiction over the case, Pakcem filed a petition in the Honorable Sindh High Court against unwarranted demand and inquiry initiated by the SRB. The Honorable Sindh High Court granted an interim order in favor of Pakcem and refrained SRB for further proceedings in the case. The matter is pending to date.
- iv) The tax authority, vide an order dated 31 January 2012 raised a demand of Rs. 33.63 million on account of federal excise duty and default surcharge and penalty on royalty and fees for technical services paid by Pakcem, for the years 2009 and 2010. Pakcem filed an appeal before the CIR(A). However, the CIR(A) endorsed the view of the tax authority. Being aggrieved Pakcem filed second appeal before the ATIR which is pending to date. Further the tax authority has adjusted the subject demand against income tax refund of Pakcem, for the tax year 2011, hence no provision for a potential liability is recorded in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

- v) For the tax period January 2011 to December 2011, the tax authority, vide Order-in-Original No.28 of 2013 dated 23 September 2013 raised federal excise duty demand of Rs. 9.67 million on account of non-payment of federal excise duty on Industrial Franchise Fee. Thereafter, the CIR(A), vide its order dated 16 December 2013, deleted the federal excise duty demand of Rs. 9.67 million with an observation that the tax authority may take action against Pakcem on account of late payment of federal excise duty. Being aggrieved with the decision of the CIR(A), both the department and the Company have filed appeals before the ATIR. Currently, both appeals are pending decision with the ATIR.
- vi) In August 2016, Pakcem filed application for condonation in time limit to the Federal Board of Revenue (FBR) along with application for refund of sales tax of Rs. 25.71 million paid on import of coal during the tax period July 2013. The decision on application is pending with the FBR.

Pending the outcome of the matters as discussed in notes from 16.1.2.3 and 16.1.2.4, no provision has been made in these financial statements for the demands raised as management is confident that the matters will ultimately be decided in the favour of the Company.

16.2 Commitments	Note	2017	2016
		(Rupees '000)	(Rupees '000)
Outstanding letters of credit including capital expenditure	16.2.1	6,030,930	1,133,182
Capital expenditure		1,291,370	157,876
Rentals for use of land		128,508	130,183
Minimum advance rent to Saba Generation Company (Private) Limited		77,760	155,520
Ijarah facilities	16.2.2	-	95,380
Company's share of commitments of equity-accounted investee:			
- Outstanding letters of credit		15,906,938	14,632,185
- Forward foreign exchange contracts - purchases		18,575,383	15,440,777
- Forward foreign exchange contracts - sales		18,273,619	14,180,437
- Derivatives		654,761	806,112
- Capital expenditure		108,004	197,096

16.2.1 Included in the outstanding letters of credit is the amount pertaining to the contracts signed for new production line at Farooqia site for 6,000 tonnes per day and 9 MW Waste Heat Recovery Power Plant.

16.2.2 The amount of future payments under Ijarah facilities and the period in which these payments will become due are as follows:

	2017	2016
	(Rupees '000)	(Rupees '000)
Payable not later than one year	-	41,877
Payable later than one year but not later than five years	-	53,503
	-	95,380

16.2.3 As at 30 June 2017, facilities of letters of credit amounting to Rs. 12.67 billion (2016: Rs. 7.25 billion) are available to the Company.

17. PROPERTY, PLANT AND EQUIPMENT	Note	2017	2016
		(Rupees '000)	(Rupees '000)
Operating fixed assets	17.1	42,391,564	41,930,513
Capital work in progress (CWIP)	17.2	2,340,636	1,024,516
		44,732,200	42,955,029

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

17.1 Operating fixed assets

17.1.1 Reconciliation of carrying amounts

	Freehold land	Leasehold land	Buildings on freehold land	Plant and machinery	Quarry equipment	Laboratory and other equipment	Furniture and fixture	Vehicles	Office equipment	Total
Cost										
Balance at 1 July 2015	1,541,041	39,517	10,076,388	37,195,579	1,606,120	855,766	114,068	248,263	137,019	51,813,761
Additions	24,258	-	15,052	282,444	131,130	39,083	9,253	109,381	11,650	622,251
Transfers from CWIP	-	-	11,434	115,592	-	3,068	-	-	-	130,094
Disposals	-	-	-	-	-	-	-	(24,100)	-	(24,100)
Write offs	-	-	(25,108)	(229,576)	(27,316)	(45)	-	-	-	(282,045)
Balance at 30 June 2016	1,565,299	39,517	10,077,766	37,364,039	1,709,934	897,872	123,321	333,544	148,669	52,259,961
Balance at 1 July 2016	1,565,299	39,517	10,077,766	37,364,039	1,709,934	897,872	123,321	333,544	148,669	52,259,961
Additions	55,226	-	141,533	606,947	394,033	35,167	17,110	246,123	26,394	1,522,533
Transfers from CWIP	-	-	219,248	1,095,782	-	-	-	-	-	1,315,030
Transfers from investment property	-	-	105,742	-	-	-	-	-	-	105,742
Disposals	-	-	-	-	(56,624)	-	-	(38,684)	-	(95,308)
Write offs	-	-	(181,267)	(424,883)	(30,639)	-	-	-	-	(636,789)
Balance at 30 June 2017	1,620,525	39,517	10,363,022	38,641,885	2,016,704	933,039	140,431	540,983	175,063	54,471,169
Accumulated depreciation										
Balance at 1 July 2015	-	22,283	1,856,826	5,458,121	824,465	89,018	54,657	103,083	71,115	8,479,568
Depreciation	-	1,159	339,975	1,366,946	123,258	80,665	6,363	36,365	11,600	1,966,331
Disposals	-	-	-	-	-	-	-	(17,753)	-	(17,753)
Write offs	-	-	(5,925)	(71,553)	(21,205)	(15)	-	-	-	(98,698)
Balance at 30 June 2016	-	23,442	2,190,876	6,753,514	926,518	169,668	61,020	121,695	82,715	10,329,448
Balance at 1 July 2016	-	23,442	2,190,876	6,753,514	926,518	169,668	61,020	121,695	82,715	10,329,448
Depreciation	-	1,159	354,885	1,392,576	125,156	78,080	6,990	65,023	11,816	2,035,685
Disposals	-	-	-	-	(53,890)	-	-	(17,256)	-	(71,146)
Write offs	-	-	(52,047)	(133,258)	(29,077)	-	-	-	-	(214,382)
Balance at 30 June 2017	-	24,601	2,493,714	8,012,832	968,707	247,748	68,010	169,462	94,531	12,079,605
Carrying amounts										
At 30 June 2016	1,565,299	16,075	7,886,890	30,610,525	783,416	728,204	62,301	211,849	65,954	41,930,513
At 30 June 2017	1,620,525	14,916	7,869,308	30,629,053	1,047,997	685,291	72,421	371,521	80,532	42,391,564
Useful life (years)/rates of depreciation per annum										
2017	30 years / 3%	30 years / 3%	30 years / 3%	30 years / 10%	15%	10-15%	10%	20%	15%	15%
2016	30 years / 3%	30 years / 3%	30 years / 3%	30 years / 10%	15%	10-15%	10%	20%	15%	15%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

17.1.2 Disposal of property, plant and equipment

Description	Cost	Carrying amount	Sale proceeds	Gain/(loss)	Mode of disposal	Purchaser
		(Rupees '000)				
Vehicle (NC-216)	540	85	85	-	Negotiation	Muhammad Tabraiz Baig - Company executive
Vehicle (AK-692)	690	351	500	149	Negotiation	Naseem Khattak
Vehicle (NG-375)	700	106	580	474	Negotiation	Rashid Mehmood - Company executive
Vehicle (JY-403)	799	77	1,276	1,199	Negotiation	Allah Yar Khan
Vehicle (WF-182)	912	364	617	253	Negotiation	Mirza Faisal Shehzad
Vehicle (HD-713)	617	60	64	4	Negotiation	Adeel Asghar Kiyani - Company executive
Vehicle (SH-169)	896	251	251	-	Negotiation	Rashid Jamal - Company executive
Vehicle (WE-134)	1,727	700	886	186	Negotiation	Kaleem Ahmad - Company executive
Vehicle (RJ-220)	2,061	667	667	-	Negotiation	Shahid Sohail Khan - Company executive
Vehicle (RV-147)	1,456	481	673	192	Negotiation	Raja Sohail Mehmood - Company executive
Vehicle (JX-782)	514	53	53	-	Negotiation	Hanif Tariq - Company executive
Vehicle (YC-295)	2,055	772	616	(156)	Negotiation	Mr. Yousaf Khan
Vehicle (YK-349)	2,130	944	1,711	767	Negotiation	Muhammad Yaqoub
Vehicle (CX-807)	1,739	1,710	1,929	219	Negotiation	Sajid Hussain Gondal
Vehicle (AK-693)	690	345	518	173	Negotiation	Col Mubashar Aziz
Vehicle (QH-719)	877	204	204	-	Negotiation	Mian Muhammad Raza - Company executive
Vehicle (RV-620)	2,003	616	616	-	Negotiation	Irshad Ali Ameer - Company executive
Vehicle (DK-339)	1,866	1,714	1,834	120	Negotiation	Nadia Saleem - Company executive
Vehicle (LT-443)	866	-	582	582	Negotiation	Yousaf Khan
Vehicle (DZ-739)	1,904	1,750	1,842	92	Negotiation	Jalal Tariq Shah - Company executive
Vehicle (FW-867)	2,371	1,921	1,921	-	Insurance claim	Ms. Zakira Abbasi
Vehicle (BD-538)	1,410	1,198	1,250	52	Insurance claim	Insurance claim
Vehicle (VH-126)	2,083	685	895	210	Negotiation	Amir Ayaz
Vehicle (CG-483)	1,646	1,399	1,732	333	Negotiation	Sajid Hussain Gondal
Vehicle (JV-712)	1,615	1,187	1,440	253	Negotiation	Sajid Hussain Gondal
Vehicle (BD-541)	1,409	1,198	1,714	516	Negotiation	Sajid Hussain Gondal
Vehicle (BD-834)	1,409	1,175	1,409	234	Negotiation	Shayan Ahmed Khan - Company executive
Vehicle (CT-827)	1,699	1,415	1,819	404	Negotiation	Mr. Mehmood Akbar
Dumper/ Loader	56,624	2,734	23,800	21,066	Negotiation	Pir & Co
2017	95,308	24,162	51,484	27,322		
2016	24,100	6,347	14,774	8,427		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 (Rupees '000)	2016 (Rupees '000)
17.1.3 Allocation of depreciation charge			
Cost of sales		2,005,014	1,941,728
Selling and distribution expenses		11,502	9,586
Administrative expenses		19,170	15,017
		2,035,686	1,966,331

17.2 Capital work in progress (CWIP)

Opening balance		1,024,516	113,941
Additions during the year	17.2.1	2,631,150	1,040,669
		3,655,666	1,154,610
Transferred to operating fixed assets:			
Buildings on freehold land		(219,248)	(11,434)
Plant and machinery		(1,095,782)	(115,592)
Laboratory and other equipment		-	(3,068)
		(1,315,030)	(130,094)
Balance at the end of the year	17.2.2	2,340,636	1,024,516

17.2.1 This includes borrowing cost capitalized amounting to Rs. 55.35 million (2016: Rs. 3.90 million) calculated at a rate of 6.5% (2016: 6.92%) per annum.

17.2.2 Break up of capital work in progress at the year-end is as follows:

	2017 (Rupees '000)	2016 (Rupees '000)
Plant and machinery and other equipment	455,510	924,924
Civil development works including borrowing cost	1,885,126	99,592
	2,340,636	1,024,516

17.2.3 Additions in CWIP also include the costs incurred to date on the new production line being set up at Farooqia site. As part of this project fixed assets at cost of Rs. 354 million have been written off as disclosed in note 33.

	Note	2017 (Rupees '000)	2016 (Rupees '000)
18. INTANGIBLE ASSETS AND GOODWILL			
Computer software		25,255	39,237
Operational benefit	18.2	1,322,938	2,959,795
Brands	18.3	852,433	961,604
Goodwill	18.4	7,062,111	7,062,111
	18.1	9,262,737	11,022,747

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

18.1 Reconciliation of carrying amounts

	Computer software	Operational benefit (note 18.2)	Brands (note 18.3)	Goodwill (note 18.4)	Total
	(Rupees '000)				
Cost					
Balance at 01 July 2015	73,047	4,910,570	1,091,712	7,248,517	13,323,846
Adjustments	-	-	-	(186,406)	(186,406)
Balance at 30 June 2016	73,047	4,910,570	1,091,712	7,062,111	13,137,440
Balance at 01 July 2016	73,047	4,910,570	1,091,712	7,062,111	13,137,440
Additions	-	-	-	-	-
Balance at 30 June 2017	73,047	4,910,570	1,091,712	7,062,111	13,137,440
Accumulated amortisation and impairment losses					
Balance at 01 July 2015	26,434	313,918	20,937	-	361,289
Amortisation	7,376	1,636,857	109,171	-	1,753,404
Balance at 30 June 2016	33,810	1,950,775	130,108	-	2,114,693
Balance at 01 July 2016	33,810	1,950,775	130,108	-	2,114,693
Amortisation	13,982	1,636,857	109,171	-	1,760,010
Balance at 30 June 2017	47,792	3,587,632	239,279	-	3,874,703
Carrying amounts					
At 30 June 2016	39,237	2,959,795	961,604	7,062,111	11,022,747
At 30 June 2017	25,255	1,322,938	852,433	7,062,111	9,262,737
Useful life (years)/Rates of amortisation					
	2016	6.66% - 29.3%	3 years	10 years	-
	2017	6.66% - 29.3%	3 years	10 years	-

18.2 Operational benefit

This represents the value of benefit the Company expects to derive from acquiring a running business when compared with a greenfield project of size similar to Pakcem. This intangible has been recognised on acquisition and measured at present value of incremental cash flows to be generated over a period of three years from the date of acquisition. Since management believes that cash flows from the acquisition will be similar to the greenfield project after a period of three years, the intangible is being amortised over a period of incremental cash flows i.e. three years.

18.3 Brands

This represents intangible assets in the form of Brands on acquisition of Pakcem and reflects the expected economic benefits to the Company from the retention differential of those Brands. The value of Brands has been determined on the basis of incremental cash flows to be generated from retention of those Brands which the Company intends to use. The management has estimated useful life of the Brands to be ten years starting from the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

18.4 Goodwill

This represents excess of the amount paid over fair value of net assets of Pakcem on its acquisition on 22 April 2015. The recoverable amount of goodwill is tested for impairment annually based on its value in use, determined by discounting the future cash flows to be generated by Pakcem. The key assumptions used in the estimation of value in use were as follows:

	2017	2016
Discount rate	15%	15%
Terminal value growth rate	4%	5%
Budgeted growth rate (average of next five years)	5.2%	6.8%

This discount rate represents estimate of rate implicit in relevant market for the same currency in which the cash flows arise. Five years of free equity cash flows were included in the discounted cash flow model, and thereafter on the basis of terminal value growth rate.

Budgeted growth was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced in the recent years and the estimated sales volume and price growth for the next five years.

Following the impairment testing, management concludes that recoverable amount of investment exceeds its carrying value. However, in the future years, any adverse movement in the key assumptions may lead to reduction in recoverable amount.

18.5 Allocation of amortisation

	2017 (Rupees '000)	2016 (Rupees '000)
Cost of sales	8,012	4,128
Selling and distribution expenses	109,171	109,171
Administrative expenses	1,642,827	1,640,105
	1,760,010	1,753,404

19. INVESTMENT PROPERTY

	2017 (Rupees '000)	2016 (Rupees '000)
Balance at the beginning of the year	350,538	345,905
Transfer to operating fixed assets	(105,742)	-
Change in fair value	5,418	4,633
Balance at the end of the year	250,214	350,538

Note

19.1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

- 19.1** The investment property is a portion of the Company's head office building in Islamabad held for letting. An independent exercise was carried out to determine the fair value of investment property. To assess the land and building prices, market survey was carried out in the vicinity of the investment property. Fair value of the investment property is based on independent valuer's judgment about average prices prevalent on the aforementioned date and has been prepared on openly available/provided information after making relevant inquiries from the market. Valuation was carried out by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

The investment property is placed in level 3 of the fair value hierarchy. Since the value has been determined by a third party and inputs are not observable, sensitivity analysis has not been presented.

	Note	2017 (Rupees '000)	2016 (Rupees '000)
20. LONG TERM INVESTMENTS			
Investment in associated companies			
- Ecocem Pakistan (Private) Limited	20.1	-	-
- United Bank Limited	20.2	11,721,094	11,592,746
- UBL Insurers Limited	20.3	130,213	-
		11,851,307	11,592,746
20.1 Investment in Ecocem Pakistan (Private) Limited - joint venture			
Cost of 300,002 shares (2016: 300,002) of Rs. 100 each		22,409	22,409
Less: Provision for impairment loss		(22,409)	(22,409)
	20.1.1	-	-

- 20.1.1** The Company holds 300,002 shares representing 50% of the paid-up share capital of Ecocem Pakistan (Private) Limited ('Ecocem'). Ecocem is in the business of sorting, processing and selling solid municipal waste. Ecocem is in losses and its Board of Directors has decided to wind up its operations and to liquidate the company. Accordingly, the management believes that the carrying amount is not recoverable and therefore impairment for the entire amount was recognised in year 2016 and remains unchanged.

20.2 Investment in United Bank Limited - equity-accounted investee

As at 30 June 2017, the Company holds 93,649,744 (30 June 2016: 93,649,744) ordinary shares in United Bank Limited ('UBL'), a leading commercial bank in Pakistan with its registered office situated in Islamabad, Pakistan. The Company's shareholding in UBL constitutes 7.65% (2016: 7.65%) of total ordinary shares of UBL. UBL's ordinary shares are listed on Pakistan Stock Exchange. UBL is treated as an 'associate' due to the Company's significant influence over it due to common directorship and being group company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	2017 (Rupees '000)	2016 (Rupees '000)
20.2.1 Reconciliation of carrying amount		
Balance at the beginning of the year	11,592,746	10,983,221
Company's share of associate's profit for the year	2,031,692	2,111,835
Company's share of associate's:		
- re-measurement of defined benefit liability	(9,279)	(15,971)
- change in exchange translation reserve	(31,799)	(9,060)
- re-measurement of available-for-sale investments	(644,819)	(259,832)
	(685,897)	(284,863)
Less: Dividends received	(1,217,447)	(1,217,447)
Balance at the end of the year	11,721,094	11,592,746

20.2.2 The following table summarizes the financial information of UBL as included in its un-audited consolidated condensed interim financial statements for the six months ended 30 June 2017, adjusted for difference in accounting policies in respect of revaluation of assets. The information relating to revenue, profit and other comprehensive income also include amounts for the six months ended 31 December 2016. The financial year-end of UBL is 31 December.

	2017 (Rupees '000)	2016 (Rupees '000)
Percentage of ownership (%)	7.65%	7.65%
Total assets	1,926,712,006	1,625,872,719
Total liabilities	(1,781,634,136)	(1,482,043,322)
Net assets	145,077,870	143,829,397
Non-controlling interests	(4,400,702)	(4,887,279)
Net assets attributable to ordinary shareholders (100%)	140,677,168	138,942,118
Company's share of net assets (7.65%)	10,757,420	10,629,072
Goodwill	963,674	963,674
Carrying amount of interest in associates	11,721,094	11,592,746
Mark-up / return / interest earned for the year	101,699,232	101,005,185
Profit after tax (100%)	26,558,063	27,605,689
Company's share of net profit for the year (7.65%)	2,031,692	2,111,835
Other Comprehensive Income (OCI):		
- Loss on re-measurement of defined benefit liability	(121,294)	(208,771)
- change in exchange reserve	(415,673)	(118,431)
- change in surplus on revaluation of available-for-sale investments	(8,429,007)	(3,396,497)
Total OCI (100%)	(8,965,974)	(3,723,699)
Company's share of OCI (7.65%)	(685,897)	(284,863)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

20.2.3 Market value of investment in UBL as at 30 June 2017 was Rs. 22.06 billion (2016: Rs. 16.57 billion). The investment in UBL is placed in level 1 of the fair value hierarchy.

20.3 Investment in UBL Insurer Limited - equity-accounted investee

During the year, the Company acquired 14,088,199 ordinary shares in UBL Insurers Limited ('UIL'), an unlisted public company engaged in insurance business with its registered office situated in Karachi, Pakistan. The Company's shareholding in UIL constitutes 12.23% (2016: nil) of total ordinary shares of UIL. UIL is treated as an 'associate' due to the Company's significant influence over it due to common directorship and being group company.

2017
(Rupees '000)

20.3.1 Reconciliation of carrying amount

Cost of investment in equity-accounted investee	106,267
Excess of entity's share of net fair value of investee's identifiable assets and liabilities over the cost of the investment	21,093
Company's share of associate's profit for the period after acquisition	2,853
Balance at the end of the year	<u>130,213</u>

20.3.2 The following table summarizes the financial information of UIL as included in its un-audited condensed interim financial information for the six months ended 30 June 2017, adjusted for difference in accounting policies in respect of revaluation of assets. The financial year-end of UIL is 31 December.

2017
(Rupees '000)

Percentage of ownership (%)	12.23%
Total assets	3,913,304
Total liabilities	(2,848,387)
Net assets	<u>1,064,917</u>
Company's share of net assets (12.23%)	130,213
Carrying amount of interest in associates	<u>130,213</u>
Net insurance premium for the period after acquisition	134,057
Profit after tax for the period after acquisition	23,328
Company's share of net profit for the period after acquisition (12.23%)	<u>2,853</u>

21 LONG TERM DEPOSITS

These include security deposits of Rs. 108 million (2016: Rs. 108 million) for electricity connections of plants.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

		2017 (Rupees '000)	2016 (Rupees '000)
22. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores, spare parts and loose tools		4,948,308	4,707,455
Stores and spare parts in transit		1,297,809	1,346,494
		6,246,117	6,053,949
Less: Provision for obsolete spare parts	22.1	(8,323)	(8,323)
		6,237,794	6,045,626

22.1 Movement in provision for obsolete spare parts

Balance at the beginning of the year	8,323	4,391
Provision for the year	-	3,932
Balance at the end of the year	8,323	8,323

23. STOCK IN TRADE

Raw and packing material	473,181	439,517
Work in process	2,415,219	795,489
Finished goods	650,909	275,449
	3,539,309	1,510,455
Less: Provision for slow moving stock	23.2	(48,593)
		3,490,716

23.1 This includes stock in transit amounting to Rs. 9.2 million (2016: Rs. 2.54 million).

		2017 (Rupees '000)	2016 (Rupees '000)
23.2 Movement in provision for slow moving stock			
Balance at the beginning of the year		58,098	30,046
Provision for the year		-	28,235
Less: Reversals		(9,505)	(183)
Balance at the end of the year		48,593	58,098

24. TRADE DEBTS

Trade debts - considered good	24.1	1,465,290	1,178,744
Less: Provision against doubtful trade debts	24.2	(2,935)	(2,935)
		1,462,355	1,175,809

24.1 This includes Rs. 123 million (2016: Rs. 210.41 million) receivable from customers against export sales.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 (Rupees '000)	2016 (Rupees '000)
24.2	Movement in provision against doubtful trade debts		
Balance at the beginning of the year		2,935	1,600
Provision for the year		-	1,335
Balance at the end of the year		2,935	2,935
25.	ADVANCES		
Current portion of long term loans and advances		14,333	14,333
Short-term advances to:			
Advances to employees and executives - secured		12,134	13,121
Advances to suppliers and contractors		1,357,881	834,459
	25.1	1,384,348	861,913
25.1	These balances are secured.		
26.	DEPOSITS AND PREPAYMENTS		
Security deposits		72,195	49,389
Short-term prepayments		11,660	12,181
		83,855	61,570
27.	OTHER RECEIVABLES		
Export rebate		4,614	5,877
Accrued interest		370	119
Fuel Price Adjustment (FPA) receivable		81,808	79,383
Sales tax		595,453	-
Excise duty	27.1	615,146	615,146
Receivable from Lafarge S.A.		8,847	42,808
Others		11,562	18,897
		1,317,800	762,230

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

27.1 The Honorable Supreme Court of Pakistan in its judgment dated 14 April 2007 in a comparable case for levy of excise duty, dismissed the appeal filed by the Federal Board of Revenue (FBR) and upheld the decisions made by the Honorable High Courts of Peshawar, Sindh and Punjab. The matter in dispute is whether excise duty be levied on retail price inclusive of excise duty or retail price exclusive of excise duty. The FBR's point of view was that excise duty be calculated on declared retail price inclusive of excise duty whereas the concerned respondents disagreed with that interpretation. The full bench of the Honourable Supreme Court of Pakistan upheld the judgments made by the Honourable High Courts and dismissed the appeal of the FBR. The FBR moved a review petition before the Honourable Supreme Court of Pakistan which to date is pending.

The Company has filed a claim for Rs. 615.15 million relating to duty paid during the period from June 1998 to April 1999 which, pursuant to the above decisions, was otherwise not leviable and payable under the law. The Commissioner Appeals rejected the claim of Rs. 211.15 million pertaining to the Company (excluding Mustehkam Cement Limited) and the Company has filed an appeal with Appellate Tribunal against unlawful rejection of refund claims. A number of hearings were conducted during the year but the case has yet to be decided. Further, on refund claim of Mustehkam Cement Limited (amalgamated with the Company) of Rs. 404 million, tax authorities held the proceedings in abeyance awaiting result of litigation pertaining to the Company's refund claim. The management believes that the Company's claim is valid and the amount is fully recoverable.

	Note	2017 (Rupees '000)	2016 (Rupees '000)
28. CASH AND BANK BALANCES			
Cash in hand		-	530
Cash at banks:			
in current accounts	28.1	190,270	344,854
in deposit accounts	28.2 28.3	18,171	37,173
		208,441	382,027
		208,441	382,557

28.1 This includes Rs. 79.5 million (2016: Rs. 110.48 million) held in current accounts maintained with UBL, a related party.

28.2 Deposit accounts carry profit rates ranging from 2% to 4% (2016: 1% to 4%) per annum and include balances of Rs. Nil (2016: Rs. 29.38 million) maintained with UBL, a related party.

28.3 These include balances amounting to Rs. 87.04 million (2016: Rs. 17.77 million) held in US Dollar accounts.

28.4 Pursuant to completion of acquisition process of Pakcem by the Company, the balances of Pakcem with Lafarge S.A. (previous parent entity of Pakcem) and its affiliates as of 21 April 2015 were agreed between the Company and Lafarge S.A. and have been transferred to an escrow account maintained with Citi Bank N.A, pursuant to the Escrow Agreement dated 21 April 2015 between the Company and Lafarge S.A. and CitiBank N.A. According to the agreement the transferred funds will be utilised exclusively for payments to Lafarge S.A. from time to time and the Company will be entitled only to the balance left in the escrow account after completion of payments to Lafarge S.A. Accordingly, the amount in escrow account and payable balances aggregating to Rs.140.89 million (2016: Rs.194.13 million) related to Lafarge S.A. and its affiliates has been netted off in these financial statements till final settlement of escrow account.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 (Rupees '000)	2016 (Rupees '000) (Re-presented)
29. GROSS TURNOVER			
Gross turnover:			
- Local		66,204,506	53,421,851
- Export		5,236,342	5,121,656
		71,440,848	58,543,507
30. COST OF SALES			
Raw and packing materials consumed	30.1	5,137,014	4,554,941
Fuel and power		20,011,145	13,133,365
Stores, spares and loose tools consumed	30.2	1,390,860	1,429,447
Repairs and maintenance		264,265	252,451
Salaries, wages and benefits	30.3	1,452,219	1,306,701
Support services		510,059	286,036
Rent, rates and taxes		2,756	12,370
Insurance		42,120	43,292
Equipment rental		30,236	18,197
Utilities		23,393	21,231
Travelling, conveyance and subsistence		146,351	182,851
Communication		5,386	5,921
Printing and stationery		10,329	7,893
Entertainment		11,518	9,363
Depreciation	17.1.3	2,005,014	1,941,728
Amortisation	18.5	8,012	4,128
Provision for slow moving stock	23.2	(9,505)	28,235
Legal and professional charges		5,895	4,027
Fees and subscriptions		23,622	26,050
Other manufacturing expenses		15,254	29,323
		31,085,943	23,297,550
Opening work in process		795,489	1,942,205
Closing work in process		(2,415,219)	(795,489)
Cost of goods manufactured		29,466,213	24,444,266
Opening finished goods stock		275,449	404,567
Closing finished goods stock		(650,909)	(275,449)
		29,090,753	24,573,384

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

30.1 Raw and packing materials consumed	2017 (Rupees '000)	2016 (Rupees '000)
Opening stock	439,517	401,499
Purchases during the year	5,170,678	4,592,959
Closing stock	(473,181)	(439,517)
	5,137,014	4,554,941

30.2 Stores, spare parts and loose tools consumed include provision for obsolete spare parts amounting to Rs. Nil (2016: Rs. 3.93 million).

30.3 Salaries, wages and benefits include staff retirement benefits amounting to Rs. 52.2 million (2016: Rs. 56.63 million).

31. OTHER INCOME	Note	2017 (Rupees '000)	2016 (Rupees '000)
Income from financial assets			
Profit on deposit accounts		16,793	125,241
Exchange gain		14,345	-
Mark-up on long term advance		-	297
		31,138	125,538
Income from non-financial assets			
Gain on disposal of property, plant and equipment	17.1.2	27,322	8,427
Rental income from investment property		27,606	27,051
Change in fair value of investment property	19	5,418	4,633
		60,346	40,111
Others			
Management fee from related party		800	1,166
Others		7,576	5,980
		8,376	7,146
		99,860	172,795

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

32. SELLING AND DISTRIBUTION EXPENSES	Note	2017 (Rupees '000)	2016 (Rupees '000)
Salaries, wages and benefits	32.1	138,594	144,424
Support services		2,306	772
Rent, rates and taxes		15,861	31,595
Repairs and maintenance		3,240	30,752
Utilities		3,486	1,430
Travelling, conveyance and subsistence		20,937	27,968
Communication		4,909	2,595
Printing and stationery		4,441	2,409
Entertainment		2,413	2,435
Equipment Rental		3,669	-
Advertising and promotion		75,972	17,660
Depreciation	17.1.3	11,502	9,586
Amortisation	18.5	109,171	109,171
Legal and professional charges		-	2,925
Fees and subscriptions		57,417	38,984
Freight and handling - Local		275,015	258,709
Freight and handling - Export		826,472	492,144
Others		3,498	3,301
		1,558,903	1,176,860

32.1 Salaries, wages and benefits include staff retirement benefits amounting to Rs. 6.3 million (2016: Rs. 7.78 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 (Rupees '000)	2016 (Rupees '000)
33. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	33.1	271,790	284,137
Rent, rates and taxes		14,681	21,706
Repairs and maintenance		20,664	51,217
Insurance		1,474	2,394
Utilities		6,235	5,294
Travelling, conveyance and subsistence		30,004	57,388
Communication		5,670	5,823
Printing and stationery		3,934	5,638
Entertainment		4,580	2,993
Advertisements		6,808	6,183
Donations	33.2	136,016	105,112
Legal and professional charges		22,271	26,639
Fees and subscriptions		34,545	21,235
Auditors' remuneration	33.3	7,934	7,007
Depreciation	17.1.3	19,170	15,017
Amortisation	18.5	1,642,827	1,640,105
Security expenses		-	1,165
Equipment rental		3,950	-
Writeoffs of fixed assets	17.2.3	168,018	-
Due from government agencies written off		-	40,102
Provision for impairment of investment	20.1	-	22,409
Provision for doubtful debts		-	1,335
Other advances and receivables written off		-	82,868
Provision for stamp duty		-	12,430
Others		4,081	45,772
		2,404,652	2,463,969

33.1 Salaries, wages and benefits include staff retirement benefits amounting to Rs. 10.5 million (2016: Rs. 21.7 million).

33.2 These include a provision of Rs. 132.9 million (2016: 102.8 million) made for donation to Bestway Foundation. The Chief Executive and the following directors are among the trustees of the Foundation:

- Sir Mohammed Anwar Pervez
- Zameer Mohammed Choudrey
- M. Irfan A. Sheikh
- M. Younus Sheikh

Above and other directors of the company or their spouses do not have a beneficial interest in Bestway Foundation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 (Rupees '000)	2016 (Rupees '000)
33.3 Auditors' remuneration			
Annual audit fee		3,993	3,472
Fee for half yearly review		640	550
Statutory certifications		445	1,090
Taxation services		2,393	1,470
Out of pocket expenses		463	425
		7,934	7,007
34. OTHER EXPENSES			
Workers' Welfare Fund		342,863	106,445
Workers' Profit Participation Fund		886,922	784,518
		1,229,785	890,963
35. NET FINANCE COSTS			
Mark-up on syndicate term finance facility		434,246	1,076,455
Mark-up on syndicate musharaka facility		325,078	654,699
Mark-up on short term running finance		43,416	34,018
Bank charges and commissions		27,975	51,304
Exchange loss - net		-	6,024
		830,715	1,822,500
36. SHARE OF PROFIT OF EQUITY-ACCOUNTED INVESTEEES			
United Bank Limited	20.2.1	2,031,692	2,111,835
UBL Insurers Limited	20.3.1	23,946	-
		2,055,638	2,111,835
37. EARNINGS PER SHARE - Basic and diluted			
Profit for the year attributable to owners of the Company (Rupees in '000)		13,292,640	11,853,178
Weighted average number of ordinary shares in issue		596,252,783	587,818,851
Earnings per share - basic (Rupees)		22.29	20.16
37.1	There is no dilution effect on earnings per share of the Company.		
		2017 (Rupees '000)	2016 (Rupees '000)
38. CASH AND CASH EQUIVALENTS			
Cash and bank balances	28	208,441	382,557
Short-term borrowings, secured	15	(4,887,967)	(2,440,678)
Cash and cash equivalents for the purpose of cash flow statement		(4,679,526)	(2,058,121)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements in respect of remuneration including benefits and perquisites of the chief executive, directors and executives of the Company are given below:

	2017			2016		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(-----Rupees '000-----)			(-----Rupees '000-----)		
Managerial remuneration	24,000	16,800	682,733	24,000	13,963	494,455
Bonus	-	4,036	94,705	-	1,939	92,766
Provision for gratuity	-	3,874	52,865	-	1,915	59,417
Compensated absences	-	1,657	851	-	1,530	25,662
Others	-	-	12,641	-	-	23,684
	24,000	26,367	843,795	24,000	19,347	695,984
Number of persons	1	1	377	1	1	314

39.1 The Chairman, Chief Executive, Executive Director, and eligible executives are also provided with vehicle facility while medical facility is provided to Executive Director(s) and eligible executives as per their entitled limits.

39.2 Executive means an employee whose basic salary exceeds Rs. 0.5 million (2016: Rs. 0.5 million) during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

40. RELATED PARTIES

40.1 Parent and ultimate controlling party and related party relationships

The Company is a subsidiary of Bestway (Holdings) Limited, UK ("the ultimate parent company"), therefore, all subsidiaries and associated undertakings of the ultimate parent company are related parties of the Company. Other related parties comprise of directors, key management personnel, entities with common directorships and entities over which the directors are able to exercise influence. Balances with related parties are shown in notes 7.3, 20 and 28 and transactions with related parties are disclosed in notes 17.1.2, 33.2 and 39. Transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as follows:

	2017	2016
	(Rupees '000)	(Rupees '000)
Transactions and balances with parent company		
Dividend paid during the year - net of tax	3,324,119	3,793,563
Dividend payable at year-end (unsecured)	-	17,215
Transactions with associated undertakings under common directorship		
Management fee received	800	1,166
Service/bank charges	13,851	11,786
Donations	132,926	101,405
Dividend received	1,217,447	1,217,447
Sale of cement	285	3,590
Utilities and expenses paid	1,170	75
Rent paid	12,504	12,504
Bank profit received	1,608	3,534
Net Insurance premium paid	18,396	-
Insurance claims received	9,130	-
Transactions and balances with key management personnel		
Remuneration, allowances and benefits	894,162	739,331
Dividend paid	936,182	716,801
Transactions with jointly controlled entity		
Purchase of fuel	-	23,068
Return/sale of shredding equipment	-	(56,306)
Expenses paid	-	9,260
Other related party transactions		
Expense / employer's contribution to provident fund	15,039	19,649

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

41. FINANCIAL INSTRUMENTS - Fair values and risk management

41.1 Accounting classification

The following table shows the carrying amounts of financial assets and financial liabilities by categories:

Note	30 June 2017			30 June 2016			
	Loans and receivables	Other financial liabilities	Total	Loans and receivables	Other financial liabilities	Total	
	(-----Rupees '000-----)			(-----Rupees '000-----)			
Financial assets measured at fair value							
Financial assets not measured at fair value							
Deposits	21 & 26	206,884	-	206,884	183,862	-	183,862
Trade debts	24	1,462,355	-	1,462,355	1,175,809	-	1,175,809
Advances	25	26,467	-	26,467	27,454	-	27,454
Other receivables	27	107,201	-	107,201	147,084	-	147,084
Cash and bank balances	28	208,441	-	208,441	382,557	-	382,557
		2,011,348	-	2,011,348	1,916,766	-	1,916,766
Financial liabilities measured at fair value							
Financial liabilities not measured at fair value							
Long term financing	10	-	6,000,000	6,000,000	-	9,900,000	9,900,000
Long term musharaka	11	-	4,000,000	4,000,000	-	6,600,000	6,600,000
Mark-up accrued		-	144,788	144,788	-	246,088	246,088
Trade and other payables	14	-	3,119,495	3,119,495	-	2,846,450	2,846,450
Short-term borrowings	15	-	4,887,967	4,887,967	-	2,440,678	2,440,678
		-	18,152,250	18,152,250	-	22,033,216	22,033,216

41.2 Fair values

The fair values of financial assets and financial liabilities, together with the carrying amounts shown in the Balance Sheet, are as follows:

	Carrying amounts	
	2017 (Rupees '000)	2016 (Rupees '000)
Financial assets not measured at fair value		
Deposits	206,884	183,862
Trade debts	1,462,355	1,175,809
Advances	26,467	27,454
Other receivables	107,201	147,084
Cash and bank balances	208,441	382,557
Financial liabilities not measured at fair value		
Long term financing	6,000,000	9,900,000
Long term musharaka	4,000,000	6,600,000
Mark-up accrued	144,788	246,088
Trade and other payables	3,119,495	2,846,450
Short-term borrowings	4,887,967	2,440,678

The Company has not disclosed the fair values of financial assets and financial liabilities as these are for short-term or reprice over short-term. Therefore, the carrying amounts are reasonable approximation of their values.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

41.3 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

41.3.1 Risk management framework

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

41.3.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and balances with banks. The carrying amount of financial assets represents the maximum credit exposure.

Trade debts

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the credit risk of its customer base. The Company has established a credit policy under which each new customer is assessed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sales limits are established for each customer and are reviewed on monthly basis. Trade debts amounting to Rs. 157.1 million (2016: Rs 125.07 million) are secured against letters of credit and bank guarantees. The Company maintains provision for doubtful debts that represents its estimate of probable losses in respect of trade debts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	2017 (Rupees '000)	2016 (Rupees '000)
At reporting date, the maximum credit exposure in trade debts by geographic region was as follows:		
Domestic	1,339,349	965,401
Europe and African region	9,450	-
Asia	113,556	210,408
	1,462,355	1,175,809

	2017 (Rupees '000)	2016 (Rupees '000)
At reporting date, the maximum credit exposure in trade debts by type of customer was as follows:		
Dealers	1,179,954	852,002
End-user customers	282,401	323,807
	1,462,355	1,175,809

At reporting date, the ageing of trade debts and provision for doubtful debts were as follows:

	Gross amount		Provision for doubtful debts	
	2017 (Rupees '000)	2016 (Rupees '000)	2017 (Rupees '000)	2016 (Rupees '000)
Past due 1-30 days	1,265,301	1,140,797	-	-
Past due 31-60 days	34,202	1,079	-	-
Past due 61-90 days	11,029	5,944	-	-
Over 90 days	154,758	30,923	(2,935)	(2,935)
	1,465,290	1,178,743	(2,935)	(2,935)

The management believes that all unimpaired amounts are collectable in full, based on historical payment behavior and extensive analysis of customer credit risk. The movement in provision for doubtful debts during the year is disclosed in note 24.2.

41.3.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Company aims to maintain the level of its cash and cash equivalents and other highly liquid assets at an amount in excess of expected cash outflows on financial liabilities. In addition, the Company maintains lines of credit as mentioned in note 15.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	Carrying amount	Contractual cash flows					
		Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	
30 June 2017	(Rupees '000)	(Rupees '000)					
Financial liabilities							
Long term financing	6,000,000	6,905,449	210,124	189,978	3,047,754	3,457,593	-
Long term musharaka	4,000,000	4,603,633	140,083	126,652	2,031,836	2,305,062	-
Mark-up accrued	144,788	144,788	144,788	-	-	-	-
Trade and other payables	3,119,495	3,119,495	3,119,495	-	-	-	-
Short-term borrowings	4,887,967	4,887,967	4,887,967	-	-	-	-
	18,152,250	19,661,332	8,502,457	316,630	5,079,590	5,762,655	-
30 June 2016							
Financial liabilities							
Long term financing	9,900,000	11,633,773	208,090	338,146	3,921,792	7,165,745	-
Long term musharaka	6,600,000	7,755,848	138,726	225,431	2,614,528	4,777,163	-
Mark-up accrued	246,088	246,088	246,088	-	-	-	-
Trade and other payables	2,846,450	2,846,450	2,846,450	-	-	-	-
Short-term borrowings	2,440,678	2,440,678	2,440,678	-	-	-	-
	22,033,216	24,922,837	5,880,032	563,577	6,536,320	11,942,908	-

As disclosed in Notes 10 and 11, the long term finance and long term musharaka facilities contain loan covenants. A future breach of covenants may require the Company to repay the loan earlier than indicated in the table above. The Company monitors the compliance with covenants on regular basis.

The contractual cash flows relating to mark-up on loans and borrowings have been determined on the basis of expected market mark-up rates and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

41.3.4 Market risk

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

(a) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and its functional currency. The currencies in which these transactions are primarily denominated are US Dollar (USD) and Euro. The Company's policy is to ensure that its net exposure is kept to an acceptable level.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk is as follows:

	30 June 2017		30 June 2016	
	USD	Euro	USD	Euro
	(Rupees '000)			
Trade debts	123,006	-	165,663	-
Cash and bank balances	87,040	-	17,708	-
Trade and other payables	-	-	(10,121)	(5,411)
Net exposure	210,046	-	173,250	(5,411)

The following significant exchange rates have been applied:

	Average rate		Year-end spot rate	
	2017 (Rupees)	2016 (Rupees)	2017 (Rupees)	2016 (Rupees)
USD 1	103.75	104.50	105.00	104.72
Euro 1	113.08	115.77	120.14	116.80

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD and Euro against Pak Rupee at 30 June would have affected the measurement of financial instruments denominated in a foreign currency and affected the equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening (Rupees '000)	Weakening (Rupees '000)	Strengthening (Rupees '000)	Weakening (Rupees '000)
30 June 2017				
USD (5% movement)	10,502	(10,502)	10,502	(10,502)
Euro (5% movement)	-	-	-	-
30 June 2016				
USD (5% movement)	8,663	(8,663)	8,663	(8,663)
Euro (5% movement)	(271)	271	(271)	271

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

(b) Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings and short term deposits with banks.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows.

	Nominal amount	
	2017 (Rupees '000)	2016 (Rupees '000)
Fixed-rate instruments		
Financial assets	18,171	37,173
Variable-rate instruments		
Financial liabilities	14,887,967	18,940,678

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity, net of tax	
	100 bp increase (Rupees '000)	100 bp decrease (Rupees '000)	100 bp increase (Rupees '000)	100 bp decrease (Rupees '000)
30 June 2017				
Variable-rate instruments	(148,880)	148,880	(148,880)	148,880
Cash flow sensitivity (net)	(148,880)	148,880	(148,880)	148,880
30 June 2016				
Variable-rate instruments	(189,407)	189,407	(189,407)	189,407
Cash flow sensitivity (net)	(189,407)	189,407	(189,407)	189,407

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

42. PROVIDENT FUND

The following information is based on un-audited financial statements of the Provident Fund Trust as at 30 June 2017:

	2017	2016
Size of the trust (Rupees '000)	225,649	233,344
Cost of investments (Rupees '000)	108,057	120,815
Percentage of investments made (%)	48%	52%
Fair value of investments made (Rupees '000)	192,382	181,744

	2017 %	2016 %	2017 (Rupees '000)	2016 (Rupees '000)
--	-----------	-----------	-----------------------	-----------------------

42.1 The break-up of fair value of investments is as follows:

With scheduled banks:

Saving accounts	8%	6%	15,330	11,312
	8%	6%	15,330	11,312

Quoted investments:

National Investment Trust	22%	18%	43,199	32,302
UBL's United Composite Islamic Fund	4%	4%	8,085	6,319
UBL's Separately Managed Account	25%	22%	48,921	38,526
	51%	44%	100,205	77,147

Others:

Defence Saving Certificates	12%	11%	23,100	22,872
Certificates of Islamic Investment - Meezan Bank Limited	21%	23%	40,416	40,742
Term Deposit Receipts - Bank Islami Pakistan Limited	7%	7%	13,331	12,676
Term Deposit Receipts - MCB Islamic Bank	0%	9%	-	16,995
	41%	50%	76,847	93,285
	100%	100%	192,382	181,744

42.2 All the investments of the Provident Fund Trust have been made in accordance with the provisions of section 218 of the Companies Act, 2017 (previously the Companies Ordinance, 1984) and the rules formulated for this purpose.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

43. PLANT CAPACITY AND PRODUCTION - Clinker

	Available Capacity		Actual Production	
	2017	2016	2017	2016
	(Metric Tonnes)		(Metric Tonnes)	
Hattar	1,230,177	1,170,000	1,217,777	944,860
Chakwal	3,428,700	3,428,700	3,284,640	2,446,909
Farooqia	1,204,994	1,109,700	1,204,993	914,719
Kallar Kahar	2,375,911	2,367,090	2,375,911	1,516,892
	8,239,782	8,075,490	8,083,321	5,823,380

43.1 The available capacities were revised on the basis of technical modifications during the year.

44. NUMBER OF EMPLOYEES

	2017	2016
Number of employees including contractual employees at year end	3,206	2,857
Average number of employees	3,028	2,546

45. PROPOSED DIVIDEND

The Board of Directors in their meeting held on 22 August 2017 has proposed a final dividend of Rs. 3 per share. These financial statements do not reflect the proposed final dividend on ordinary shares as payable, which will be accounted for in the statement of changes in equity as an appropriation from the unappropriated profit in the year ending 30 June 2018.

46. DATE OF AUTHORISATION

These financial statements were authorized for issue on 22 August 2017 by the Board of Directors of the Company.



CHIEF EXECUTIVE



DIRECTOR & CFO

KEY OPERATING AND FINANCIAL DATA FOR SIX YEARS

30 JUNE 2017

	Restated					
	2017	2016	2015	2014	2013	2012
Operating Results						
	Rupees in millions					
Turnover (net)	51,624	45,721	32,693	28,951	24,074	17,789
Cost of sales	29,091	24,573	19,900	17,570	14,104	12,093
Gross profit	22,533	21,148	12,793	11,380	9,970	5,696
Operating profit	17,439	16,789	10,577	10,896	8,254	5,054
Financial charges	831	1,823	457	462	1,009	1,916
Profit before taxation	18,664	17,078	12,068	10,434	8,135	3,934
Profit after taxation	13,293	11,880	9,621	7,872	4,399	3,061
Balance Sheet						
	Rupees in millions					
Shareholders' funds	47,769	41,983	36,443	22,544	18,444	14,032
Operating fixed assets	44,732	42,955	43,448	24,224	23,470	15,804
Long term financing	10,000	16,500	23,299	-	5,116	5,574
Liability subject to finance lease	-	-	-	-	-	57
Net current (liabilities)/ assets	2,008	2,031	(523)	785	1,222	(2,917)
Significant Financial Ratios						
	Percentages					
Gross profit ratio	43.65	46.25	39.13	39.31	41.41	32.02
Net profit ratio	25.75	25.98	29.43	27.19	18.27	17.21
Interest coverage ratio	23.46	10.37	27.41	23.58	9.06	3.05
Return on equity	27.83	28.30	26.40	34.92	23.85	21.81
Earnings per share	22.29	20.16	16.56	13.79	7.59	5.29
Dividend	120	100	100	65	20	-
In thousand metric tonnes						
Despatches of cement and Xtreme bond	7,478	6,904	4,853	4,372	3,977	3,270

PATTERN OF SHAREHOLDING

30 JUNE 2017

No. of Shareholders	From	Shareholding	To	Total Shares Held
5692	1		100	192,728
2079	101		500	593,532
710	501		1000	576,635
825	1001		5000	2,014,374
157	5001		10000	1,205,109
56	10001		15000	724,490
38	15001		20000	700,364
24	20001		25000	556,099
14	25001		30000	395,354
10	30001		35000	326,269
8	35001		40000	306,832
11	40001		45000	468,912
6	45001		50000	295,682
3	50001		55000	158,805
2	55001		60000	113,800
4	60001		65000	245,070
8	65001		70000	540,732
2	70001		75000	150,000
7	75001		80000	540,426
3	80001		85000	251,201
1	85001		90000	85,138
2	90001		95000	181,883
2	95001		100000	200,000
1	105001		110000	105,800
2	110001		115000	221,705
2	115001		120000	235,633
1	125001		130000	129,904
2	135001		140000	277,000
1	140001		145000	140,250
3	150001		155000	463,491
4	155001		160000	630,739
1	165001		170000	166,190
1	185001		190000	185,425
1	190001		195000	192,700
1	210001		215000	210,500
4	215001		220000	878,460
2	230001		235000	465,258
4	240001		245000	969,449
2	275001		280000	556,358
2	280001		285000	564,000
1	285001		290000	289,159
2	290001		295000	590,000
2	300001		305000	607,794
1	505001		510000	507,310
1	620001		625000	623,664
5	675001		680000	3,394,400
1	730001		735000	733,316
1	800001		805000	803,037
1	940001		945000	944,715
1	955001		960000	958,778
1	1060001		1065000	1,064,812
2	1085001		1090000	2,178,724
1	1180001		1185000	1,180,650
1	1240001		1245000	1,244,116
1	1275001		1280000	1,275,898
1	1355001		1360000	1,357,760

PATTERN OF SHAREHOLDING

30 JUNE 2017

No. of Shareholders	Shareholding From	Shareholding To	Total Shares Held
1	1370001	1375000	1,373,500
1	1570001	1575000	1,573,445
1	1805001	1810000	1,808,309
2	1910001	1915000	3,822,942
1	2695001	2700000	2,698,994
1	4320001	4325000	4,323,753
1	4675001	4680000	4,677,850
2	6165001	6170000	12,339,942
1	6185001	6190000	6,188,213
1	7875001	7880000	7,878,441
1	9625001	9630000	9,626,632
1	9900001	9905000	9,903,204
1	12010001	12015000	12,014,147
1	15190001	15195000	15,191,463
1	17150001	17155000	17,153,461
2	18695001	18700000	37,390,634
2	18745001	18750000	37,496,432
1	28185001	28190000	28,188,568
1	31135001	31140000	31,139,368
1	316490001	316495000	316,493,055
9,745			596,252,783

PATTERN OF SHAREHOLDING

30 JUNE 2017

Categories of Shareholders	Shares Held	Percentage
BANKS DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS.		
NATIONAL BANK OF PAKISTAN	1,419	
M/S CITI BANK N.A. HONG KONG	500	
ESCORTS INVESTMENT BANK LIMITED	1,088	
ALLIED BANK OF PAKISTAN, HEAD OFFICE	660	
COMMERCE BANK LTD.	294	
BANK OF BAHAWAL PUR LTD.	11	
MCB BANK LTD.	75	
MCB BANK LTD.	46	
HABIB BANK LTD. A/C AHMED MOTORS LTD.	44	
ALLIED BANK OF PAKISTAN LTD.	1,359	
UNITED BANK LTD.	22	
ALLIED BANK OF PAKISTAN LTD.	44	
UNITED BANK LTD.	248	
UNITED BANK LTD.	44	
UNITED BANK LTD.	1,167	
NATIONAL BANK OF PAKISTAN	363	
HABIB BANK LTD.	537	
ISLAMIC INVESTMENT BANK LTD.	1,650	
M/S CITI BANK N.A.	110,005	
M/S FAYSAL BANK LIMITED	4,960	
MCB BANK LIMITED - TREASURY	1,373,500	
Sub - Totals :	1,498,036	0.25
INSURANCE COMPANIES		
ASKARI GENERAL INSURANCE COMPANY LTD	5,000	
ASKARI GENERAL INSURANCE COMPANY LIMITED	10,000	
PREMIER INSURANCE LIMITED	7,500	
STATE LIFE INSURANCE CORP. OF PAKISTAN	733,316	
EFU LIFE ASSURANCE LTD	1,275,898	
CENTURY INSURANCE COMPANY LTD.	44,300	
MUSLIM INSURANCE CO. LTD.	264	
SILVER STAR INSURANCE COMPANY LIMITED	700	
THE PAKISTAN GENERAL INSURANCE CO. LIMITED	600	
CAPITAL INSURANCE CO. LTD	2,100	
AMERICAN EXPRESS CO. INC. LAHORE	61	
THE EASTERN FEDERAL UNION INSURANCE	1,023	
STATE LIFE INSURANCE CORPORATION	5,320	
ASKARI GENERAL INSURANCE CO. LTD.	25,000	
Sub - Totals :	2,111,082	0.35

PATTERN OF SHAREHOLDING

30 JUNE 2017

Categories of Shareholders	Shares Held	Percentage
DIRECTORS, CHIEF EXECUTIVE OFFICER, AND THEIR SPOUSE AND MINOR CHILDREN		
MOHAMMED ANWAR PERVEZ	21,640,779	
ZAMEER MOHAMMED CHOUDREY	12,358,184	
MOHAMMED YOUNUS SHEIKH	11,711,513	
MUHAMMAD IRFAN ANWAR SHEIKH	151,183	
RAKSHANDA CHOUDREY	185,425	
DAWOOD PERVEZ	28,188,568	
HAIDER ZAMEER CHOUDREY	18,695,317	
MRS. NAJMA NAHEED PIRZADA	67	
Sub-Totals :	92,931,036	15.59
EXECUTIVES		
MAHMOOD AFZAL	8,000	
GHULAM SARWAR MALIK	41,102	
SHAHID SOHAIL KHAN	10,125	
MUHAMMAD MUSADDAQ ALI KHAN	6,665	
MUHAMMAD SAADAT ALAM	28,000	
MR. TANVEER AHMED	3,000	
COL. MUHAMMAD TARIQ	6,000	
SHAYAN AHMED	5,000	
Sub-Totals :	107,892	0.02
ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES.		
BESTWAY FOUNDATION	23,323,432	
BESTWAY NORTHERN LIMITED	15,191,463	
BESTWAY (HOLDINGS) LIMITED	321,170,905	
Sub-Totals :		60.32
MODARABAS AND MUTUAL FUNDS.		
FIRST EQUITY MODARABA	5,000	
FIRST ALNOOR MODARABA	500	
NH CAPITAL FUND LTD.	3	
CDC - TRUSTEE FIRST DAWOOD MUTUAL FUND	10,000	
M/S KASB PREMIER FUND LIMITED	2,400	
CDC - TRUSTEE DAWOOD ISLAMIC FUND	10,000	
B.R.R. GUARDIAN MODARABA	5,283	
KASB PREMIER FUND LIMITED	198	
CDC - TRUSTEE AKD INDEX TRACKER FUND	6,200	
Sub-Totals :	39,584	0.01

PATTERN OF SHAREHOLDING

30 JUNE 2017

Categories of Shareholders	Shares Held	Percentage
NIT AND ICP		
INVESTMENT CORPORATION OF PAKISTAN	564	
Sub - Totals :	564	0.00
FOREIGN INVESTORS		
ASHFAQUE AHMAD KHAWAJA	5,000	
MUNIR ABDULLAH	1,000	
SYED HAMID SYED ALAM SYED MAQBOOL SHAH	725	
HABIB BANK AG ZURICH, DEIRA DUBAI	155,198	
JAMES EDWARD FRIZZELL	117,300	
ABAOMER MOON	3,800	
NASIM YAKOOB	5,000	
TARIIC HOLDING COMPANY BSC (CLOSED)	1	
SALMAN GANNY	20,000	
Sub - Totals :	308,024	0.05
OTHERS		
IGI FINEX SECURITIES LIMITED	1	
ADHI SECURITIES (PVT) LIMITED.	900	
UHF CONSULTING (PRIVATE) LIMITED	200	
ASIAN SECURITIES LIMITED	159,000	
QUICE FOOD INDUSTRIES LIMITED	2,000	
PAK QATAR INDIVIDUAL FAMILY PARTICIPANT	25,000	
PRUDENTIAL SECURITIES LIMITED	503	
PRUDENTIAL SECURITIES LIMITED	15	
LSE FINANCIAL SERVICES LIMITED	52	
Y.S. SECURITIES & SERVICES (PVT) LTD.	44	
ABBASI & COMPANY (PRIVATE) LIMITED	10,000	
ZAFAR SECURITIES (PVT) LTD.	4,403	
ASHIANA COTTON PRODUCTS LTD(ACPL)	8,033	
PREMIER FASHIONS (PVT) LTD.	10,000	
MERCHANT CONSTRUCTION CO.(PVT) LIMIETED	17,100	
AGA KHAN UNIVERSITY EMPLOYEES P.F.	85,000	
GARIBSONS (PVT.) LTD.	1,000	
BURMA OIL MILLS LTD.	350	
TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T	5,000	
TRUSTEES THE AGA KHAN UNIVERSITY EMP G.F	25,000	
INDUS DYEING & MFG.CO.LTD	42,000	
YOUSUF YAQOOB KOLIA AND COMPANY (PVT) LTD.	53,700	
AGT HOLDINGS (PRIVATE) LIMITED	400	
TRUSTEE OF HAJI ALI MUHAMMAD FOUNDATION	600	
M/S RANG COMMODITIES (PVT) LTD.	111,700	
IMGC GLOBAL (PVT.) LIMITED	250	

PATTERN OF SHAREHOLDING

30 JUNE 2017

OTHERS

ANAM FABRICS (PVT) LTD.	33
PAK QATAR FAMILY TAKAFUL LIMITED	25,000
URBAN PROPERTIES (PVT.) LIMITED	9,166
TRUSTEES OF BALUCHISTAN WHEELS LIMITED.	3,200
TRUSTEES OF BALUCHISTAN WHEELS LTD EXECUTIVE	7,000
GOOD HOMES (PVT) LTD	9,166
TRUSTEES OF BALUCHISTAN WHEELS LTD. EMPLOYEE P.F.	4,200
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEE P.F.	231,002
TRUSTEE NATIONAL BANK OF PAKISTAN EMP	8,106
TRUSTEES OF KHATIDA ADAMJEE FOUNDATION	17,333
TRUSTEES OF FIRST UDL MODARABA STAFF PRO	350
DAWOOD FAMILY TAKAFUL LIMITED	8,100
DAWOOD FAMILY TAKAFUL LIMITED	12,500
S.H. BUKHARI SECURITIES (PVT) LIMITED	200
TRUSTEES D.G.KHAN CEMENT CO.LTD.EMP. P.F	50,000
SARFRAZ MAHMOOD (PRIVATE) LTD.	71
H M INVESTMENTS (PVT) LIMITED	5,000
NH SECURITIES (PVT) LIMITED.	5,000
MAPLE LEAF CAPITAL LIMITED	1
KAMAL FACTORY (PVT) LTD.	900
SUNRAYS TEXTILE MILLS LIMITED	3,400
HI- TECH COMPUTERS ASSOCIATES PVT LTD.	53
TRUSTEE PAK QATAR FAMILY TAKAFUL LIMITED	20
PAK QATAR INVESTMENT ACCOUNT	33
PAK- QATAR INVESTMENT ENT (PVT.) LIMITED	1,000
AZEE SECURITIES (PRIVATE) LIMITED	4,519
TRUSTEES RESOURCE DEVELOPMENT FOUNDATION	500
RAFI SECURITIES (PRIVATE) LIMITED	2,500
DALAL SECURITIES (PVT) LTD.	1,000
ORIENTAL SECURITIES (PVT) LTD.	50
RAO SYSTEMS (PVT.) LTD.	1,250
MULTILINE SECURITIES (PVT) LIMITED	5,600
SUPER PETROCHEMICALS PRIVATE LIMITED	20,000
HAMID ADAMJEE TRUST	10,000
TRUSTEES AAL - BAWANY FOUNDATION (200)	500
FDM CAPITAL SECURITIES (PVT) LIMITED	25,000
FDM CAPITAL SECURITIES (PVT) LIMITED	20,000
DOSSLANI'S SECURITIES (PVT) LIMITED	40
CAPITAL VISION SECURITIES (PVT) LTD.	145
TIME SECURITIES (PVT.) LTD.	45
HH MISBAH SECURITIES (PRIVATE) LIMITED	1,000
COMBINED FABRICS LIMITED	1,000
ADEEL & NADEEM SECURITIES (PVT) LTD.	2,100

PATTERN OF SHAREHOLDING

30 JUNE 2017

OTHERS

AAA SECURITIES (PRIVATE) LIMITED	575
SAUDI PAK INDUSTRIAL & AGRICULTURAL INVESTMENT CO. LTD.	283,000
DARSON SECURITIES (PVT) LIMITED	3,173
HAJI MOHAMMAD ISMAIL MILLS LIMITED	5,500
BANDENAWAZ (PVT) LTD.	5,000
SHAFFI SECURITIES (PVT) LTD.	1,250
MAYARI SECURITIES (PVT) LIMITED	15,000
FAIR DEAL SECURITIES (PVT) LTD.	960
MUHAMMAD AHMED NADEEM SECURITIES (SMC - PVT.) LTD.	244
MAHA SECURITIES (PVT.) LIMITED	110
WASI SECURITIES (SMC - PVT) LTD.	323
DR. ARSLAN RAZAQUE SECURITIES (SMC - PVT)	4,328
AL- HAQ SECURITIES (PVT) LTD.	8
PAK QATAR INDIVIDUAL FAMILY PARTICIPANT	50,000
PAK QATAR INVESTMENT ACCOUNT	25,000
SAFE SECURITIES (PRIVATE) LIMITED	50
MUHAMMAD AHMAD NADEEM SECURITIES (SMC - PVT.) LTD.	750
MSMANIAR FINANCIALS (PVT) LTD.	850
TRUSTEE - PAK GUMS & CHEMICAL LTD EXECUTIVE	38
ALI AKBAR SPINNING MILLS LIMITED	25
CMA SECURITIES (PVT) LIMITED	500
TRUSTEE-GREAVES PAKISTAN (PVT) LTD.	2,000
G. R. SECURITIES SMC (PVT) LIMITED	5,000
CDC - TRUSTEE NIT - EQUITY MARKET OPPORTUN	7,260
PEARL SECURITIES LIMITED - MF	500
FAIR DEAL SECURITIES (PVT) LTD.	50
ASDA SECURITIES (PVT.) LTD.	5,000
FIKREE'S (SMC - PVT) LTD.	1,886
ARIF HABIB LIMITED - MF	5,000
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT)	944,715
EARTH SECURITIES (PRIVATE) LIMITED	50
BRIGHT INVESTMENT AND SECURITIES (PVT) LTD.	50
JCR CAPITAL SECURITIES (PVT) LTD.	50
KHAYYAM SECURITIES (PRIVATE) LIMITED	50
INTERMARKET SECURITIES LIMITED - MF	200
NAEEM'S SECURITIES LIMITED	2,292
KAZI & KAZI LTD.	79
ADAMJEE SONS LTD.	9
M/S. MAMOON JI ALI BHOY	209
M/S. TECHNICAL SERVICES ASSOCIATION	154
THE AHMEDIYYA ANJUMAN ISHEUT - I- ISLAM	246
AHMED MOTORS LTD.	158
M.F. CORPORATION LTD.	440
M/S. SHERIAR F. IRANI INVESTMENT	96

PATTERN OF SHAREHOLDING

30 JUNE 2017

OTHERS

GHARIB WAL CEMENT LTD.	3,740	
PUNJAB COOPERATIVE BOARD FOR LIQUIDATION	374	
NH SECURITIES (PVT.) LTD.	44	
M/S. MIR AFZAL KHAN & BROS.	180	
M/S UBS SECURITIES (SINGAPORE) PTE LTD.	3,250	
TRUSTEE TO THE RIGHT SHARES	563	
M/S EASTERN CAPITAL LIMITED	50	
LSE FINANCIAL SERVICES LIMITED	1	
Sub-Totals:	2,438,714	0.41
Individual		
Local - Individuals	137,132,051	
Sub-Totals:	137,132,051	23.0 0

G-Totals:	596,252,783	100.00
=====		

میٹنگوں کی تعداد جن میں شرکت کی	
2	سر محمد انور پرویز
5	محترم ضمیر احمد چوہدری
5	محترم محمد عرفان انور شیخ
4	محترم محمد یونس شیخ
4	محترم داؤد پرویز
2	محترم حیدر ضمیر چوہدری
4	محترمہ نجمہ ناہید پیرزادہ
2	محترم جاوید اختر

- جو ڈائریکٹرز بورڈ کے اجلاسوں میں شرکت نہیں کر سکتے تھے انہیں غیر حاضری کیلئے رخصت دی گئی۔
- اس سال کے دوران منعقد کیے گئے آڈٹ کمیٹی کے 14 اجلاسوں میں ہر ایک ڈائریکٹر کی حاضری مندرجہ ذیل ہے۔

میٹنگوں کی تعداد جن میں شرکت کی	
4	محترم محمد یونس شیخ
4	محترم داؤد پرویز
4	محترمہ نجمہ ناہید پیرزادہ

- اس سال کے دوران منعقد کیے گئے ہیومن ریسورس اور ریویو نیریشن کمیٹی کے 2 اجلاسوں میں ہر ایک ڈائریکٹر کی حاضری مندرجہ ذیل ہے۔

میٹنگوں کی تعداد جن میں شرکت کی	
2	محترم محمد عرفان انور شیخ
2	محترم محمد یونس شیخ
2	محترم داؤد پرویز

آڈیٹرز

موجودہ آڈیٹرز میسرز کے پی ایم جی ٹاٹیر ہادی اینڈ کو جو اس اجلاس کے خاتمے پر ریٹائر ہوئے ہیں اور انہوں نے اہلیت کے حامل ہونے کی وجہ سے اپنے آپ کو تفریق کیلئے پیش کیا ہے۔ کمپنی کی آڈٹ کمیٹی نے اس معاملے پر غور کیا ہے اور ریٹائر ہونے والے آڈیٹرز کے از سر نو تقرر کی۔ فارش کی ہے۔

اظہار تشکر

ڈائریکٹرز پورے سال کے دوران کمپنی سے مسلسل تعاون، شراکت اور اعتماد کیلئے کمپنی کے حصص داران، عملے کے اراکین، صارفین، فراہم کنندگان، خاص طور پر ہمارے میٹنگز، الائنڈ بینک لمیٹڈ، حبیب بینک لمیٹڈ، فیصل بینک لمیٹڈ، میبران بینک لمیٹڈ، ایم سی بی بینک لمیٹڈ، یو بی ایل بینک لمیٹڈ، عسکری بینک لمیٹڈ، سنہری بینک لمیٹڈ، بینک الفلاح لمیٹڈ، دہلی اسلامک بینک پاکستان لمیٹڈ، شیڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ، نیشنل بینک آف پاکستان، ہٹی بینک اور دیگر کئی حکومتی ایجنسیوں کے مشکور ہیں۔



ضمیر محمد چوہدری

چیف ایگزیکٹو

مورخہ 22 اگست 2017

اسلام آباد



محمد عرفان انور شیخ

ڈائریکٹر

کیا۔ اس ماہ کے دوران تقسیم کئے گئے خوراک کے بکچر سے تقریباً 1200 گھرانے مستفید ہوئے۔

آپ کی کمپنی اگلی نسلوں کے مستقبل کی اہمیت کو بھی بخوبی سمجھتی ہے۔ اسی سلسلے میں اپنا کردار ادا کرتے ہوئے اس کے قابل قدر اور ہنرمند ماہرین نے رضا کارانہ طور پر مختلف یونیورسٹیوں مثلاً نیشنل یونیورسٹی آف سائنس اینڈ ٹیکنالوجی وغیرہ کے گریجویٹس اور انڈرگریجویٹس طلبہ کو ملٹریٹری سے تیار شدہ واضح خطوط پر بکچرز سے مستفید کیا۔ اس کے ساتھ ساتھ تعلیم کے متعلقہ شعبوں میں طلبہ کے علم میں اضافے کیلئے اس سال کے دوران کمپنی نے اپنے پلانٹس پر کئی تعلیمی دوروں کا انتظام بھی کیا۔

ہولڈنگ کمپنی

یہ کمپنی بیسٹ وے (ہولڈنگز) لمیٹڈ، جو کہ برطانیہ (یو۔ کے) کے قوانین کے تحت قائم شدہ ہے کی ذیلی کمپنی ہے۔

مستقبل کا منظر نامہ

انفراسٹرکچر پر حکومت کی بڑھتی ہوئی توجہ سے تعمیراتی سرگرمیوں میں اضافہ بشمول پاک چین اقتصادی راہداری کے منصوبہ جات سے تعمیراتی سرگرمیوں میں اضافہ اور ہاؤسنگ سیکٹر کی بڑھتی ہوئی ضروریات کو مدنظر رکھتے ہوئے مقامی طلب میں مزید اضافے کی توقع ہے۔

جبکہ بیسٹ کی برآمدات عام طور پر بروزل ہیں آپ کی کمپنی انڈیا میں اپنی فروخت میں اضافے کی توقع کر رہی ہے۔ بیسٹ وے افغانستان اور انڈیا میں رہنما برآمد کنندہ کی حیثیت قائم رکھے ہوئے ہے اور ان منڈیوں پر اپنی توجہ بدستور مرکوز رکھے گی۔

بیسٹ کی بڑھتی ہوئی ضرورت کے پیش نظر کئی سینٹ پیداوار کنندگان اپنی استعداد کار بڑھانے پر لگ گئے ہیں۔ ان میں سے کچھ منصوبہ جات اگلے دو یا تین سالوں تک پیداوار میں آجائیں گے جس کے نتیجے میں بیسٹ کی فراہمی زیادہ ہو جائے گی امکان ہے کہ منافع جات دباؤ میں آجائیں گے۔

افراط زر میں اضافہ ہونے کا امکان ہے جس سے شرح سود میں اضافہ ہوگا۔ پاکستان بدستور حسابات جاریہ کے خسارے کا سامنا کر رہا ہے جس کے نتیجے میں مستقبل قریب میں پاکستانی روپے کی قدر میں اتار سے کمی کے امکانات ہیں۔ کمزور روپے سے بیسٹ انڈسٹری کا منافع مزید کم ہو جائے گا کیونکہ اس کا زیادہ تر انحصار درآمد شدہ کونسلے اور دیگر ان پٹس پر ہے۔

ایسٹن کی بین الاقوامی قیمتیں ماضی میں قدرے کم رہی ہیں لیکن مستقبل قریب میں ان میں اضافے کا خدشہ ہے۔ ایسٹن کی قیمتوں میں اضافے سے منافع کی شرح اور کم ہو جائے گی کیونکہ بیسٹ کی تیاری پر آنے والی لاگت کا ایک بڑا حصہ ایسٹن اور توانائی پر مشتمل ہوتا ہے۔

بیشک طرح آپ کی انتظامیہ درپیش مسائل سے سنجیدگی سے آگاہ ہے اور آنے والے سالوں میں مواقعوں میں اضافے، مزید ترقی اور منافع میں اضافے کیلئے کاوشیں جاری رکھے گی۔

ڈائریکٹرز انتہائی مسرت کے ساتھ آپکو آگاہ کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کی گئی مالی دستاویزات میں اس بات کو یقینی بنایا گیا ہے کہ کمپنی کے معاملات، کاروباری افعال کے نتائج، ترسیل نقد رقم اور حصص میں ردوبدل جیسے معاملات کو ان دستاویزات میں شفاف انداز سے پیش کیا جائے۔
- کمپنی کے حساب کتاب سے متعلق باقاعدہ کھاتے مرتب کئے ہیں۔
- مالی دستاویزات کی تیاری کے سلسلے میں اکاؤنٹنگ کی مناسب پالیسیوں کو مستحکم اپنایا اور مالی بیانات کی تیاری میں لاگو کیا گیا ہے اور اکاؤنٹنگ کے تمام تر تخمینے معقولیت اور مناسب فیصلوں کی بنیاد پر لگائے گئے ہیں۔
- مالی دستاویزات کی تیاری کیلئے پاکستان میں لاگو بین الاقوامی فنانسل رپورٹنگ اسٹینڈرڈز کی بیرونی کی گئی ہے۔
- اندرونی کنٹرول کا جامع نظام وضع شدہ ہے اور اس نظام کو موثر انداز سے نافذ کیا جاتا ہے اور اس کی مکمل نگرانی بھی کی جاتی ہے۔ سسٹم از خود بھی جب اور جہاں ضروری ہو مسلسل نظر ثانی کے تابع ہے۔
- اس بات میں کوئی شک کی گنجائش نہیں ہے کہ کمپنی اپنی کاروباری سرگرمیوں کو ہمیشہ جاری رکھنے کی اہل ہے۔
- قوانین میں درج بہترین کارپوریٹ گورننس کی پالیسیوں سے ذرہ برابر بھی انحراف نہیں کیا گیا ہے۔
- زیغور سال کے دوران ڈائریکٹرز، ایگزیکٹوز، ان کے اہل خانہ اور چھوٹے بچوں میں سے کسی نے بھی کمپنی کے حصص کا کاروبار نہیں کیا ہے۔
- گزشتہ چھ سال کے اہم مالی اعداد و شمار صفحات مابعد میں فراہم کئے گئے ہیں۔
- واجب الادا محصولات، ڈیویڈنڈ اور چارجز مالی گوشواروں میں ظاہر کئے گئے ہیں۔
- 30 جون 2017 کو کمپنی کے حصہ داران کی ترتیب میں ان طبقات کا اظہار جن کی سینٹ کا اظہار کوڈ برائے کارپوریٹ گورننس کے تحت ضروری ہے آنے والے صفحات میں بیان کیا گیا ہے۔
- کمپنی نے ان ملازمین کیلئے ایک پروویڈنڈ فنڈ سکیم مرتب کی ہوئی ہے جو اس کے اہل ہیں۔ 30 جون 2017ء کو اس سکیم کی سرمایہ کاری کی قیمت 108 ملین روپے (غیر پڑتال شدہ) تھی۔
- اس سال کے دوران منعقد کی گئی پانچ بورڈ میٹنگوں میں ہر ایک ڈائریکٹر کی حاضری مندرجہ ذیل ہے۔

ترتیب اور ترقی

آپ کی کمپنی اپنے عملے کی تربیت، نکھار اور تعلیم کو بہت زیادہ اہمیت دیتی ہے۔ اپنے کارکنوں کو بہترین آپریشنل تکنیکوں اور مشقوں سے آراستہ رکھنے کیلئے مختلف شعبوں اور عملے کی مختلف انقسام کیلئے تکنیکی اور عمومی انتظامی تربیتی کورسز کا انعقاد کرتی رہتی ہے۔ عملے کے اراکین دوسرے اداروں کی جانب سے منعقد کئے گئے کورسز، ورکشاپس اور سیمیناروں وغیرہ میں شرکت کرنے کیلئے بھی بھیجے جاتے ہیں۔ کمپنی پیشہ ورانہ ترقی اور کیریئر کی بہتری کیلئے ہمیشہ اپنے ملازمین کی حوصلہ افزائی اور راہنمائی کرتی ہے۔

اپنی افرادی قوت کی صلاحیتوں میں اضافے اور نشوونما کیلئے وابستگی کے طور پر آپ کی کمپنی نئے کو ایف ایف ایڈ گریجویٹس، پیشہ ور افراد اور حتیٰ کہ مہارت نہ رکھنے والے افراد کو ملازمت کے مواقع فراہم کرتی ہے۔ ان افراد کو ضروری علم سے مستفید کرنے، انھیں درکار تجربہ فراہم کرنے اور بطور پراعتماد ہنرمند اور فائدہ مند افراد کام کرنے کیلئے نہایت احتیاط سے تربیتی پروگرام ترتیب دے گئے ہیں۔

زیر غور سال کے دوران آپ کی کمپنی نے 277 ٹرینیز انجینئرز، مینجمنٹ ٹرینیز اور اپریٹسز کو ملازمت کا موقع دیا۔ ٹرینی انجینئرز کو الیکٹریکل، مکینیکل اور کان کنی کے شعبوں میں بہترین تربیت فراہم کی جاتی ہے جبکہ مینجمنٹ ٹرینیز کو مارکیٹنگ، فنانس، پرسنل اور ایڈمنسٹریشن کے شعبوں میں رکھا جاتا ہے جہاں انھیں مستقل کے لئے موثر مینیجر بننے کیلئے محتاط طریقے سے تربیت فراہم کی جاتی ہے۔ اپریٹسز کو فیکٹریوں کے مختلف ٹیکنیکل شعبوں میں رکھا جاتا ہے۔ ان میں سے چند ٹرینیز اور اپریٹسز کو کمپنی میں مستقل جگہ دی جاتی ہے جبکہ باقی دوسری انڈسٹریز میں منتقل ہو جاتے ہیں جہاں وہ بیٹ وے سے حاصل کی گئی بنیاد اور تربیت کی بدولت اپنے مستقبل اور ملکی ترقی کی بہتری میں اہم کردار ادا کرتے ہیں۔

صحت، تحفظ اور ماحول

آپ کی کمپنی اپنے آپ کو ایک ذمہ دار کارپوریٹ شہری کی حیثیت سے متعارف کراتی ہے اور نہ صرف اپنے ملازمین بلکہ ذیلی معاہدے میں آنے والے عملے کی صحت اور تحفظ کو بھی اہمیت دیتی ہے تاکہ کاروبار کو موثر طریقے سے سرانجام دیا جاسکے۔ لہذا آپ کی کمپنی مقام کار پر حادثات کی روک تھام کیلئے پروگرام ہونے کے ساتھ ساتھ اپنے ماحول، صحت اور تحفظ کے حوالے مینجمنٹ اور کارکنوں کو بہتر بنانے کیلئے بھی مسلسل کوشاں رہتی ہے۔

صحت اور حفاظت پر تربیت، سیفٹی میننگر، حادثات کی رپورٹنگ، سیفٹی آڈٹس، سیفٹی چیمپین، بہتر امور خاندان اور حفظان صحت کے حوالے سے کنٹرول پر مشتمل اقدامات مسلسل کئے جاتے ہیں تاکہ تمام عملے میں محفوظ رویے کو یقینی بنایا جاسکے۔ آپ کی کمپنی نے انڈسٹریل آئیڈینٹیفیکیشن کو محفوظ بنانے کی کوشش کی ہے اور اس سلسلے میں ملازمین اور ٹھیکیداروں کو آگاہی فراہم کرنے کیلئے متعدد ہدایات اور معیاری وضع کر رکھے ہیں۔ ادارے کے اندر ان ہدایت ناموں پر سختی سے عمل کیا جاتا ہے اور انھیں بیرونی اسٹیک ہولڈرز تک بھی پہنچانے کو یقینی بنایا جاتا ہے۔

آپ کی کمپنی ماحول کے تحفظ اور بہتری پر مستعدی سے کار بند ہے اور یقین دہانی کرتی ہے کہ ہمارے پلانٹس ہمہ وقت ماحولیاتی معیاروں پر کار بند رہیں۔ ہمارے پلانٹس نہ صرف پاکستان کی اتھارٹی برائے ماحولیاتی تحفظ کے مقرر کردہ سخت معیار پر پورا اترتے ہیں بلکہ وہ اخراج کے حوالے سے بین الاقوامی معیار سے بھی بڑھ جاتے ہیں۔ صاف ماحول کو یقینی بنانے کیلئے اپنے بہترین ماحولیاتی کنٹرول میکانزم کے علاوہ آپ کی کمپنی سہ ماہی بنیادوں پر ایک غیر جانبدار ماہر سے بھی اپنی پیداواری مقامات کا جائزہ کرواتا ہے۔

آپ کی کمپنی یقین رکھتی ہے کہ مختلف انڈسٹریز کے درمیان مشترکہ تعلق قائم کرنا ممکن ہے، لہذا ایک کمپنی کا فیصلہ دوسری کمپنی میں بطور ایجنٹ یا خاتم مال استعمال کر کے قدرتی وسائل کو محفوظ رکھا جاسکتا ہے۔ ہمارے پلانٹس ماحولیاتی انتظام و انصرام کے نظام (EMS) سے ISO 14001:2004 سرٹیفیکیشن ہیں اور کمپنی تو اسے ماحول کی بہتری کے مختلف پروگراموں بشمول شجرکاری مہمات اور کانوں کی مرمت و بحالی کے اقدامات میں حصہ لیتی ہے۔ جس سماجی ماحول میں بیٹ وے سے کام کر رہی ہے اس کا تحفظ کمپنی کی کامیابی کا لازمی جزو تصور کیا جاتا ہے۔

آپ کو یہ جان کر خوشی ہوگی کہ آٹھویں سال میٹ وے سینٹ کو قومی فورم برائے ماحول اور صحت (National Forum for Environment and Health) کی جانب سے اپنی چاروں پلانٹ سائٹس پر ماحول دوست حکمت عملیوں کے موثر نفاذ کیلئے ایوارڈز منسٹری آف ایئر اینڈ اینوائمنٹ سے ملے۔

کارپوریٹ سماجی ذمہ داری

مضبوط مقامی بنیادیں رکھنے والے ایک بڑے کاروباری گروپ ہونے کی وجہ سے آپ کی کمپنی نے ہمیشہ اپنے آپریشنز میں طویل مدتی سرمایہ کاری کی ہے اور سمجھتی ہے کہ اس کی خصوصی ذمہ داری بالخصوص مقامی کمیونٹی کے حوالے سے ہے اور ہمیشہ کم ترقی یافتہ افرادی ترقی اور بہبود کیلئے فعال کردار ادا کرنے پر فخر محسوس کیا ہے۔ اس کا آغاز ہمارے اپنے ملازمین سے ہوتا ہے جن کی صحت اور تحفظ ہماری اولین ترجیح ہے۔ آپ کی کمپنی مقامی برادر یوں کی سماجی - اقتصادی ترقی جیسا کہ صحت اور تعلیم کیلئے رسائی کو بہتر بنانے، شہری ترقی اور ماحولیاتی تحفظ کے پروگراموں میں شرکت کرنے اور کاروبار اور ملازمتوں کے مواقع پیدا کرنے میں مدد فراہم کرنے میں اہم کردار ادا کرتی ہے۔

1997 میں بیٹ وے فاؤنڈیشن کا قیام عمل میں لایا گیا جو کہ بیٹ وے گروپ کا ایک خیراتی ادارہ ہے اور جس کیلئے آپ کی کمپنی اہم معاون ہے۔ یہ بیٹ وے سے سینٹ کے قریبی اشتراک سے کام کرتی ہے اور اس کا اہم مقصد دیہی کمیونٹی کو تعلیم اور شہری سہولیات کی فراہمی کو یقینی بنانا ہے۔ یہ فاؤنڈیشن پاکستان سینٹر فار فیلین تھراپی (Pakistan Centre for Philanthropy) سے سرٹیفیکیشنڈ ہے۔

اپنے فلسفے کو مدنظر رکھتے ہوئے فاؤنڈیشن نے چکوال کے گاؤں ٹٹال میں ایک بہترین سکول بنانے کا فیصلہ کیا۔ بیٹ وے فاؤنڈیشن سکول، تیزال جو کہ گزشتہ سال 67 ملین روپے کی لاگت سے مکمل ہوا، 400 سے زائد طلبہ کو کھانے کی گنجائش رکھتا ہے۔ اس وقت 200 کے قریب طلبہ اس سکول سے مفت اور معیاری تعلیم سے مستفید ہو رہے ہیں۔

فاؤنڈیشن گوجران میں قائم شدہ فرح پرویز ڈگری کالج کے ذریعے خاص طور پر خواتین کو کالج تک مفت تعلیم فراہم کر رہی ہے۔ اپنے قائم کردہ تعلیمی اداروں کے علاوہ فاؤنڈیشن خیر بختونخوا اور پنجاب کے پسماندہ دیہی علاقوں کے بے شمار سرکاری سکولوں کی مدد بھی کرتی ہے۔

فاؤنڈیشن ملک بھر میں بڑی تعداد میں ہونہار طلبہ کو وظائف فراہم کرتی ہے جن کی اکثریت میڈیکل اور انجینئرنگ کے ایسے طلبہ پر مشتمل ہے جو کافی وسائل نہ ہونے کی وجہ سے اعلیٰ تعلیم حاصل نہیں کر سکتے۔

اس سال کے دوران فاؤنڈیشن نے مختلف تعلیمی اور صحت کے اداروں کو 88 ملین روپے سے زائد کی خطیر رقم بطور مالی امداد فراہم کی۔ ان میں سے سینٹ ہسپتال آف یورولوجی، نیشنل سوسائٹی فار میڈیکل اینڈ ایڈیویشنل پیڈیاٹری کیپیڈ چلڈرن، الٹرنیٹو ٹیسٹ، ایٹن رحمت اللہ، نوبولینٹ ٹرسٹ، عبدالستار ایڈمی فاؤنڈیشن، سہارا فار لائف ٹرسٹ، زمنگ کور، شوکت خانم میموریل ٹرسٹ، سلطانہ فاؤنڈیشن اور تھقی و بلفیئر فاؤنڈیشن شامل ہیں۔

تعلیم کے فروغ کے بنیادی مقصد کے ساتھ ساتھ بیٹ وے فاؤنڈیشن مقامی سطح پر بڑی تعداد میں بچوں اور خواتین کو ماہوار وظیفے کی صورت میں مالی امداد بھی فراہم کرتی ہے۔

بنیادی ہیلتھ کے شعبے میں مقامی کمیونٹی کے ہزاروں مریضوں کیلئے ہماری فیکٹری کی حدود میں قائم چاروں ڈیپنسریوں پر مفت طبی سہولیات دستیاب ہیں۔ زیر غور سال کے دوران 35 ہزار سے زائد مریض ان مفت ڈیپنسریوں سے مستفید ہوئے۔

آپ کی کمپنی نے (Earth Hour) زمین کے گھٹنے 2017 کے سلسلے میں WWF پاکستان کی میگا شجرکاری مہم کے دوران بھی بڑھ چڑھ کر حصہ لیا اور ایک ہفتے سے بھی کم عرصے میں خیر بختونخوا اور پنجاب میں اپنی فیکٹریوں کے ارد گرد موجود کم ترقی یافتہ سکولوں میں 3000 پودے لگائے۔ اس سرگرمی سے نہ صرف طلبہ، اساتذہ اور دیگر شاف کو شجرکاری میں عملی طور پر حصہ لینے کا موقع ملا بلکہ مقامی کمیونٹی کے ہزاروں لوگوں میں ماحولیاتی تحفظ کے حوالے سے آگاہی بھی پیدا ہوئی۔

خدمت خلق کے جذبے کو مزید فروغ دیتے ہوئے آپ کی کمپنی نے اپنے ہیڈ آفس اور تمام پلانٹس پر رمضان دسترخوان کا اہتمام کیا اور پورے مہینے 8000 سے زائد ضرورت مند افراد کے لئے افطار اور سحر کے دوران مفت طعام کا بندوبست

ہمیں آپ کو یہ بتاتے ہوئے انتہائی خوشی ہوئی ہے کہ 31 دسمبر 2016 کو ختم ہونے والے سال کیلئے بینک نے 130 فیصد پیش ڈیویڈنڈ ادا کیا ہے اس طرح آپ کی سرمایہ کاری پر 1.2 ارب روپے کا معاوضہ دیا گیا۔

یو بی ایل انشور لمیٹڈ

11 مئی 2017 کو کمپنی نے 104.2 ملین روپے کی لاگت سے ابوظہبی گروپ سے یو بی ایل انشور لمیٹڈ کے 10 روپے مالیت کے 14,088,199 عمومی حصص خریدے جو کہ 12.23 فیصد کی شراکت ظاہر کرتے ہیں۔

قومی خزانے میں اعانت

بیٹ وے سینٹ ملک کے بڑے ٹیکس دہندگان میں سے ہے۔ زیر غور سال کے دوران آپ کی کمپنی نے آگم ٹیکس، بیلز ٹیکس اور ایکسائز ڈیویڈنڈ کی مدد میں قومی خزانے میں 23 ارب روپے کی ادائیگی کی۔ مزید یہ کہ آپ کی کمپنی ایک خلیہ رقم مختلف بالواسطہ محصولات کی صورت میں وفاقی، صوبائی اور مقامی حکومتوں کو ادا کرتی ہے۔

استعداد میں اضافہ

آپ کی کمپنی نے اپنی فاروقیہ سائٹ پر 6,000 ٹن گھٹکنری یوم کی استعداد کا حامل براؤن فیلڈ سینٹ پلانٹ بمعہ 9 میگا واٹ صلاحیت کا WHRPP لگانے کا فیصلہ کیا ہے۔ اس سے کمپنی کو سینٹ کی بڑھتی ہوئی ضرورت کو پورا کرنے اور اپنی استعداد کار بڑھاتے ہوئے بطور مارکیٹ راہنما اپنے حریفوں پر اپنی حیثیت کو برقرار رکھنے میں مدد ملے گی۔

پلائس کی کارکردگی

آپ کی کمپنی آغاز سے ہی مرمت کے روک تھام کے جامع منصوبے پر کار بند ہے۔ یہ زیادہ نظر کم سے کم رکاوٹ کے ساتھ مستعد اور مستحکم پیداوار کو یقینی بناتا ہے زیر غور مدت کے دوران ہمارے تمام سینٹ پلائس اور ویسٹ ہیٹ ریکوری پلائس تسلی بخش طور پر کام کرتے رہے ہیں۔

حصص داران کو منافع

آپ کی کمپنی اپنے حصص داران کو بہتر منافع کی ادائیگی کا خیال رکھتی ہے۔ آپ کی کمپنی کی عمدہ کارکردگی کے تناظر میں ڈائریکٹرز کو 30 فیصد کا حتمی نقد منافع کا اعلان کرتے ہوئے خوشی محسوس ہو رہی ہے جس سے سال کے دوران منافع کی ادائیگی 120 فیصد ہو جائے گی۔

متبادل توانائی اور CPP اقدامات

سینٹ کی تیار کی توانائی کے استعمال سے بھر پور عمل ہے۔ پیداوار کے دوران سب سے زیادہ لاگت توانائی پر آتی ہے۔ ملک میں موجود توانائی کے بحران کے پیش نظر روایتی حضری ایندھن سے توانائی کے متبادل حل کی جانب منتقل ہونا لازم ہو گیا۔ قومی گڑ پراپے اٹھارہ کروڑ کم کرنے کیلئے اپنی حکمت عملی کے ایک حصے کے طور پر آپ کی کمپنی نے اپنی تمام سائٹس پر ویسٹ ہیٹ ریکوری پلانٹ (WHRPP) لگایا ہے۔ چکوال میں بیٹ وے کا (WHRPP) پلانٹ پاکستان کی سینٹ انڈسٹری کا پہلا پلانٹ تھا جو دوسروں کیلئے مشعل راہ ثابت ہوا۔

کلر کبار میں WHRPP جس کی پیداواری صلاحیت 12 میگا واٹ ہے ایک سال کے اندر مکمل کیا گیا اور دسمبر 2016 سے قبل از شیڈول مکمل طور پر آپریشنل ہو گیا ہے۔ اس سال کے دوران کمپنی نے فاروقیہ کی نئی پروڈکشن لائن کے ساتھ ایک اور WHRPP پر کام کا آغاز کر دیا ہے جس کی پیداواری صلاحیت 9 میگا واٹ ہے۔ اس منصوبے پر کام کا آغاز اس سال کے دوران کیا گیا اور توقع ہے کہ یہ سال 2018-19 کی پہلی سہ ماہی کے دوران مکمل طور پر آپریشنل ہو جائے گا۔ اس منصوبے کے ذریعے نہ صرف توانائی حاصل ہوگی بلکہ فضلہ گیسوں کے اخراج میں کمی اور ماحول پر بھی مثبت اثرات رونما ہوں گے۔ آپ کی کمپنی کی جانب سے توانائی کی بچت کیلئے یہ ایک اہم قدم ہے جو اسے اپنے تمام آپریشنز کے دوران WHRPP ٹیکنالوجی اپنانے کے باعث راہنما کی حیثیت سے عطا کرتی ہے۔ ان منصوبہ جات کی بدولت کمپنی کا بجلی کے بیرونی ذرائع پر انحصار میں واضح کمی کا باعث ہیں جس سے پیداواری لاگت میں کمی، آپریشنل کارکردگی میں اضافہ اور ماحولیاتی تحفظ میں مدد ملتی ہے۔

معیاری یقین دہانی

آپ کی کمپنی کو چلانے میں معیار کے حصول اور موثر ہونے میں ہمیشہ اہم کردار ادا کیا ہے۔ ہر جگہ پر سخت کوالٹی کنٹرول کے طریقہ کار پر عمل کرتے ہوئے کمپنی نے اپنے تمام پلائس پر کنٹرول آلات نصب کر رکھے ہیں۔ بیٹ وے لیبارٹریز سینٹ آف دی آرٹ ایکس رے فلورینڈنٹ انا لائزر اور ڈیفیوٹ میٹر سے آراستہ ہیں اور پاکستان میں یہ ٹیکنالوجی سب سے پہلے بیٹ وے نے متعارف کروائی۔ ان ہی آلات کی بدولت کمپنی ملک میں دستیاب سینٹ کی نسبت مسلسل بہتر معیار کا سینٹ تیار کر رہی ہے۔ فاروقیہ پلانٹ پر موجود ہماری لیبارٹریز نے ٹیسٹ منفقہ کرنے کی صلاحیت اور یہی نہ ہندی کے لحاظ سے ISO 17025 سرٹیفیکیشن حاصل کی اور اس طرح آپ کی کمپنی یہ اعزاز حاصل کرنے والی سینٹ تیار کرنے والی ملک کی دوسری فیکٹری بنی۔ ISO 17025 لیبارٹریز میں معیار کو بہتر بنانے کیلئے مینجمنٹ کے نظام، انتظامی اور ٹیکنیکی آپریشنز کیلئے استعمال ہوتا ہے۔ دوسرے پلائس پر موجود لیبارٹریز بھی اسی طرح کی سرٹیفیکیشن حاصل کرنے کے قریب ہیں۔

سیلز اور مارکیٹنگ

بیٹ وے ملک کا سب سے بڑا سینٹ پیدا کرنے والا ادارہ ہے جو کوالٹی مینجمنٹ سسٹم کیلئے ISO 9001 تصدیق شدہ ہے۔ آپ کی کمپنی نہ صرف ملکی منڈی میں بلکہ بین الاقوامی منڈی میں بھی بطور پریمنیم برانڈ کے مستحکم حیثیت قائم رکھے ہوئے ہے۔ آپ کی کمپنی نے ایک باہر سے افغانستان کو سینٹ برآمد کرنے والی سب سے بڑی کمپنی اور انڈیا کو برآمد کرنے والی بڑی کمپنیوں میں شمولیت کا اعزاز برقرار رکھا۔ آپ کی کمپنی نے مسلسل بہترین معیار، موثر مارکیٹنگ عملی، کسٹمر کثیر اور اس کی سیلز اور مارکیٹنگ ٹیموں کی لگن کی وجہ سے مارکیٹ لیڈر کی حیثیت حاصل کرنے میں کامیابی حاصل کی ہے۔

آپ کی کمپنی ملک کی ان چند کمپنیوں میں شامل ہے جو انڈیا کو سینٹ برآمد کرنے کیلئے سرٹیفائیڈ ہیں اور مطلقاً کیلئے CE-Certificate کی بھی حامل ہیں۔ ان سرٹیفیکیشن برائے مطلقیت کی بدولت آپ کی کمپنی انڈیا، یورپ، چین، کیوٹی اور ان تمام ملکوں میں جہاں سی ای۔ سرٹیفیکیشن کی ضرورت پڑتی ہے میں برآمد کرنے کے مواقعوں کو تلاش کر سکتی ہے۔

اس سال کے دوران آپ کی کمپنی نے اپنی متاثر کن مصنوعات کو وسعت دینا جاری رکھا۔ بیٹ وے مسابقتی میں اپنی وسیع اور بہترین معیار کی حامل مصنوعات کی وجہ سے مسلمہ حیثیت رکھتی ہے۔ مصنوعات کی وسعت نے بیٹ وے کی ملکی اور بین الاقوامی منڈیوں میں ساکھ کو مضبوط کیا۔

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز اپنی رپورٹ بشمول 30 جون 2017 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشوارے اور آڈیٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معیشت کا جائزہ

30 جون 2017 کو ختم ہونے والے مالی سال کیلئے ملک کے جی ڈی پی میں 5.3 فیصد اضافہ ریکارڈ کیا گیا (2016: 4.7 فیصد) اور افراط زر 1.1 فیصد پر قائم رہی (2016: 2.8 فیصد)۔ بڑے پیمانے کے پیداواری شعبہ میں 5.1 فیصد اضافہ ریکارڈ کیا گیا (2016: 4.6 فیصد)۔ حکومت کی جانب سے تعمیراتی ڈھانچے پر توجہ دینے اور سرکاری شعبے میں ترقیاتی پروگرام کیلئے وسائل کی فراہمی کے باعث تعمیراتی سرگرمیوں میں 9 فیصد (2016: 14.6 فیصد) اضافہ دیکھنے میں آیا۔ البتہ توانائی کی معاشی ترقی کی راہ میں ایک نمایاں چیلنج کے طور پر برقرار ہے۔

انڈسٹری کا جائزہ

سینٹ کے شعبے نے بڑے پیمانے پر تعمیراتی ڈھانچوں کی ترقی بشمول پاک چین اقتصادی راہداری کے منصوبہ جات سے استفادہ کا حصول جاری رکھا۔ سال کے دوران سینٹ کی ملکی طلب میں 8 فیصد اضافہ ہوا (2016: 17 فیصد)۔ پچھلے سال ریکارڈ کئے گئے 33.0 ملین ٹن کے مقابلے میں اس سال 35.7 ملین ٹن ہو گیا۔ تاہم بڑھتی ہوئی لاگت کی وجہ سے پاکستانی سینٹ کے عالمی منڈی میں کم مسابقتی ہونے کی بنا پر برآمدات 21 فیصد (2016: 18.4 فیصد) کمی کے ساتھ 5.9 ملین ٹن سے کم ہو کر 4.7 ملین ٹن رہ گئیں۔ تیسری سہ ماہی کے دوران افغانستان کے بارڈر کی بندش کی وجہ سے صورتحال مزید خراب ہوگی۔ مجموعی طور پر سال کے دوران سینٹ کی ترسیل 3.7 فیصد (2016: 9.9 فیصد) اضافے کے ساتھ 38.9 ملین ٹن سے بڑھ کر اس سال 40.3 ملین ٹن ہوگی۔ انڈسٹری میں کلنگر کی فروخت 1.86 ملین ٹن رہی۔ مجموعی طور پر سال کے دوران سینٹ کی ترسیل بشمول کلنگر کی فروخت میں مجموعی طور پر 8.4% کا اضافہ ہوا۔ بڑھتی ہوئی ایندھن اور توانائی کی قیمتوں اور سخت مقابلے کی وجہ سے گرتی ہوئی حقیقی وصولیوں کے نتیجے میں گنجان نش نفع دباؤ میں آگئے۔ یہ صورت حال مستقبل قریب میں جاری رہنے کے امکانات ہیں۔

پیداوار اور فروخت کا جائزہ

فیصد	اضافہ ٹن	30 جون 2016 کو ختم ہونے والا سال ٹن	30 جون 2017 کو ختم ہونے والا سال ٹن	
39%	2,259,941	5,823,380	8,083,321	کلنگر کی پیداوار
10%	688,045	6,883,460	7,571,505	سینٹ کی پیداوار
8%	574,964	6,903,492	7,478,456	سینٹ اور ایکسٹریم ہائڈ کی فروخت
-	850,641	-	850,641	کلنگر کی فروخت

سال کے دوران انڈسٹری کے 3.7 فیصد اضافے کی نسبت آپ کی کمپنی کی سینٹ کی ترسیل میں 8 فیصد اضافہ ہوا ہے۔ مزید یہ کہ بیٹ وے کلنگر کی فروخت انڈسٹری کی مجموعی فروخت کے 46 فیصد رہی ہے۔ سخت ترین مقابلے کے باوجود بیٹ وے سینٹ نے شمالی زون کی منڈی میں اپنا حصہ اور بطور ملک کے سب سے بڑے سینٹ کے پیداواری ادارے اور مارکیٹ لیڈر کی حیثیت کو برقرار رکھا۔

پیداواری جھلکیاں

30 جون 2017 کو ختم ہونے والے سال کے دوران کمپنی کی خام آمدن پچھلے سال کے 58.5 ارب روپے کے مقابلے میں 71.4 ارب روپے ریکارڈ کی گئی اس طرح 22 فیصد اضافہ دیکھنے میں آیا۔ خالص آمدن 45.7 ارب روپے کے مقابلے میں 13 فیصد اضافے کے ساتھ 51.6 ارب روپے رہی۔ سینٹ کی فروخت میں اس اضافے کی وجہ زبردستی سال کے دوران مقامی طلب میں اضافہ اور کلنگر کی فروخت ہے، مگر جزوی طور پر برآمدات اور صفائی قیمت کی کمی نے اسے متاثر کیا۔ اس سال خام منافع 6.5 فیصد اضافے کے ساتھ 22.5 ارب روپے رہا۔

پچھلے سال کے 1.8 ارب روپے کے مقابلے میں اس سال کے دوران مالیاتی اخراجات 0.8 ارب روپے رہے اس کی بنیادی وجہ صحت مند ترسیلات زر اور موثر انتظام زر کے باعث قرضہ جات کی ادائیگیاں ہیں۔ بیٹ وے کے باکفایت پیداواری ڈھانچے کی بدولت منافع میں اضافہ جاری رکھے ہوئے ہیں۔ اس سال قبل از ٹیکس منافع 30 جون 2016 کو ختم ہونے والے سال میں ہونے والے 17.1 ارب روپے کے مقابلے میں 9.3% اضافے کے ساتھ 18.7 ارب روپے رہا۔ بعد از ادائیگی ٹیکس منافع بھی 11.9 ارب روپے کے مقابلے میں 12 فیصد اضافے کے ساتھ 13.3 ارب روپے رہا۔ 30 جون 2017 کو ختم ہونے والے سال کے دوران کمپنی کی فی ٹھوس آمدن پچھلے سال کے 20.16 روپے کے مقابلے میں 22.29 روپے رہی ہے۔

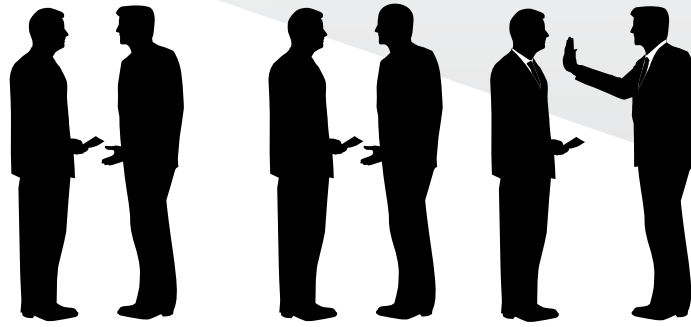
بیلنس شیٹ

30 جون 2017 کو ختم ہونے والے سال کے دوران کمپنی کی کل ایکویٹی (Equity) پچھلے سال کے 41.9 ارب روپے سے بڑھ کر 47.8 ارب روپے ہو گئی ہے۔ آپ کی کمپنی ہر قسم کے قرضہ جات کیلئے اپنی ادائیگی کی ذمہ داریوں سے بدستور مقررہ وقت پر عمدہ برآء ہوتی رہی ہے۔ 30 جون 2017 کو کمپنی کا طویل مدتی قرضہ پچھلے سال کے 16.5 ارب روپے کے مقابلے میں 10 ارب روپے تھا کیونکہ کمپنی نے اپنے ذمے واجب الادا 6.5 ارب روپے کا قرضہ ادا کر دیا۔ 30 جون 2017 کو کمپنی کے خالص موجودہ اثاثہ 2 ارب روپے پر قائم رہے (2016: 2 ارب روپے)۔

دیگر سرمایہ کاریاں

یونائیٹڈ بینک لمیٹڈ

یونائیٹڈ بینک لمیٹڈ میں آپ کی کمپنی کی سرمایہ کاری کیلئے بدستور سود مند ثابت ہوئی ہے۔ 31 دسمبر 2016 کو ختم ہونے والے سال کے دوران بینک کا قبل از ٹیکس منافع پچھلے سال 43.4 ارب روپے کے مقابلے میں 47.2 ارب روپے تھا جس کا مطلب 8.8 فیصد اضافہ ہے۔



SAY NO TO CORRUPTION

www.jamapunji.pk





**Be aware, Be alert,
Be safe**

Learn about investing at
www.jamapunji.pk

Key features:

- 📄 Licensed Entities Verification
- 🔍 Scam meter*
- 🎮 Jamapunji games*
- 🧮 Tax credit calculator*
- 👤 Company Verification
- 📋 Insurance & Investment Checklist
- 👉 FAQs Answered

- 📈 Stock trading simulator (based on live feed from KSE)
- 📖 Knowledge center
- 📊 Risk profiler*
- 🧮 Financial calculator
- 📱 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 📖 Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

jamapunji.pk @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

PROXY FORM

The Company Secretary
Bestway Cement Limited
Bestway Building, 19-A, College Road,
F-7 Markaz, Islamabad.

Folio No. / CDC A/C No.	
Shares held	

I/We _____ of _____
being a member (s) of Bestway Cement Limited (the 'Company') hereby appoint Mr./Mrs./Miss _____ of _____ or failing him/her Mr./Mrs./Miss _____ of _____ (being member(s) of the Company as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, September 28, 2017 at 10:00 a.m. at the Registered Office, Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad and at every adjournment thereof.

Signed this _____ day of _____ 2017.

- Witness: _____
Signature _____
Name _____
CNIC/Passport No. _____
Address _____
- Witness: _____
Signature _____
Name _____
CNIC/Passport No. _____
Address _____



Signature _____
(Signature appended above
should agree with the specimen
signatures registered with the
Company.)

Important:

- This form of proxy, duly completed and signed, must be received at the Registered Office of the Company, Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad not less than 48 hours before the time of holding meeting.
- No person shall act as proxy unless he/she himself/herself is a member of the Company, except that a corporation may appoint a person who is not a member.
- If a member appoints more than one proxy and more than one instrument of proxy is deposited by the member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders the following requirements have to be met:

- The form of proxy shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the form of proxy.
- The proxy shall produce his original CNIC or original passport at the time of meeting.
- 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 the form of proxy to the Company.

پراکسی فارم

کمپنی سیکرٹری

بیسٹ وے سینٹ لمیٹڈ

بیسٹ وے بلڈنگ، 19-A کالج روڈ

F-7 مرکز، اسلام آباد

فولیو نمبر / CDC A/C No.	
شیرزہ میلڈ	

میں / ہم _____ ساکن _____ بحیثیت بیسٹ وے سینٹ لمیٹڈ (کمپنی) کے رکن / اراکین اپنی جانب سے
محترم / محترمہ _____ ساکن _____ یا ان محترم / محترمہ کی ناکامی کی صورت میں محترم / محترمہ
_____ ساکن _____ (بحیثیت رکن / اراکین) کو بذریعہ ہذا اپنا / ہمارا پراکسی مقرر کرتا / کرتی ہوں تاکہ میری / ہماری عدم
موجودگی میں کمپنی کے سالانہ اجلاس عام جو کہ 28 ستمبر 2017 بروز جمعرات دن 10:00 بجے رجسٹرڈ آفس، بیسٹ وے سینٹ لمیٹڈ، بیسٹ وے بلڈنگ، 19-A کالج روڈ، اسلام میں منعقد ہو رہا ہے یا
اس کے التوائی اجلاس میں میری / ہماری طرف سے شرکت اور ووٹ دے سکے۔
دستخط کئے گئے _____ دن _____ سال 2017

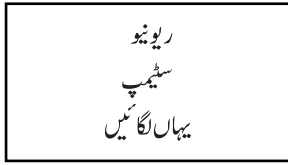
1- گواہ:

دستخط: _____

نام: _____

قومی شناختی کارڈ / پاسپورٹ نمبر: _____

پتہ: _____



2- گواہ:

دستخط: _____

نام: _____

قومی شناختی کارڈ / پاسپورٹ نمبر: _____

پتہ: _____

دستخط: _____

مندرجہ بالا دستخط کو کمپنی میں رجسٹرڈ دستخطوں

کے نمونہ جات کے ساتھ مطابقت رکھنا

چاہیے۔

ضروری نوٹ:

1- مکمل دستخط شدہ پراکسی فارم کمپنی کے رجسٹرڈ دفتر، بیسٹ وے سینٹ لمیٹڈ، بیسٹ وے بلڈنگ، 19-A کالج روڈ، اسلام آباد میں اجلاس کے وقت سے کم از کم 48 گھنٹے پہلے موصول
ہو جانا چاہیے۔

2- کوئی بھی شخصیت اس وقت تک پراکسی کا کردار نہیں ادا کر سکتا / سکتی جب تک کہ وہ کمپنی کا / کی رکن نہ ہو، البتہ کارپوریٹیشنز کسی بھی ایسے فرد کو نامزد کر سکتی ہیں جو کمپنی کا رکن نہ ہو۔

3- اگر کوئی رکن ایک سے زیادہ پراکسی کو نامزد کرتا ہے اور ایک سے زیادہ انسٹرومنٹ برائے پراکسی کمپنی کو جمع کراتا ہے تو ایسے تمام انسٹرومنٹ برائے پراکسی غیر تصور ہوں گے۔

سی ڈی سی کھاتہ داران کیلئے درج ذیل ضروریات کو پورا کرنا ضروری ہے:

1- پراکسی فارم کیلئے دو افراد گواہ ہوں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہونے چاہئیں۔

2- پراکسی کے ہمراہ مالکان اور پراکسی دونوں کے شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ساتھ مہیا کرنا ہوگی۔

3- جلسے کے وقت پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔

4- کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی رضامندی / مختیار نامہ بمعہ نمونہ دستخط پراکسی فارم کے ساتھ (اگر پہلے نہ مہیا کی گئی ہو تو) کمپنی کے پاس جمع کرانی ہوگی۔



Bestway Cement Limited

Bestway Building, 19-A, College Road
F-7 Markaz, Islamabad 44000, Pakistan

Tel: +92 51 265 4856-64

Fax: +92 51 265 4865-66

UAN: +92 51 111 111 722

www.bestway.com.pk