



**FECTO CEMENT LIMITED
ANNUAL REPORT 2017**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Aamir Ghani Chairman
 Mr. Mohammed Yasin Fecto Chief Executive
 Mr. Khalid Yacoob
 Mr. Ijaz Ali
 Mr. Safdar Abbas Morawala
 Mr. Altaf A Hussain
 Mr. Mohammed Anwar Habib
 Mr. Jamil Ahmed Khan
 Mr. Rohail Ajmal (Nominee of Saudi Pak Industrial & Agricultural Investment Co. Ltd.)

SECRETARY

Mr. Abdul Samad, FCA

LEGAL ADVISOR

Mian Nisar Ahmed & Co. (MNACO)
 11-E/II, Main Gulberg
 Lahore

REGISTERED OFFICE

35-Darul Aman Housing Society
 Block 7/8, Shahrah-e-Faisal
 Karachi
 Website <http://www.fectogroup.com>

MARKETING OFFICE

House # 13, Najam Shaheed Street
 Atta ul Haq Road, Westridge-1
 Rawalpindi

AUDIT COMMITTEE

Mr. Mohammed Anwar Habib Chairman
 Mr. Safdar Abbas Morawala
 Mr. Altaf A. Hussain

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Jamil Ahmed Khan Chairman
 Mr. Aamir Ghani
 Mr. Mohammed Anwar Habib

AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq,
 Chartered Accountants

SHARE REGISTRAR

Technology Trade (Private) Limited
 241-C, Block 2, P.E.C.H.S.
 Karachi

FACTORY

Sangjani, Islamabad

Vision Statement

To compete in tough and competitive market, focusing on “Satisfaction” of customers, and stakeholders with challenging spirit and flexibility, striving hard to make profit, creating value for our customers and to continue as a successful company.

Mission Statement

To manage and operate the company in a manner that allows growth and profitability without high risk for stakeholders and the company by offering quality product to our customers, while striving to improve our products to meet our customers needs.

Corporate Strategy

Our Corporate Strategy and objectives for the future are to find new and improved means of cost reduction, fuel economy and to acquire advanced manufacturing capabilities to support our product development efforts and product line expansion and stand ready to leverage our debts and be responsive to the changing economic scenario. We believe in harnessing the inherent strength of available human resource and materials to the utmost and commitment for building a solid foundation poised for sustainable growth for the long-term benefit of our shareholders and our employees.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of the Members of the Company will be held at Registered Office, 35-Darul Aman Housing Society, Block 7/8, Shahrah-e-Faisal, Karachi, on Thursday, October 26, 2017 at 12.00 noon to transact the following businesses:

ORDINARY BUSINESSSES

- 1) To receive, consider and adopt the Annual Audited Accounts for the year ended June 30, 2017 together with the Directors' and Auditors' Reports thereon.
- 2) To consider and if deemed fit, approve the payment of final cash dividend @ 25% (Rs. 2.50 per share) for the financial year ended June 30, 2017 as recommended by the Board of Directors.
- 3) To appoint Auditors for the year ending June 30, 2018 and fix their remuneration. Present auditors M/s. Rahman Sarfarz Rahim Iqbal Rafiq, Chartered Accountants retires and being eligible have offered themselves for the re-appointment. The Board based on the recommendation of Audit Committee of the Board proposed the appointment of M/s. Rahman Sarfarz Rahim Iqbal Rafiq Chartered Accountants as auditors of the Company for the year ending June 30, 2018.

SPECIAL BUSINESS

- 4) To approve the remuneration payable to the Chief Executive, as recommended by the Board of Directors, and in this respect pass with or without modification, following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT commencing November 01, 2017, the monthly remuneration of Chief Executive be and is hereby fixed at Rs. 3,000,000/- with an annual increment of 15%. He will also be entitled to all other benefits available to executives of the Company in accordance with Company's Rules."
- 5) To transact any other business with the permission of the Chair.

By Order of the Board


(ABDUL SAMAD)
 COMPANY SECRETARY

Karachi: September 27, 2017

Notes:

1. The Share Transfer Books of the Company will remain closed from Thursday, October 19, 2017 to Thursday, October 26, 2017 (both days inclusive). Transfers received in order by our Shares Registrar at the close of business on Wednesday, October 18, 2017 will be considered in time for the entitlement of transferee.
2. A member of the Company entitled to attend and vote at this meeting may appoint another member as a proxy to attend, speak and vote instead of him/her. An instrument appointing a proxy must be received at the Registered Office of the Company not later than forty eight hours before the time of holding the Meeting. The proxy shall produce his/her CNIC or passport to prove his/her identity.
3. Members are requested to notify any change in their address immediately.
4. Securities and Exchange Commission of Pakistan (SECP) vide notifications dated August 18, 2011 and July 05, 2012 made it mandatory that dividend warrants should bear CNIC number of the registered member, therefore, members who have not yet submitted photocopy of their valid Computerized National Identity Cards to the Company are requested to send the same at the earliest to enable the Company to comply with relevant laws. Failure to provide the same would constrain the Company to withhold dispatch of dividend warrants.
5. As required by the Section 242 of the Companies Act, 2017, all listed companies are bound to pay cash dividend to their shareholders only through electronic mode directly into bank account designated by the entitled shareholder.

 SECP vide circular 18/2017 dated August 01, 2017 granted relaxation from the applicability of this Section till October 31, 2017, however, with effect from November 01, 2017 all dividend payment are required to be made through electronic mode only.

 In order to comply with this requirement, shareholders are requested to submit electronic credit mandate form duly signed with their CNIC to our registrar in case of physical shares. Shareholders holding their shares in CDS system are requested to submit Electronic Credit Mandate Form directly to CDC. **(Electronic Mandate Form is being sent with this notice).**
6. CDC Account Holders will have to further follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
7. Member(s) who wish to receive annual financial statements and notice of annual general meeting through email, instead of through courier/post are requested to give their consent in writing to the Company with their registered Email address so the Company can provide you the same at your valid Email ID.
8. The annual report of the Company has been uploaded at the Company's website **www.pectogroup.com**
9. The Company shall provide video conference facility to its members residing outside Karachi for attending the meeting through video link. The said facility is subject to receiving demand from members holding an aggregate of 10% or more shareholding and if demand is received at least 7 days before the date of meeting.

In this regard members who wish to avail this facility are requested to please send their request duly signed as per the following format to the registered address of the Company.

DIRECTORS' REPORT TO THE MEMBERS

Dear Members

The Board of Directors has pleasure in presenting before you the annual report together with Audited Financial Statements of the Company for the year ended June 30, 2017.

OVERVIEW

During the year under review, overall dispatches of industry witnessed a growth of 3.71% with total sales volume of 40.32 million tons as against the total sales volume of 38.87 million tons of last year. Local sales volume of the industry increased by 8.03% with sales volume of 35.66 million tons as against the sales volume of 33.00 million tons of last year whereas exports of the industry witnessed a negative growth of 20.59% with sales volume of 4.66 million tons as against the exports sales volume of 5.87 million tons of last year.

Overall sales volume of plants located in north increased to 32.29 million tons witnessing a growth of 4.48%, out of which local sales volume was of 29.14 million tons whereas exports were 3.15 million tons. Growth in local sales volume hence, was 7.71% as against reduction of 18.22% in exports for the plants located in north.

Overall sales volume of plants located in south witnessed a meager growth of just 0.70%, this was due to reduction in exports by 25.10% whereas local sales volume increased by 9.47%.

OPERATING PERFORMANCE

Production and dispatches of the Company for the year under review with comparison to last year were as follows:

	----- TONS -----		
	2017	2016	CHANGE IN %
<u>Production</u>			
Clinker	789,904	661,103	19.48
Cement	773.180	735,501	5.12
<u>Dispatches</u>			
Local	659,974	593,391	11.22
Export	111,688	143,280	(22.05)
Total	771,662	736,671	4.75

Production of clinker and cement of the Company increased by 19.48% and 5.12% respectively for the year under review as compared to last year.

Local sales volume of the Company during the year under review witnessed a growth of 11.22% as against the growth of 8.03% of the industry. Exports, however, reduced by 22.05% mainly due to lesser exports to Afghanistan. Overall sales volume of the Company hence witnessed a growth of 4.75% as compared to last year.

I/We _____ of _____ being a member of Fecto Cement Limited, holder of _____ ordinary share(s) as per Registered Folio/ CDC Account No. _____ hereby opt for video link facility at _____.

Signature of Member

10. Deduction of Income Tax from dividend under Section 150 of the Income Tax Ordinance 2001

Through the Finance Act 2017 rates of withholding tax from payment of dividend effective July 01, 2017 have been revised whereby rate of tax deduction for non filer of income tax returns is increased to 20% as against the 15% for filers of income tax returns.

In order to enable the Company to ascertain the status of shareholders as filer or non filer all shareholders of the Company who holds shares in physical form are requested to send a copy of valid CNIC together with NTN certificate to share registrar of the Company. Shareholders holding shares in Central Depository System (CDS) of Central Depository Company Pakistan Limited (CDC) are requested to send their copies of valid CNIC and NTN certificate to CDC Participants/CDC Investor Account Service. Non submission of requested documents by any shareholder will result deduction of tax at higher rate.

In case of joint account, please intimate proportion of shareholding as each account holder is to be treated individually as either filer or non filer, tax will be deducted on the basis of shareholding, in case Company does not receive any intimation, each account holder shall be assumed to have equal number of shares.

Members seeking either exemption from income tax deduction on dividend income or deduction at reduced rate under any provision of the Income Tax Ordinance, 2001 are requested to submit valid tax exemption certificate or necessary documents, as the case may be latest by wednesday, October 18, 2017.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 (SECTION 160(1) (b) OF THE REPEALED COMPANIES ORDINANCE, 1984)

Salary of Chief Executive and one executive Director was last raised by the shareholders in 2013 and since then no increase has been made. Further, after resignation of Executive Director work load of the Chief Executive has increased. The Board of Directors based on the recommendation of HR and Remuneration Committee have proposed increase in existing monthly remuneration of Chief Executive from Rs. 1,000,000 to Rs. 3,000,000 plus all other benefits available to executives in accordance with Company's Rules.

Approximate value of benefits is Rs. 9.00 Million per annum which mainly comprises Bonus/exgratia paid to all employees and fuel and maintenance cost of car.

The Chief Executive will be interested in the business of fixing of remuneration to the extent of remuneration payable to him.

All other directors have no interest in the transaction of special business.

FINANCIAL PERFORMANCE

Following is the comparison of financial results of the Company for the year under review with last year.

	Rupees in 000 except EPS		CHANGE IN %
	2017	2016	
Net Sale - Local	4,551,604	4,204,696	8.25
Net Sale – Export	579,140	826,926	(29.96)
Net Sale - Total	5,130,744	5,031,622	1.97
Cost of Sales	3,573,968	3,408,172	4.86
Gross Profit	1,556,776	1,623,450	(4.11)
Profit before taxation	1,091,492	1,158,876	(5.81)
Profit after taxation	760,693	813,825	(6.53)
Earning Per Share (Rupees)	15.17	16.22	(6.53)

SALES REVENUE

During the year under review, overall net sales revenue of the Company increased by 1.97% as compared to last year. Main reason for such increase was improved local sales volume.

Net local sales revenue increased by 8.25% as against increase in volume by 11.22% which, indicates that local sale prices reduced as compared to last year. Export sales revenue of the Company reduced by 29.96% out of which 22.05% was due to reduction in volume whereas 7.91% was due to reduction in price.

PROFITABILITY

Cost of sales of the Company during the year under review increased by 4.86% in line with increase in sales volume and production of clinker and cement respectively. Coal prices which remained stable in international market during last financial year witnessed increasing trend from end of first half of the current financial year. Excess import of coal due to initiation of coal based power plants and increased production put pressure on transportation charges as well. These factors resulted in increase in fuel and power cost by 25.12%.

Gross profit for the year under review reduced by 4.11% as compared to last year, accordingly the Company achieved gross profit rate of 30.34% of net sales as against the 32.26% of last year.

Overall administrative expenses increased by 1.13% as compared to last year. Legal and professional charges, however, increased by 65.34% due to filling of suit in Islamabad High Court against CDA and others for cancellation of mining lease.

Distribution cost increased in line with local sales volume and payment of higher commission due to market conditions.

The Company earned profit before taxation of Rs. 1,091.49 million as against profit before taxation of Rs. 1,158.88 million of last year.

Provision for taxation reduced to Rs. 331.00 million as against the provision of 345 million of last year.

Earning per share (EPS) of your Company for the year under review was Rs. 15.17 per share as against the earning per share of Rs. 16.22 per share of last year.

ENHANCEMENT IN PRODUCTION CAPACITY

During the year the Company carried out certain modification in the plant by replacing kiln coal dosing equipment and motors of both ID fans which resulted in increase in production of clinker from 2,600 MT per day to 2,760 MT per day. Cement production hence also increased from 2,730 MT per day to 2,900 MT per day.

FUTURE PROSPECTS

Demand of cement in local market has been improved for last three years and it is expected that this trend will continue in the current financial year, considering the fact that substantial budget is allocated for public sector development projects by the Government. Improved law and order situation, lower inflation and interest rates, stable economic outlook will benefit the industry. Coal prices in international market have increased and further any increase may affect the profitability of the industry. Proper and efficient utilization of allocated development budget and initiation of projects under Pak China Economic Corridor would help cement sector to grow. Exports are expected to remain depressed in current year as well. Political stability in the country will also spur the demand of cement.

CORPORATE GOVERNANCE

The Directors are pleased to inform that the company has fully complied with the Code of Corporate Governance as contained in the listing regulations of Pakistan Stock Exchange where the Company is listed.

In compliance with the Code of Corporate Governance, the Directors are pleased to state that:

1. The financial statements, prepared by the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
2. Proper books of account have been maintained by the company;
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;
5. The system of internal control is sound in design and has been effectively implemented and monitored;
6. There are no significant doubts upon the company's ability to continue as a going concern;
7. The value of Provident Fund Investments as per audited accounts of Provident Fund Trust for the year ended June 30, 2016 was Rs. 288 million.
8. There is no outstanding statutory payment due on account of taxes, levies and charges except normal and routine nature.

Key operating and financial data for the last six years is annexed.

During the year five (5) meetings of the Board of Directors were held. Attendance by each Director is given below:

	Attended
Mr. Mohammed Yasin Fecto	5
Mr. Mohammed Asad Fecto	0
Mr. Altaf A Hussain	5
Mr. Aamir Ghani	4
Mr. Rohail Ajmal	2
Mr. Safdar Abbas Morawala	5
Mr. Ijaz Ali	4
Mr. Mohammed Anwar Habib	5
Mr. Khalid Yacoob	5

Directors who could not attend the meeting due to illness or some other engagements were granted Leave of absence. Mr. Mohammed Asad resigned from the Board on June 12, 2017 and casual vacancy was filled up by the Board Subsequent to year end.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Board of Directors of your Company has established Audit Committee of the Board in compliance with the requirements of CCG 2012. Term of reference of the Committee was duly communicated to the members by the Board.

During the year four (4) meetings of the Committee were held. Attendance by each member is given below:

	Attended
Mr. Mohammed Anwar Habib	Chairman/Independent Director 4
Mr. Safdar Abbas Morawala	Independent Director 4
Mr. Altaf A Hussain	Independent Director 4

HUMAN RESOURCE AND REMUNEARTION COMMITTEE

In compliance with the requirements of CCG 2012, The Board of Directors has established this Committee comprising three members, of whom all are non executive directors, whereas chairman of the Committee is an Independent Director. Term of reference of the Committee was duly communicated to the members by the Board. During the year one meeting of the committee was held which was attended by all the members.

TRAINING PROGRAM OF DIRECTORS

Out of nine directors 2 directors are exempt from the certification, whereas five (5) directors have already attained training program.

CORPORATE SOCIAL RESPONSIBILT Y

Your Company being a responsible corporate citizen always conscious to discharge its obligations towards the people who work for it day and night, people around its work place and to the society as a whole. Few of the highlights of the initiatives undertaken by the Company during the year were provision of clean water to nearby village for which a reservoir and pipe line were constructed by the Company. Company has also installed an electric pump for smooth supply of water. Company also undertook renovation of a girl school which includes construction of boundary wall and complete plastering and white wash of whole school building.

CONTRIBUTION TO NATIONAL EXECHEURE

Your company contributed around Rs. 1,668 million in national exchequers as sales tax and Federal excise duty compared to Rs 1,108 million of last year. Company also brought in foreign exchange of around US\$ 5 million in the country by exporting cement and made contribution to national exchequer on account of income tax, royalty payment and also collected and deposited income tax from its suppliers and staff on behalf of FBR

CANCELLATION OF MINING LEASE

The auditors have drawn attention of the members to the note 7.1 in respect of cancellation of mining lease. As we had informed our members in our earlier reports that on March 17, 2015 Company received a letter from Director Industries and Labour, ICT, Islamabad informing the Company of cancellation of its mining lease allegedly on the order of Supreme Court of Pakistan dated March 16, 2015. The Company also received a letter from Capital Development Authority (CDA) mentioning therein withdrawal of NOC issued by CDA to ICT. The above order of Supreme Court was actually passed in a contempt of court proceeding seeking implementation of an earlier order of Supreme Court of Pakistan dated October 25, 2013 in which the Company was not a party.

The Company had not received ANY notice from the Hon'ble Supreme Court or any party to the proceeding that ANY matter was pending against the Company before the Hon'ble Supreme Court of Pakistan. Thus, the Company had no knowledge of earlier hearings in the matter. Therefore, on the next date of hearing i.e. 19-03-2015, the Company was represented before the Hon'ble Supreme Court by its learned counsel. The Hon'ble Supreme Court passed a detailed order wherein it was observed, "We, therefore, expressed our surprise that the said Bashir Ahmed had stated in his letter that it was in pursuance of Supreme Court order and on that basis he had proceeded to cancel the mining lease issued to M/s Fecto Cement Limited. The matter is still pending in the Supreme Court of Pakistan where the Company has filed a review petition to seek the review of the Order dated October 25, 2013. The Company has also filed a suit before the Islamabad High Court Challenging the order of cancellation mining lease by the ICT, withdrawal of NOC by CDA including other actions taken by it against the Company. The Company is vigorously contesting the matters and based on the legal opinion, believes that out come of the matter will be in favour of the Company.

Mining activities meanwhile are suspended; however, the Company has made arrangements to continue its production and dispatch operations.

INDUSTRIAL RELATIONS

Company believes that its best assets are the one who work for it and constant efforts are made to provide them all facilities. Hence, management employee relations have always been very cordial and no industrial unrest has ever been witnessed in the company.

AUDITORS

Present auditors M/s. Rahman Sarfaraz Rahim Iqbal Rahim, Chartered Accountants, retire and being eligible, have offered them for re-appointment. The Audit Committee of the Board has also recommended their appointment as Statutory Auditors of the Company for the year ending June 30, 2018 and Board would also like to endorse the recommendation of the Audit Committee.

PATTERN OF SHAREHOLDING

Statements showing the pattern of shareholding as at June 30, 2017 required under the Companies Ordinance, 1984 and the Code of Corporate Governance are annexed.

APPROPRIATION

The appropriations approved by the Board are as follows:

	Rupees in 000
Profit after taxation	760,693
Un appropriated profit brought forward	2,181,850
Available for appropriation	2,942,543
Appropriation:	
Final Cash Dividend paid for the year ended 30 June 2016 @ 20% i.e. Rs. 2.00/= per share	100,320
Un appropriated profit carried forward	2,842,223

SUBSEQUENT EFFECT

Considering the future plans of the Company the Board in its meeting held on September 27, 2017 has proposed a final cash dividend of 25% i.e. (Rs. 2.50 per share).

ACKNOWLEDGMENT

The Directors would like to place on record their appreciation for the strenuous efforts and dedicated work of the staff and workers and for the efforts made by the dealers in giving full support to our marketing policies. We would also like to express our sincere thanks to all the financial institutions and banks for their continued support and co-operation.

On behalf of the Board



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE

Karachi: September 27, 2017

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2017

No. of Shareholders	Shareholding		Total shares
	From	To	
429	1	100	10,651
434	101	500	118,987
693	501	1000	420,227
289	1001	5000	617,778
48	5001	10000	363,252
15	10001	15000	202,042
5	15001	20000	87,560
5	20001	25000	113,800
2	25001	30000	59,100
3	30001	35000	102,100
4	35001	40000	145,100
4	40001	45000	164,600
3	45001	50000	149,900
3	55001	60000	169,640
1	60001	65000	63,730
3	60001	70000	206,500
1	80001	85000	84,530
1	85001	90000	86,500
1	95001	100000	100,000
2	100001	105000	202,800
1	135001	140000	139,700
1	155001	160000	157,937
2	195001	200000	400,000
1	210001	215000	214,000
1	235001	240000	239,200
1	240001	245000	243,200
1	265001	270000	265,200
1	270001	275000	274,670
1	275001	280000	275,990
1	315001	320000	319,500
1	320001	325000	324,500
1	355001	360000	357,500
1	400001	405000	401,500
3	410001	415000	1,237,500
1	435001	440000	436,000
1	455001	460000	460,000
1	480001	485000	484,000
1	495001	500000	500,000
1	525001	530000	529,100
1	550001	555000	550,880
1	620001	625000	625,000
1	645001	650000	645,100
1	650001	655000	654,500
1	665001	670000	666,050
1	695001	700000	697,600
1	775001	780000	776,620
1	910001	915000	910,500
1	980001	985000	981,500
2	1025001	1030000	2,056,450
1	1095001	1100000	1,099,230
1	1125001	1130000	1,127,255
1	1420001	1425000	1,421,970
1	1485001	1490000	1,485,253
1	3035001	3040000	3,039,700
1	4165001	4170000	4,169,916
1	8370001	8375000	8,371,146
1	10150001	10155000	10,153,036

1987	50,160,000
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CATEGORIES OF SHAREHOLDER

AS AT JUNE 30, 2017

Shareholders' Category	Number of Shareholders/Shares Folios	Number of Shares held
Associated Companies, undertakings and related parties	-	-
NIT and ICP	4	1,131,395
Directors		
Mr. Mohammed Yasin Fecto	2	14,322,952
Mr. Khalid Yacoob	1	2,750
Mr. Altaf A. Hussain	1	2,750
Mr. Safdar Abbas Morawala	1	2,750
Mr. Ijaz Ali	1	2,750
Mr. Aamir Ghani	1	2,750
Mr. Mohammad Anwar Habib	1	2,750
	8	14,339,452
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance and Modarabas	14	4,277,321
Mutual Funds		
CDC Trustee NAFA Stock Fund	1	243,200
CDC Trustee JS Islamic Fund	1	319,500
MCB FSL CDC Trustee JS Value Fund	1	214,000
CDC - TRUSTEE UNIT TRUST OF PAKISTAN	1	265,200
CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION	1	239,200
CDC - TRUSTEE NAFA ISLAMIC PENSION FUND	1	35,500
CDC - TRUSTEE NAFA PENSION FUND EQUITY	1	49,900
MC FSL CDC Trustee JS Growth Fund	1	460,000
	8	1,826,500
OTHERS		
Foreign	4	987,600
Institutions	29	593,622
Individuals - Local	1,920	27,004,110
	1,953	28,585,332
Total	1,987	50,160,000
Detail of trading in shares by the Directors, Chief Financial Officers, Company secretary and their spouse and Minor Children		
Purchased		
Mohammed Yasin Fecto		12,541,062
Sale		
Mohammed Asad Fecto	*	8,371,146
Shareholders holding 5% or more voting interest		
Mr. Mohammed Yasin Fecto		14,322,952
Muslim Commercial Bank Limited - Treasury		3,039,700
Mr. Mohammed Asad Fecto	*	8,371,146

There were no trading in share other than as mentioned above by any Directors, Chief Financial Officer, Company Secretary and Executives and their Spouse and Minor Children.

*These shares have been agreed to acquire by the Chief Executive Mr. Mohammed Yasin Fecto during the year but have been transferred subsequent to the year end.

The term executives includes employees having salary of more then Rs. 300,000/= per month.

SIX YEARS KEY OPERATING AND FINANCIAL DATA

Year ended June 30	2017	2016	2015	2014	2013	2012
PRODUCTION SUMMARY			(Tonnes)			
Clinker production	789,904	661,103	703,677	640,825	689,937	785,345
Cement production	773,180	735,501	694,458	680,919	708,346	791,937
Cement despatches	771,662	736,671	694,132	682,048	709,461	792,597
PROFIT & LOSS SUMMARY			(Rupees in thousand unless stated otherwise)			
Turnover (net)	5,130,744	5,031,622	4,779,145	4,723,814	4,588,064	4,342,634
Gross profit	1,556,776	1,623,450	1,465,349	1,277,219	1,254,550	965,662
Profit before tax	1,091,492	1,158,876	899,636	769,895	705,968	296,532
BALANCE SHEET SUMMARY						
Paid up capital	501,600	501,600	501,600	501,600	501,600	501,600
General Reserve	550,000	550,000	550,000	550,000	550,000	50,000
Accumulated Profit	2,842,223	2,181,850	1,869,625	1,327,395	857,454	824,464
Long term loan and lease finance	0	0	80,000	260,000	125,000	254,648
Deferred liabilities	377,960	403,944	436,830	245,133	117,979	25,809
Operating assets	1,825,092	1,867,644	1,957,505	1,964,768	2,051,702	2,136,402
MISCELLANEOUS						
Contribution to national exchequer	1,668,328	1,108,922	967,700	900,099	716,343	697,453
Earnings per share (Rs.)	15.17	16.22	12.31	11.87	11.63	6.91
Break up value per share (Rs.)	77.63	64.46	58.24	47.43	38.06	27.43
Current ratio	01:0.15	01:0.20	01:0.36	01:0.53	01:0.94	01:1.44
Debt/equity ratio	0:100	0:100	3:97	10:90	6:94	16:84
Dividend	25%	70%	50%	25%	15%	10%

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of Fecto Cement Limited (the Company) for the year ended June 30, 2017 to comply with the requirements of Rule 5.19 of the Rule book of the Pakistan Stock Exchange 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's 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 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 upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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

Karachi.
Date: September 27, 2017


Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Muhammad Waseem

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2017

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

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

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

Category	Names
Independent Directors	Ijaz Ali, Safdar Abbas Morawala, Altat A Hussain, Khalid Yacoob, Mohammed Anwar Habib and Jamil Ahmed Khan
Executive Directors	Mohammed Yasin Fecto and
Non-Executive Directors	Aamir Ghani and Rohail Ajmal

The independent directors meet 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 (7) listed companies including this company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange
4. A casual vacancy occurring on the Board on June 12, 2017 was filled up by the directors within 78 days.
5. The Company has prepared a "Code of Conduct" and ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive directors 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, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. As per the requirement of Regulation No. 5.19.7 of PSX Regulations, five (5) directors have already attended Directors' Training Program (DTP), two (2) directors meet the exemption requirement of the said Regulation. Remaining two (2) directors will attain certification in accordance with the requirement of said Regulation.
10. There was no new appointment of CFO, Company Secretary and Head of Internal Audit during the year. The Board has however, approved their appointment including terms and conditions of appointment as determined by the CEO.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an audit committee. It comprises Three (3) members, of whom, all are non-executive directors. The Chairman of the Committee is an independent Director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises three (3) members, of whom all are non executive directors and chairman of the committee is an independent director.
18. The Board has set-up an effective internal audit function.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The "closed period" prior to the announcement of interim/final results, and business decision, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges(s).

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated a 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 contained in the CCG have been complied with.

On behalf of the Board



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE

Karachi: September 27, 2017

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Fecto Cement Limited ("the Company") as at June 30, 2017, and the related profit & loss account, statement of comprehensive income, statement of changes in equity and cash flow statement 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 the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion, and to the best of our information and according to the explanations given to us, the balance sheet, profit & loss account, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017, and of the profit, other comprehensive income, changes in equity and its cash flows for the year then ended; and
- (d) in our opinion, zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the central Zakat Fund established under Section 7 of that Ordinance.

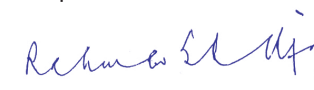
Emphasis of matter

Without qualifying our opinion we draw attention to note 7.1 to the financial statements which more fully discloses the fact that the Company is in litigation to contest the mining lease cancellation (including penalty) and the Company's responses / measures thereon.

Other matter

The financial statements of the Company for the year ended June 30, 2016 were audited by another firm of Chartered Accountants whose report dated September 29, 2016 expressed an unmodified opinion thereon and included emphasis of matter paragraphs in respect of cancellation of mining lease.

Karachi.
Date: September 27, 2017



Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Engagement Partner: Muhammad Waseem

BALANCE SHEET

AS AT JUNE 30, 2017

	Note	2017 Rupees in '000'	2016 Rupees in '000'
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital 75,000,000 Ordinary shares of Rs. 10/- each		<u>750,000</u>	<u>750,000</u>
Issued, subscribed and paid up capital 50,160,000 Ordinary shares of Rs.10/- each	4	<u>501,600</u>	501,600
General reserve		<u>550,000</u>	550,000
Accumulated profit		<u>2,842,223</u>	2,181,850
		<u>3,893,823</u>	3,233,450
NON-CURRENT LIABILITIES			
Deferred taxation	5	<u>377,960</u>	403,944
CURRENT LIABILITIES			
Trade and other payables	6	<u>547,854</u>	423,506
Taxation - net		<u>-</u>	15,808
		<u>547,854</u>	439,314
Contingencies and commitments	7	<u>-</u>	-
TOTAL EQUITY AND LIABILITIES		<u>4,819,637</u>	<u>4,076,708</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipments	8	<u>1,825,092</u>	1,867,644
Long term loans and deposits	9	<u>24,733</u>	11,588
		<u>1,849,825</u>	1,879,232
CURRENT ASSETS			
Stores, spares and loose tools	10	<u>948,290</u>	901,305
Stock-in-trade	11	<u>1,277,174</u>	922,043
Trade debtors - considered good	12	<u>16,087</u>	12,563
Short term investments	13	<u>102,390</u>	-
Loans, advances, deposits, prepayments and accrued markup	14	<u>71,241</u>	32,623
Taxation - net		<u>97,262</u>	-
Cash and bank balances	15	<u>457,368</u>	328,942
		<u>2,969,812</u>	2,197,476
Total assets		<u>4,819,637</u>	<u>4,076,708</u>

The annexed notes from 1 to 32 form an integral part of the financial information.



(MOHAMMED YASIN FECTO)
Chief Executive



(JAMIL AHMED KHAN)
Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees in '000'	2016 Rupees in '000'
Sales - net	16	<u>5,130,744</u>	5,031,622
Cost of sales	17	<u>(3,573,968)</u>	(3,408,172)
Gross profit		<u>1,556,776</u>	1,623,450
Administrative expenses	18	<u>(241,393)</u>	(238,703)
Distribution cost	19	<u>(172,034)</u>	(139,266)
Finance cost	20	<u>(1,454)</u>	(12,483)
Other income	21	<u>30,491</u>	11,766
		<u>(384,390)</u>	(378,686)
		<u>1,172,386</u>	1,244,764
Workers' funds	22	<u>(80,894)</u>	(85,888)
Profit before taxation		<u>1,091,492</u>	1,158,876
Provision for taxation			
Current		<u>(356,783)</u>	(377,184)
Prior		<u>-</u>	(752)
Deferred		<u>25,984</u>	32,885
	23	<u>(330,799)</u>	(345,051)
Profit after taxation		<u>760,693</u>	813,825
Earnings per share - basic and diluted			
	24	<u>15.17</u>	16.22

The annexed notes from 1 to 32 form an integral part of the financial information.



(MOHAMMED YASIN FECTO)
Chief Executive



(JAMIL AHMED KHAN)
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	Rupees in '000'	
Profit after taxation	760,693	813,825
Other comprehensive income for the period	-	-
Total comprehensive income for the period	760,693	813,825

The annexed notes from 1 to 32 form an integral part of the financial information.


(MOHAMMED YASIN FECTO)
Chief Executive


(JAMIL AHMED KHAN)
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,091,492	1,158,876
Adjustments for:		
Depreciation	110,188	112,616
Provision for bad debts	-	4,951
Gain on disposal of operating assets	(45)	(200)
Unrealized loss on remeasurement of investments	724	-
Finance cost	1,454	12,483
	112,321	129,850
Operating profit before working capital changes	1,203,813	1,288,726
Effect on cash flow due to working capital changes (Increase) / decrease in current assets		
Stores, spares and loose tools	(46,985)	(76,744)
Stock-in-trade	(355,131)	140,119
Trade debtors - considered good	(3,524)	(3,965)
Loans, advances, deposits, prepayments and accrued markup	(38,618)	6,736
Increase/(decrease) in current liabilities		
Trade and other payables	188,094	(58,086)
Cash generated from operations	947,649	1,296,786
Taxes paid	(469,853)	(243,091)
Long term loans and deposits	(13,145)	269
Net cash generated from operating activities	464,651	1,053,964
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(67,797)	(20,235)
Short term investments made	(103,114)	-
Sale proceeds of operating assets	206	1,320
Net cash used in investing activities	(170,705)	(18,915)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term finance	-	(260,000)
Repayment of short term finance	-	(200,000)
Finance cost paid	(1,454)	(20,278)
Dividend paid	(164,066)	(446,279)
Net cash used in financing activities	(165,520)	(926,557)
Net increase in cash and cash equivalents	128,426	108,492
Cash and cash equivalents at the beginning of the period	328,942	220,450
Cash and cash equivalents at the end of the period	457,368	328,942

The annexed notes from 1 to 32 form an integral part of the financial information.


(MOHAMMED YASIN FECTO)
Chief Executive


(JAMIL AHMED KHAN)
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2017

	Share Capital	General Reserve	Profit	Total
	Rupees in '000'			
Balance as at June 30, 2015	501,600	550,000	1,869,625	2,921,225
Total comprehensive income for the period ended June 30, 2016	-	-	813,825	813,825
Transactions with owners recorded directly in equity				
Final Cash dividend @ 50% for the year ended 30 June, 2015	-	-	(250,800)	(250,800)
Interim Cash dividend @ 50% for the year ended 30 June, 2016	-	-	(250,800)	(250,800)
Balance as at June 30, 2016	501,600	550,000	2,181,850	3,233,450
Total comprehensive income for the period ended June 30, 2017	-	-	760,693	760,693
Transactions with owners recorded directly in equity				
Final Cash dividend @ 20% for the year ended 30 June, 2016	-	-	(100,320)	(100,320)
Balance as at June 30, 2017	501,600	550,000	2,842,223	3,893,823

The annexed notes from 1 to 32 form an integral part of the financial information.



(MOHAMMED YASIN FECTO)
Chief Executive



(JAMIL AHMED KHAN)
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

1 STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan on February 28, 1981 as a public limited company with its Registered Office situated at 35-Darulaman Housing Society, Block 7/8, Shahra-e-Faisal, Karachi, Sindh. Its shares are quoted on Pakistan Stock Exchange. It is principally engaged in production and sale of cement.

2 BASIS OF PREPARATION

2.1 Statement of compliance

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular no. 17 of 2017 dated July 20, 2017 communicated Commission's decision that the Companies whose financial year closes on or before Jun 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these financial statements have been prepared in accordance with 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 repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the Companies Ordinance, 1984 prevail.

2.2 Basis of measurement

These financial statements are prepared under the historical cost convention except short investments which are measure at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved financial reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Information about judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates and assumptions with a significant risk of material adjustment in the future periods are included in following notes:

- Useful lives and residual values of property, plant and equipment (note 3.1)
- Provision for slow moving and obsolete stores and spares (note 3.4)
- Provision for doubtful debts (note 3.8)
- Provision for taxation (note 3.10)

2.5 Initial application of new standards and amendments to approved accounting standards

2.5.1 Amendments to approved accounting standards effective during the year ended June 30, 2017:

There were certain new amendments to the approved accounting standards which became effective during the year ended June 30, 2017 but are considered not to be relevant or have any significant effect on the Company's financial reporting and are, therefore, not disclosed in these financial statements.

2.5.2 Standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2017:

There are certain new standards and amendments to the approved accounting standards that will become effective for the Company's annual accounting periods beginning on or after July 1, 2017. However, these amendments will not have a significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements. Further, the new standards are yet to be adopted by the SECP. In addition to the foregoing, the Companies Act 2017 which is not effective on these financial statements, has added certain disclosure requirements which will be applicable in future.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Property, plant and equipments

3.1.1 Owned

Operating assets are stated at cost (including where relevant related borrowing cost and exchange difference) less accumulated depreciation and impairment losses, if any, except free hold land which is stated at cost. Depreciation on additions is charged from the day asset put to use till the date of disposal.

Maintenance and repairs are charged to profit and loss as and when incurred. Major renewals and improvements are capitalized. Gains and losses on disposal of assets, if any, are included in income currently.

Depreciation is charged to profit and loss applying the straight line method at the rate specified below:

Items	Useful lives (Years)	Residual values (% of cost)
Factory building	21.5 - 23.5	-
Non-factory building	21.5 - 23.5	-
Plant, machinery and equipments	7 - 23.5	5
Quarry transport equipments	8 - 10	5
Furniture, fixtures and equipments	3 - 10	0 - 5
Motor vehicles	5	10

Useful lives, depreciation methods and residual values are reassessed annually and change, if any, are applied prospectively.

3.1.2 Leased

Assets subject to finance lease are accounted for by recording the assets and related liabilities. These are stated at lower of present value of minimum lease payments under the lease agreements and fair value of assets acquired on lease at the inception of lease. Assets acquired under the finance lease are depreciated over the useful life of the assets in the same manner as the owned assets.

Finance charge under the lease agreements is allocated over the periods during lease term so as to produce a constant periodic rate of financial charge on the outstanding balance of principal liability of each period.

3.2 Capital work in progress

Capital work in progress is stated at cost including, where relevant, related financing costs less impairment losses, if any. These costs are transferred to fixed assets as and when assets are available for use.

3.3 Staff benefits

The Company operates a defined contribution plan, provident fund, for all its regular permanent employees. Contributions are made equally by the Company and the employees as per the rules of the Fund.

The liability in respect of accumulated compensated absences of employees is accounted for in the period in which these absences are earned.

3.4 Stores and spares

These are valued under the moving average cost method (less impairment loss if any) other than stores and spares in transit which are valued at cost comprising invoice value plus other charges paid thereon less impairment loss if any.

Provisions are made in the financial statements for obsolete and slow moving inventory based on management's best estimate regarding their future usability.

3.5 Stock-in-trade

Stock-in-trade is valued at lower of cost and net realisable value. Cost signifies in relation to:

Raw Material excavated	At average cost comprising of excavation cost, labour and appropriate overheads.
Other Raw Material and Packing Material Purchased	At cost determined on first-in-first-out basis.
Work-in-process and Finished Goods	At average cost comprising direct material, labour and appropriate manufacturing overheads.

Net realizable value signifies the selling price less cost necessary to be incurred in order to make the sale.

3.6 Financial assets.

3.6.1 Classification :

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

a) Available for sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity. They are included in non-current assets unless the investment matures or management intends to dispose off it within 12 months of the end of the reporting date.

b) Fair value through

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

c) Held to maturity

Investments with a fixed maturity where the Company has the intent and ability to hold to maturity are classified as held to maturity investments. Held-to-maturity investments are carried at amortized cost using the effective interest rate method, less any impairment losses.

d) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. The Company's loans and receivables comprise 'trade debts', 'short term loans' and other receivables' in the balance sheet.

3.6.2 Recognition and measurement

Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the profit and loss account. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account within income / expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the profit and loss account when the Company's right to receive payments is established.

3.6.3 Impairment

The carrying amount of all assets not carried at fair value, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. Impairment loss is recognised in profit and loss account whenever carrying amount of an assets exceeds its recoverable amount.

3.6.4 Offsetting

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.7 Financial liabilities

Financial liabilities include short term borrowing and trade and other payables. All financial liabilities are recognised initially at fair value plus directly attributable transaction costs, if any, and subsequently measured at amortised cost using effective interest rate method.

3.8 Trade and other receivables

Trade and other receivables are carried at original invoice amount / cost, which is the fair value of the consideration to be received, less an estimate made for doubtful receivables which is determined based on management review of outstanding amounts and previous repayment pattern. Balance considered bad and irrevocable are written off.

3.9 Cash and cash equivalents

Cash and cash equivalents comprises cash and bank balances. Short term running finances that are repayable on demand and form an integral part of the Company's cash management policy are also included as a component of cash equivalents for the purpose of the statement of cash flows.

3.10 Foreign currency translation

Transactions in foreign currencies are converted into Rupees at the rate of exchange ruling on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the rate of exchange ruling at the balance sheet date. All exchange differences arising on transaction are charged to profit and loss account in that period.

3.11 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognized in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In that case the tax is also recognized in other comprehensive income or directly in equity, respectively. Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit and loss account.

Current

Current tax is the amount of tax payable on taxable income for the year, using tax rate enacted by or substantively enacted at the balance sheet date, and any adjustment to the tax payable in respect of previous year. Provision for current tax is based on higher of the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any or minimum tax u/s 113 of Income Tax Ordinance, 2001 after taking into account tax credits or Alternative corporate tax u/s 113C of Income Tax Ordinance, 2001. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred

Deferred tax is recognized using the balance sheet method, providing for temporary differences, at the balance sheet date, between carrying amount and the tax base of assets and liabilities for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and /or carry forward of unused tax losses or tax credits can be utilized.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

3.12 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payable are classified as current if payment is due within one year or less (or in normal operating cycle of business, if longer), if not, they are classified as non current liabilities. Liabilities for trade and other amounts payable are carried at amortised cost.

3.13 Provisions

A provision is recognised in the 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 resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.14 Revenue recognition

Revenue arising from the sale of goods is recognised when all of the following criteria have been satisfied:

- the company has transferred to the customer the significant risks and rewards of ownership;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company and;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Company recognises revenue from the sale of goods (including export sales) on despatch of goods to its customers.

Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

Dividend income is recognized when the right to receive the dividend is established. i.e. the book closure date of the investee company declaring the dividend.

3.15 Borrowing cost

Borrowing cost incurred upto the date the qualifying asset is ready for use and that is directly attributable to the acquisition or construction of related property, plant and equipment is capitalised as part of cost of the relevant asset. All other mark-up, interest and other related charges are charged to income in the period in which they occur.

3.16 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recognised as liability in the Company's financial statements in the period / year in which these are approved.

3.17 Research and development costs

Research and development costs are charged to income as and when incurred, except for certain development costs which are recognised as intangible assets when it is probable that the development project will be a success and certain criteria, including commercial and technological feasibility have been met.

4 SHARE CAPITAL

2017 Number of Shares	2016		2017 Rupees in '000'	2016
45,600,000	45,600,000	Ordinary Shares of Rs. 10/- each issued as fully paid in cash	456,000	456,000
4,560,000	4,560,000	Ordinary Shares of Rs. 10/- each issued as fully paid bonus shares	45,600	45,600
<u>50,160,000</u>	<u>50,160,000</u>		<u>501,600</u>	<u>501,600</u>

5 DEFERRED TAXATION

	2017 Rupees in '000'	2016
Taxable temporary differences arising in respect of : Accelerated tax depreciation	383,620	409,541
Deductible temporary difference arising in respect of : Unrealized gain on short term investment	(181)	-
Provision against slow moving and obsolete spares	(3,994)	(4,013)
Provision for bad debts	(1,485)	(1,584)
	<u>377,960</u>	<u>403,944</u>

	Note	2017 Rupees in '000'	2016
6 TRADE AND OTHER PAYABLE			
Creditors for Goods:			
Other creditors		168,596	32,926
Associated company		213	2,413
		168,809	35,339
Accrued expenses		50,692	41,741
Leave encashment payable		51,461	46,024
Worker's profit participation fund payable	6.1	58,620	62,238
Worker's welfare fund payable	6.2	102,333	80,058
Advances from customers		52,672	36,655
Deposits from dealers, contractors and suppliers		10,080	9,512
Royalty payable		3	7
Excise duty payable		15,118	6,723
Sales tax payable		1,303	10,066
Unclaimed dividend		17,851	81,608
Unpaid dividend		362	351
Other liabilities		18,550	13,184
		547,854	423,506
6.1 Worker's profit participation fund payable			
Opening balance		62,238	48,316
Charge for the year		58,619	62,238
		120,857	110,554
Less: Payment during the year		(62,237)	(48,316)
		58,620	62,238
6.2 Worker's welfare fund payable			
Opening balance		80,058	56,408
Charge for the year		22,275	23,650
		102,333	80,058

7 CONTINGENCIES AND COMMITMENTS

Contingencies

- 7.1** On 17 March 2015, the Company received a letter from Director Minerals, Industries and Labour Welfare Islamabad Capital Territory (ICT) informing the Company that the lease issued to it for mining had been cancelled in pursuance of the orders of the Honourable Supreme Court of Pakistan dated 16 March 2015. The said order was passed in a petition filed, dated 10 February 2015, seeking contempt proceedings to implement the order passed by the Honourable Supreme Court of Pakistan on 25 October 2013, whereby, the Honourable Supreme Court of Pakistan ordered Chairman ICT, Chairman National Highway Authority and other executing agencies to cease any activities towards construction of tunnel in the Margalla Hills enroute to the province of Khyber Pakhtunkhwa(KPK), moreover, CDA was also instructed not to grant further licenses for crushing of stones and immediately stop any such activities carried on. The Company also received a letter from Capital Development Authority (CDA), informing them that CDA had withdrawn its NOC issued in favour of the Company. The Company has for the time being ceased excavation of raw materials however it has significant stocks of raw material to continue its operations and has also access to alternative sources of raw material. The company has filed a review petition in the Honorable Supreme Court of Pakistan against the order passed by the Court dated 25 October 2013.

The Company had not received any notice from the Honourable Supreme Court of Pakistan or any other party to the proceedings that any matter was pending against the Company before the Honourable Supreme Court of Pakistan. Thus, the Company had no knowledge of earlier hearings on this matter. Upon receipt of the above mentioned letters, the Company, represented by its legal counsel Messrs Aitzaz Ahsan and Associates, has contested that the activities conducted by it were not in violation of the order of the Honourable Supreme Court of Pakistan.

As mentioned above, the Company has ceased the excavation of minerals, however management based on legal opinion of its legal counsel believes that the outcome of the pending litigation in the Honourable Supreme Court of Pakistan would be in favour of the Company.

During the year the Company has also filed a suit against CDA, ICT and others against declaration of unlawful cancellation of minning lease before Islamabad Hight Court. This civil suit has now been transferred to Civil Court, Islamabad after the transfer of jurisdiction from Islamabad High Court and is pending adjudication.

Further, a notice of recovery was served earlier on the Company by Deputy Director (Protection/Forest) creating a demand of Rs. 427.050 million as damage caused by the Company's mining activities and raised the matter before senior special magistrate (CDA).

The Company has challenged the recovery notice on the grounds that mining activities conducted by it were under valid lease issued to it by the authorities. Moreover, the penalty has been without any prior notice and without giving the Company an opportunity of being heard. The Company has also challenged the fact that penalty has been imposed without any basis for calculating the damage. Further, the company has filed a civil suit against CDA in Islamabad High Court.

The Court of senior special magistrate CDA in its order dated 13 October 2016 has decided that as the case is pending in the higher forum the matter will remain subjudice in the court of senior special magistrate CDA till the decision comes from Honourable Islamabad High Court. The company in consultation with its legal advisors is confident that the matter will be decided in its favour.

- 7.2** The Competition Commission of Pakistan took Suo Moto action under Competition Commission Ordinance, 2007 and issued a Show Cause Notice on 28 October 2008 for increase in prices of cement across the country. Similar notices were also issued to All Pakistan Cement Manufacturers Association (APCMA) and its member cement manufacturers. The Company filed a writ petition before the Honourable Lahore High Court (LHC), the LHC vide its order dated 24 August 2009 allowed the CCP to issue its final order. The CCP accordingly passed an order on 27 August 2009 and imposed a penalty of Rs. 174.063 million on the Company. The Lahore High Court vide its order dated 31 August 2009 restrained the CCP from enforcing its order against the Company for the time being.

During the financial year ended 30 June 2010, the Company has filed an appeal before the Honourable Supreme Court of Pakistan and Lahore High Court against the Order of the CCP dated 27 August 2009. The petition filed by the Company and other cement manufacturers before the Lahore High Court are also pending for adjudication meanwhile order passed by the Lahore High Court on 31 August 2009 is still operative.

- 7.3** Income tax returns upto tax year 2016 have been submitted with the tax authorities. For tax years 2009 to 2013, notices under section 122(9) of the Income Tax Ordinance, 2001 were issued whereby the basis of allocation of expenses were changed from gross sales to net sales basis. The Company file appeal with the High Court of Sindh which has granted stay against the proceedings and further income tax demand is not presently ascertainable.

Further the Deputy Commissioner Inland Revenue amended assessment order for the tax year 2014 u/s 122(1) of the Income Tax Ordinance, 2001. The company filed appeal against DCIR and based on its legal advisor's opinion is confident of favourable outcome.

The Additional Commissioner Inland Revenue (ACIR) - Karachi issued an order creating sales tax demand of Rs.581.788 million. The Company instituted an appeal and Commissioner Inland Revenue (Appeals) passed an order whereby the order against the Company was annulled as being defective on legal as well as factual grounds including the fact that such order was time barred.

The order of Commissioner Inland Revenue (Appeals) has been challenged by the department before Appellate Tribunal Inland Revenue however, no hearings have been conducted over the matter. The Company based on the opinion of its sales tax advisor is confident that the matter will be decided in its favour and accordingly no amount would become payable in respect of these matters.

7.4 Commitments

Commitments in respect of outstanding letters of credit as at June 30, 2017 amounted to Rs. 177.603 million (June 30, 2016: Rs. 90.59 million)

8 PROPERTY, PLANT AND EQUIPMENTS

	Note	2017 Rupees in '000'	2016
Operating assets	8.1	1,793,514	1,866,838
Capital work in progress	8.2	31,578	806
		<u>1,825,092</u>	<u>1,867,644</u>

8.1 Operating assets

	Freehold land	Factory building	Non-factory building	Plant and machinery	Quarry transport equipments	Furniture, fixtures & equipments	Motor Vehicles	Total
	Rupees in 000							
As at July 01, 2015								
Cost	225,923	327,715	124,339	3,238,787	124,814	46,713	107,192	4,195,483
Accumulated depreciation	-	(245,570)	(82,952)	(1,721,280)	(96,159)	(41,012)	(51,005)	(2,237,978)
	<u>225,923</u>	<u>82,145</u>	<u>41,387</u>	<u>1,517,507</u>	<u>28,655</u>	<u>5,701</u>	<u>56,187</u>	<u>1,957,505</u>
Year ended June 30, 2016								
Opening net book value	225,923	82,145	41,387	1,517,507	28,655	5,701	56,187	1,957,505
Additions / transfers	-	-	5,962	-	-	-	17,107	23,069
Disposals								
Cost	-	-	-	-	-	-	(4,482)	(4,482)
Accumulated depreciation	-	-	-	-	-	-	3,362	3,362
	-	-	-	-	-	-	(1,120)	(1,120)
Depreciation for the year	-	(5,177)	(2,787)	(81,651)	(7,057)	(1,918)	(14,026)	(112,616)
Closing net book value	<u>225,923</u>	<u>76,968</u>	<u>44,562</u>	<u>1,435,856</u>	<u>21,598</u>	<u>3,783</u>	<u>58,148</u>	<u>1,866,838</u>
As at June 30, 2016								
Cost	225,923	327,715	130,301	3,238,787	124,814	46,713	119,817	4,214,070
Accumulated depreciation	-	(250,747)	(85,739)	(1,802,931)	(103,216)	(42,930)	(61,669)	(2,347,232)
	<u>225,923</u>	<u>76,968</u>	<u>44,562</u>	<u>1,435,856</u>	<u>21,598</u>	<u>3,783</u>	<u>58,148</u>	<u>1,866,838</u>
Year ended June 30, 2017								
Opening net book value	225,923	76,968	44,562	1,435,856	21,598	3,783	58,148	1,866,838
Additions / transfers	-	-	-	33,708	-	-	3,318	37,026
Disposals								
Cost	-	-	-	-	-	-	(1,613)	(1,613)
Accumulated depreciation	-	-	-	-	-	-	1,451	1,451
	-	-	-	-	-	-	(161)	(161)
Depreciation for the year	-	(5,177)	(3,020)	(81,503)	(4,784)	(1,429)	(14,275)	(110,188)
Closing net book value	<u>225,923</u>	<u>71,791</u>	<u>41,542</u>	<u>1,388,061</u>	<u>16,814</u>	<u>2,354</u>	<u>47,029</u>	<u>1,793,514</u>
As at June 30, 2017								
Cost	225,923	327,715	130,301	3,272,495	124,814	46,713	121,522	4,249,483
Accumulated depreciation	-	(255,924)	(88,759)	(1,884,434)	(108,000)	(44,359)	(74,493)	(2,455,969)
	<u>225,923</u>	<u>71,791</u>	<u>41,542</u>	<u>1,388,061</u>	<u>16,814</u>	<u>2,354</u>	<u>47,029</u>	<u>1,793,514</u>

8.1.1 Allocation of depreciation expense

	2017 Rupees in '000'	2016
Excavation Cost	20,017	22,292
Manufacturing Cost	78,869	78,878
Administrative Expenses	8,233	8,354
Distribution Cost	3,069	3,092
	<u>110,188</u>	<u>112,616</u>

8.1.2 Particulars of disposal during the year

PARICULAR OF ASSETS	COST	ACCUMULATED DEPRECIATION	BOOK VALUE	SALES PROCEEDS	(GAIN)/LOSS ON DISPOSAL	Mode of Disposal	PARTICULARS OF PURCHASER
Rupees in '000'							
Toyota Corola	849	764	85	100	15	Negotiation	Mr. Amir Bawani, House # 51/2/1, Street # 26, Khyaban-e-Janbaz, Phase-V, DHA, Karachi.
Moyorcycle Super Star	39	35	4	6	2	Negotiation	Mr. Anees, Floor # 3, Hina Building, Gohram Khan Street Flat # D-6, Ranchore Line, Karachi.
Toyota Vitz	725	653	73	100	28	Negotiation	Mr. Faisal Ahmed, 111/3, 2nd Floor, Alnoor Apartment Flat # 5, Maqboolabad, New Town Karachi.
TOTAL	1,613	1,452	162	206	45		

8.2 Capital work in progress

Building and others
Opening balance
Expenditure incurred during the year on construction of building
Transferred to operating fixed assets
Closing balance

2017	2016
Rupees in '000'	
806	3,640
30,772	1,648
-	(4,482)
31,578	806

9 LONG TERM LOANS AND DEPOSITS

Long term deposits 9.1 6,534 4,514

Long term loan - unsecured, considered good

Employees - interest free	3,316	3,966
Executives - interest free	2,969	5,218
Sui Northern Gas Pipelines Limited	-	4,314
Others	18,125	-

Less: Current portion (6,211) (6,424)
24,733 11,588

9.1 This includes security deposits maintained with certain government authorities and suppliers / vendors of the Company.

9.2 The maximum aggregate amount due from executives of the Company at the end of any month during the year was Rs. 3.217 million (2016: Rs. 5.218 million). The loan to executives and employees are in accordance with the terms of their employment.

9.3 This represents the unsecured loan of Rs. 44.48 million given to Sui Northern Gas Pipelines Limited for laying of gas pipeline and is repayable in 10 equal yearly instalments after grace period of two years starting from 7 December 2007. This loan had been measured to its present value using prevailing market rate of mark-up at 8% per annum for a similar instrument, having similar terms and credit risk profile, at the time the loan was granted. The entire amount of loan has been repaid during the current financial year.

9.4 This represent advances provided to major cement dealers for onward supply of cement and is secured against truck ownership documents.

10 STORES AND SPARES

		2017	2016
		Rupees in '000'	
Stores		328,540	259,615
Spares	10.1	605,721	639,912
Store in transit		29,029	16,778
Provision against slow moving and obsolete spares	10.2	(15,000)	(15,000)
		948,290	901,305

10.1 Spares mainly comprise of consumable stores held by the Company for the purpose of maintenance of the plant to ensure continuous operations of the plant.

10.2 The Company performs an aging analysis of stores and spares as a result of which certain slow moving and obsolete spares were identified against which a provision of Rs. 15 million was recognized.

11 STOCK IN TRADE

	2017	2016
Rupees in '000'		
Finished goods	32,657	25,910
Work in process	452,115	227,848
Raw material	763,238	637,827
Packing material	29,164	30,458
	1,277,174	922,043

12 TRADE DEBTS

Unsecured		
Considered good	16,087	12,563
Considered doubtful	4,951	4,951
	21,038	17,514
Provision for doubtful debts	(4,951)	(4,951)
	16,087	12,563

13 SHORT TERM INVESTMENTS

Financial assets at fair value through profit or loss- Held for trading:

Investment in Mutual Funds		
NBP - NAFA	51,469	-
UBL - ALAMEEN	50,921	-
	102,390	-

13.1 Gain on remeasurement of investment at fair value through profit or loss - held for trading

Market value	102,390	-
Cost of the investment	103,114	-
	(724)	-

		2017	2016
		Rupees in '000'	
13.2 Unrealized loss on the re measurement of investment carried at fair value through profit or loss-held for trading			
At the beginning of the year		-	-
Net unrealized loss in the value of investment for the year		(724)	-
Cumulative unrealized loss		(724)	-
14 LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND ACCRUED MARKUP			
Current portion of long term loans and deposits	9	6,211	6,424
unsecured, considered good			
Advances to Suppliers and contractors		6,872	7,898
unsecured, considered good			
Margin against Bank Guarantee	14.1	11,000	11,000
Advance sales tax		40,060	5,027
Deposits		113	255
Prepayments		6,565	1,981
Accrued markup		420	38
		<u>71,241</u>	<u>32,623</u>

14.1 This represents Rs. 11 million (2016: Rs. 11 million) margin given to Silk bank Limited against the bank guarantee of Rs.110 million (2016: Rs. 110 million) issued in favour of Sui Northern Gas Pipeline Ltd. as security for the payment of gas bill.

		2017	2016
		Rupees in '000'	
15 CASH AND BANK BALANCES			
Cash in hand		881	1,038
Cash at bank			
in current accounts		54,102	74,334
in savings and deposit accounts	15.1	402,385	253,570
		<u>457,368</u>	<u>328,942</u>

15.1 The return on these balances is 4% to 5% (2016: 5% to 6%) per annum on daily product basis.

		2017	2016
		Rupees in '000'	
16 SALES-NET			
Sales - Local		6,219,932	5,313,618
Less: Excise duty		(659,974)	(853,610)
Sales tax		(1,008,354)	(255,312)
		<u>(1,668,328)</u>	<u>(1,108,922)</u>
		4,551,604	4,204,696
Export sales		576,612	824,647
Export rebate		2,528	2,279
		<u>5,130,744</u>	<u>5,031,622</u>

		2017	2016
		Rupees in '000'	
17 COST OF SALES			
Raw and packing material consumed:			
Opening stock		668,285	635,203
Purchases		607,830	512,444
Excavation / Transportation cost	17.1	184,458	137,945
		<u>1,460,573</u>	<u>1,285,592</u>
Closing stock		(792,402)	(668,285)
		<u>668,171</u>	<u>617,307</u>
Fuel and power		2,421,367	1,935,188
Stores and spares consumed		135,852	144,985
Salaries, wages and benefits	17.2	396,284	358,375
Insurance		26,187	26,108
Repairs and maintenance		15,381	12,173
Depreciation	8.1.1	78,869	78,878
Other manufacturing overheads		62,871	61,957
		<u>3,804,982</u>	<u>3,234,971</u>
Opening work-in-process		227,848	394,190
Closing work-in-process		(452,115)	(227,848)
Cost of goods manufactured		<u>3,580,715</u>	<u>3,401,313</u>
Opening finished goods		25,910	32,769
Closing finished goods		(32,657)	(25,910)
		<u>3,573,968</u>	<u>3,408,172</u>

17.1 Excavation cost includes salaries, wages and benefits and Company's contribution to provident fund amounting to Rs. 30.651 million (2016: Rs. 27.350 million) and Rs. 0.826 million (2016: Rs. 0.777million) respectively. Further no direct excavation was carried out during this year.

17.2 This includes Company's contribution to provident fund amounting to Rs. 10.540 million (2016: Rs. 9.403 million).

		2017	2016
		Rupees in '000'	
18 ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	18.1	146,713	144,450
Traveling and conveyance		7,106	9,506
Vehicles running expenses		8,656	9,368
Communications		4,196	4,853
Printing and stationery		1,495	1,388
Rent, rates and taxes		11,350	10,873
Utilities		9,398	10,251
Repairs and maintenance		3,080	1,826
Legal and professional charges		21,863	13,223
Auditors' remuneration	18.2	1,212	898
Donations	18.3	4,686	3,616
Depreciation	8.1.1	8,233	8,354
Miscellaneous		13,405	20,097
		<u>241,393</u>	<u>238,703</u>

18.1 This includes Company's contribution to provident fund amounting to Rs. 4.686 million (2016: Rs. 4.211 million).

		2017	2016
		Rupees in '000'	
18.2 Auditors' remuneration			
Audit fee		800	600
Half yearly review		120	100
Other services		85	85
Out of pocket expenses		207	113
		<u>1,212</u>	<u>898</u>

18.3 None of the directors or their spouses have any interest in the donee funds.

19 DISTRIBUTION COST

Salaries, wages and benefits	19.1	45,745	36,837
Commission		103,563	79,758
Export expenses		3,168	4,422
Traveling and conveyance		425	252
Vehicles running expenses		2,631	2,606
Communications		687	810
Rent, rates and taxes		2,505	1,982
Repairs and maintenance		348	513
Advertisement		48	42
Marking fee		5,206	5,110
Depreciation	8.1.1	3,069	3,092
Miscellaneous		4,639	3,842
		<u>172,034</u>	<u>139,266</u>

19.1 This includes Company's contribution to provident fund amounting to Rs. 1.630 million (2016: Rs. 1.272 million).

		2017	2016
		Rupees in '000'	
20 FINANCE COST			
Markup on:			
Long term loans		-	8,086
Running finance		2	2,404
Bank commission and charges		1,452	1,993
		<u>1,454</u>	<u>12,483</u>

21 OTHER INCOME

Income from financial assets

Markup on bank deposits		26,218	9,877
Markup on long term advance		29	96
Realized capital gain on short term investments		1,920	-
Unrealized loss on remeasurment of short term investment	13.2	(724)	-
Dividend income on short term investment		2,227	-
Accretion of discount		134	392
		<u>29,804</u>	<u>10,365</u>

Income from non-financial assets

Gain on sale of operating assets		45	200
Scrap sales		638	1,180
Miscellaneous		4	21
		<u>687</u>	<u>1,401</u>
		<u>30,491</u>	<u>11,766</u>

		2017	2016
		Rupees in '000'	
22 WORKERS' FUNDS			
Workers' profit participation fund		58,619	62,238
Workers' welfare fund		22,275	23,650
		<u>80,894</u>	<u>85,888</u>

23 TAXATION

Relationship between income tax expense and accounting profit before taxation		1,091,492	1,158,876
Tax at the applicable rate of 31% (2016: 32%)		338,363	370,840
Net tax effect of items taxed at different rate		(34,334)	(52,528)
Effect of Super Tax		31,405	37,184
Effect of change in deferred tax rate		(25,247)	(13,237)
Effect of change in rate for apportionment of expenses		24,933	7,073
Effect of amortization of initial allowance		(5,057)	(6,346)
Others		736	2,065
Net tax charge for the year		<u>330,799</u>	<u>345,051</u>

23.1 The income tax assessments of the Company have deemed to be finalized up to and including Tax year 2016.

24 EARNINGS PER SHARE - Basic and Diluted

Earning after taxation		760,693	813,825
		<u>Numbers in '000'</u>	
Weighted average number of ordinary shares		50,160	50,160
		<u>Rupees</u>	
Earnings per share		15.17	16.22

25 OPERATING SEGMENTS

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

- Revenue from sale of cement represents 100% (2016 : 100%) of the total revenue of the Company.
- 92% (2016: 87%) gross sales of the Company relates to customers in Pakistan.
- All non-current assets of the Company at 30 June 2017 are located in Pakistan.
- The amount of revenue from one major customer having sales of more than 10% of total sales amounts to Rs. 1,100.01 million, excluding sales tax and Federal Excise Duty, during the year ended 30 June 2017 (2016: 882.018 million). The major customer resides in Pakistan.

26 REMUNERATION OF DIRECTORS AND EXECUTIVES

26.1 For the purpose of disclosure those employees are considered as executives whose basic salary exceeds five hundred thousand rupees in a financial year

26.2 The aggregate amounts charged in these financial statements in respect of remuneration including benefits to the Chief Executive Officer, Directors and Other Executives of the Company are given below:

	2017				2016			
	Chief Executive	Directors Executive	Directors Non-executive	Executive	Chief Executive	Directors Executive	Directors Non-executive	Executive
	Rupees in '000'				Rupees in '000'			
Managerial remuneration	11,273	10,710	-	174,793	11,273	11,273	-	143,262
Bonus	3,028	3,028	-	32,968	3,028	3,028	-	26,730
Retirement benefits	-	-	-	10,922	-	-	-	9,014
Reimbursable perquisites	726	690	-	10,762	726	726	-	8,835
Meeting fee	-	-	145	-	-	-	80	-
	<u>15,027</u>	<u>14,428</u>	<u>145</u>	<u>229,445</u>	<u>15,027</u>	<u>15,027</u>	<u>80</u>	<u>187,841</u>
Number of persons	<u>1</u>	<u>1</u>	<u>7</u>	<u>92</u>	<u>1</u>	<u>1</u>	<u>7</u>	<u>80</u>

26.3 The Chief Executive, Director and certain Executives are provided with the use of Company cars and the operating expenses are borne by the Company to the extent of their entitlement.

27 TRANSACTIONS / BALANCES WITH RELATED PARTIES

The related parties comprise of parties related to group companies (associated companies), directors, and their close family members, staff provident fund, executives and major shareholders of the Company. Remuneration and benefits to executives of the Company are in accordance with the terms of their employment while contribution to the provident fund is in accordance with the staff service rule. Transactions with related parties during the period other than those disclosed elsewhere in the financial statements were as follows:

	2017	2016
	Rupees in '000'	
Associated company (Frontier Paper Products (Private) Limited)		
Balance as at the beginning of the period	2,412	10,797
Purchases during the period	305,107	188,232
Payments during the period	(307,306)	(196,617)
Balance at the end of the period	<u>213</u>	<u>2,412</u>
Key Management personnel		
Disbursement of advances to key management personnel	1,525	3,527
Repayment of advances by key management personnel	1,676	1,687
Balance at the end of the period	<u>2,968</u>	<u>2,763</u>
Provident Fund Contribution payable	<u>3,289</u>	<u>2,937</u>

28 PROVIDENT FUND RELATED DISCLOSURE

The Company operates approved funded contributory provident funds for both its management and non-management employees. Details of net assets and investments of these funds as per the unaudited accounts as at 30 June 2017 are as follows:

	2017	2016
	Rupees in '000'	
Size of the fund - Net assets	358,818	302,690
Cost of the investment made	347,738	280,455
Percentage of the investment made	97%	93%
Fair value of the investment made	<u>346,404</u>	<u>287,898</u>
The break up of fair value of the investment is:		
	2017 (Unaudited)	2016 (Audited)
	Amount %	Amount %
Bank balances	22,820 7%	12,436 4%
Term deposit receipts	200,249 58%	134,354 47%
Mutual funds	123,335 36%	141,108 49%
	<u>346,404</u>	<u>287,898</u>

The management, based on the un-audited financial statements of the funds, is of the view that the investments out of provident funds have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

29 CAPACITY, PRODUCTION (CLINKER) AND NUMBER OF EMPLOYEES

	2017	2016
	Metric Tons	
Rated Capacity	828,000	780,000
Actual Production	<u>789,904</u>	<u>661,103</u>

During the year the Company has increased its installed capacity by 48,000 M.T by modification and installation of new equipments. The capacity utilization of the Company during the current year remained under utilized due to market situation. The average number of employees for the year ended 30 June 2017 were 839 (2016: 881).

30 FINANCIAL INSTRUMENTS

30.1 Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk the Company has developed a policy of obtaining advance payments from its customers. Except for customers relating to the Government and certain small and medium sized enterprises, the management strictly adheres to this policy. For any balances receivable from such small and medium sized enterprises, the management continuously monitors the credit exposure towards them and makes provisions against those balances considered doubtful of recovery. Cash is held only with banks with high quality credit worthiness.

The maximum exposure to credit risk at the reporting date is as follows:

	2017		2016	
	Balance sheet	Maximum exposure	Balance sheet	Maximum exposure
	(Rupees in '000)			
-Trade debts	16,087	16,087	12,563	12,563
-Long term loans and deposits	24,733	24,733	11,857	11,857
-Loans, advances, deposits and accrued mark-up	24,616	24,616	13,000	13,000
-Bank balances	456,487	456,487	328,942	327,904
	521,923	521,923	366,362	365,324

The maximum exposure to credit risk on trade debts at the balance sheet date is in Pakistan only.

The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows:

	2017	2016
	Rupees in '000'	
Dealer / distributor	14,121	10,224
End-user customers	1,966	2,339

Impairment losses

The aging of trade debtors at the balance sheet date was:

	2017		2016	
	Gross	Impairment	Gross	Impairment
Not past due	-	-	-	-
Past due 1-60 days	13,938	-	10,690	-
Past due 61 days -1 year	366	-	14	-
More than one year	6,734	4,951	6,810	4,951
	21,038	4,951	17,514	4,951

Based on past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debtors considered good do not require any impairment. None of the other financial assets are either past due or impaired.

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments:

	2017					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
Non-Derivative						
Financial liabilities						
Trade and other payables	420,141	420,141	420,141	-	-	-
	420,141	420,141	420,141	-	-	-
	2016					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
Non-Derivative						
Financial liabilities						
Trade and other payables	227,758	227,758	227,758	-	-	-
	227,758	227,758	227,758	-	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at 30 June 2017 (and includes both principal and interest payable thereon).

iii) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Company is exposed to foreign currency risk on sales to the extent that, orders placed are denominated in a currency other than Pak Rupees that is Dollar(\$). However, the foreign currency is converted into Pak rupee at the time of receipt and then deposited into bank account.

Company is not exposed to currency risk as there are no foreign currency balances outstanding as at year end.

Interest rate risk

Interest rate risk is the risk that the fair value or 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 from banks and term deposits with banks. At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	2017	2016
	Rupees in '000'	
Financial assets		
Bank balances- saving and deposit accounts	402,385	257,884
Financial liabilities		
	-	-
	<u>402,385</u>	<u>257,884</u>

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased /(decreased) profit or loss by 4.02 million (2016: 2.58 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for current and last year.

Other Price Risk

Other Price Risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future value of investments securities. As at balance sheet date, short term investments of the Company is exposed to equity price risk.

Collateral

The Company has created charge over its fixed assets and current assets in order to fulfil the collateral requirements for various financing facilities.

30.2 Fair value of financial assets and liabilities

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. Consequently, differences can arise between carrying values and the fair value estimates.

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

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The Company has no financial instrument being valued at Level 3 of the fair value hierarchy.

30.3 Capital risk management

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary share holders.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company is not required to maintain any regulatory capital.

31 SUBSEQUENT EVENT

The Finance Act, 2017 has amended Section 5A of the Income Tax Ordinance, 2001 and introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax shall not apply in case of a public company, which distributes at least 40% of its after tax profits within six (6) months of the end of the tax year through cash or bonus shares.

The Company filed a Constitutional Petition (CP) before the Sindh High Court (SHC) on 25 September 2017 challenging the vires of Section 5A of the Income Tax Ordinance, 2001 seeking to declare the impugned section 5A ultra vires the constitution of Pakistan and therefore illegal, void and of no legal effect. The SHC had issued stay orders earlier against the impugned section 5A to the petitioners and Comapny's petition was admitted on same ground and stay has been granted and notice issued to all concerned to be heard together with the other petitions on 12 October 2017.

Further, the Board of Directors of the Company in their meeting dated 27 September 2017 has proposed cash dividend @ 25% which amounts to PKR. 125.4 million (i.e. 16.5% of after tax profits) for the financial and tax year 2017, which is lower than the minimum prescribed distribution rate.

In case the SHC's decision is not in favor of the Company; the Company will be required to pay additional tax at the rate of 7.5% of the accounting profit before tax amounting to Rs. 81.86 million . The Company, however, has not recorded any charge in view of the above constitutional petition.

32 GENERAL

32.1 The Board of Directors in its meeting held on **27 September 2017** has proposed a final cash dividend of 25% i.e. Rs.2.5 per share for the year (2016: 20%) for approval of the members of the company in forthcoming Annual General Meeting.

These financial statements do no include the effect of the proposed final cash dividend of Rs. 125.40 million (2016: Rs. 100.32 million) which will be accounted for in the financial statements for the year ending 30 June 2018.

جانب سے کی گئی سفارش کی توثیق کی خواہش رکھتا ہے۔

ترتیب حصص داری

کمپنیز آرڈیننس 1984 اور کوڈ آف کارپوریٹ گورننس کے قواعد کے مطابق جدول برائے ترتیب حصص داری برائے مالی سال 30 جون 2017 رپورٹ ہذا کے ساتھ منسلک کیا جا چکا ہے۔

تقسیم منافع

بورڈ کی جانب سے تقسیم منافع کے سلسلے میں درج ذیل منظوری دی گئی ہے:

روپے ہزاروں میں	
760,693	منافع بعد از ٹیکس
2,181,850	غیر تقسیم شدہ منافع گزشتہ
2,942,543	رقم دستیاب برائے تقسیم منافع
	تقسیم منافع
100,320	حتمی ڈیوڈنڈ بصورت نقدی برائے مالی سال 30 جون 2016 ادا شدہ بشرح 20% مبلغ 00.2 روپے فی حصص
2,843,223	غیر تقسیم شدہ منافع آگے منتقل شدہ

مابعد اثرات

کمپنی کے مستقبل کے منصوبوں کو مد نظر رکھتے ہوئے کمپنی کے بورڈ کی جناب سے اس کے اجلاس مورخہ 27 ستمبر 2017 میں یہ تجویز پیش کی گئی ہے کہ حتمی طور پر ڈیوڈنڈ بطور نقدی مبلغ 2.50 روپے یعنی فی حصص 25% ادا کیے جائیں۔

اظہار تشکر

کمپنی کے ڈائریکٹرز تمام اسٹاف اور ورکروں کے تہہ دل سے مشکور ہیں کہ ان کی محنت شاقہ ہمارے شامل حال رہی۔ اس کے علاوہ تمام ڈیلروں کو بھی تہہ دل سے شکریہ ادا کیا جاتا ہے جنہوں نے ہماری تمام مارکنگ پالیسیوں کی مکمل حمایت کی۔ ہم اس موقع پر تمام مالیاتی اداروں اور بینکوں کے بھی بے حد مشکور ہیں کہ کمپنی کے کاروباری افعال میں ہمیں ان کا مکمل تعاون حاصل رہا۔

منجانب بورڈ



محمد یسین فیکٹو
چیف ایگزیکٹو

کراچی: 27 ستمبر 2017

32.2 The figures of the corresponding period have been reclassified wherever necessary to achieve better presentation. Major reclassification made in the corresponding figures are as under

Reclassification from component	Reclassification to component	Rupees in '000'
Trade and other payables Income tax payable	Taxation - net	15,808

32.3 These financial statements were authorised for issue in the board of directors meeting held on 27 September 2017

32.4 Figures have been rounded off to the nearest thousand rupees.



(MOHAMMED YASIN FECTO)
Chief Executive



(JAMIL AHMED KHAN)
Director

بورڈ کی کمیٹیاں

آڈٹ کمیٹی

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے بورڈ کی آڈٹ کمیٹی قائم کی جا چکی ہے جو کہ سی سی جی 2012 کے قواعد کے عین مطابق ہے۔ بورڈ آڈٹ کمیٹی کے ممبران کو ان کے کام کی شرائط سے باقاعدہ طور پر آگاہ کر دیا گیا تھا۔

دوران سال رواں آڈٹ کمیٹی کے چار (4) اجلاس منعقد کئے گئے۔ ان اجلاسوں میں شرکت کرنے والے ممبران کی حاضری درج ذیل ہے:

ڈائریکٹروں کے نام		حاضری
جناب محمد انور حبیب	چیرمین / آزاد ڈائریکٹر	4
جناب صفدر عباس مورا والا	آزاد ڈائریکٹر	4
جناب الطاف اے حسین	آزاد ڈائریکٹر	4

انسانی وسائل اور ادائیگیوں سے متعلق کمیٹی

بورڈ آف ڈائریکٹرز کی جانب سے سی سی جی 2012 کے قواعد کی پاسداری کرتے ہوئے انسانی وسائل اور ادائیگیوں کی کمیٹی تشکیل دی جا چکی ہے۔ یہ کمیٹی تین ممبران پر مشتمل ہے اور یہ تمام ڈائریکٹرز غیر اختتامی ہیں۔ جبکہ کمیٹی کا چیرمین ایک آزاد ڈائریکٹر ہے۔ بورڈ کی جانب سے کمیٹی ممبران کو ان کے کام کی شرائط سے باقاعدہ آگاہ کیا جا چکا ہے۔ دوران سال اس کمیٹی کا ایک اجلاس منعقد ہوا جس میں تمام ممبران نے شرکت کی۔

ڈائریکٹروں کا تربیتی پروگرام

نوڈائریکٹروں میں سے دو ڈائریکٹر تربیتی پروگرام سے مستثنیٰ ہیں جبکہ پانچ ڈائریکٹر پہلے ہی تربیتی پروگرام میں شرکت کر چکے ہیں۔

کارپوریٹ معاشرتی ذمہ داری

ایک ذمہ دار کارپوریٹ شہری ہونے کے ناطے آپ کی کمپنی کو ان تمام افراد جو کہ دن رات اس کیلئے محنت کرتے ہیں، جو اس کے ارد گرد آباد ہیں اور مجموعی طور پر پورے معاشرے کے سلسلے میں اپنی معاشرتی ذمہ داریوں سے پوری طرح آگاہ ہے۔ اپنی معاشرتی ذمہ داریوں کو باحسن خوبی نبھانے کیلئے آپ کی کمپنی کی جانب سے دوران سال جو اقدامات اٹھائے گئے ان میں سے چندہ چیدہ اقدامات یہ تھے کہ قرب جوار کے دیہاتوں کو پینے کا صاف پانی کا صاف مہیا کیا گیا جس کیلئے پانی کا ذخیرہ اور پائپ لائن کا انتظام بھی کمپنی کی جانب سے ہی کیا گیا تھا۔ پانی کی بلا تعطل فراہمی کو ممکن بنانے کیلئے کمپنی کی جانب سے بجلی کا ایک پمپ بھی نصب کیا گیا۔ اس کے علاوہ کمپنی لڑکیوں کے ایک اسکول کی مرمت کے کام کا ذمہ بھی اٹھایا، مرمت کے اس کام میں چار دیواری کی تعمیر، مکمل پلاسٹر اور پوری عمارت کی سفیدی کا کام شامل تھا۔

قومی خزانے میں حصہ

آپ کی کمپنی کی جانب سے دوران سال رواں 1,668 ملین روپے قومی خزانے میں جمع کروائے گئے، یہ رقم قومی خزانے میں سیلر ٹیکس اور فیڈرل ایکسائز ٹیکس کی مددات جمع

کروائی گئی، جبکہ گزشتہ سال ان مددات میں قومی خزانے میں جمع کروائی گئی رقم 1,108 ملین روپے تھی۔ اس کے علاوہ کمپنی وطن عزیز میں 5 ملین امریکی ڈالر کا قیمتی زرمبادلہ بھی لے کر آئی جو سینٹ کی برآمدات سے حاصل کیا گیا تھا۔ اس کے علاوہ کمپنی نے انکم ٹیکس اور رائلٹی کی مد میں بھی قومی خزانے میں رقم جمع کروائی اور اپنے سپلائروں اور اسٹاف سے ایف بی آر کی جانب سے ٹیکس جمع کئے۔

کان کنی لیز کی تنسیخ

آڈیٹروں کی جانب سے ممبران کی توجہ نوٹ نمبر 7.1 کان کنی کی تنسیخ کی جانب مبذول کروائی گئی ہے۔ جیسا کہ ہم گزشتہ رپورٹس میں اپنے معزز ممبران کو اس بات سے آگاہ کر چکے ہیں 17 مارچ 2015 کو کمپنی کو ڈائریکٹر انڈسٹریز اینڈ لبر آئی سی ٹی اسلام آباد کی جانب سے ایک لیٹر موصول ہوا جس میں اس بات کی اطلاع دی گئی تھی کہ مبینہ طور پر سپریم کورٹ آف پاکستان کے حکم مؤرخہ 16 مارچ 2015 کی روشنی میں کمپنی کی کان کنی کی لیز کو منسوخ کیا جا رہا تھا۔ اس کے علاوہ کمپنی کو کیپٹل ڈیولپمنٹ اتھارٹی (سی ڈی اے) کی جانب سے بھی ایک لیٹر موصول ہوا جس میں اس بات کا ذکر کیا گیا تھا کہ سی ڈی اے کی جانب سے آئی سی ٹی کو جاری کردہ این او سی کو منسوخ کیا جا رہا تھا۔ دراصل مذکورہ بالا حکم سپریم کورٹ کی جانب سے سپریم کورٹ کے ہی ایک پہلے حکم مؤرخہ 25 اکتوبر 2013 کے عدم نفاذ کے سلسلے میں توہین عدالت کے سلسلے میں دیا گیا تھا اور اس سپریم کورٹ کے اس فیصلے میں کمپنی فریق ہی تھی۔

سپریم کورٹ کی جانب سے یا کسی دیگر پارٹی کی جانب سے کبھی کمپنی کوئی ایسا نوٹس وصول ہی نہیں ہوا جس میں ایسا کوئی ذکر کیا گیا ہو کہ سپریم کورٹ کے روبرو کوئی مقدمہ جس میں کمپنی فریق ہوزیر سماعت تھا۔ اس لئے اس سے قبل ایسی کسی سماعت کمپنی کے علم میں تھی۔ لہذا اس سلسلے میں اگلی سماعت مؤرخہ 19 مارچ 2015 کو کمپنی بذریعہ وکیل سپریم کورٹ کے روبرو پیش ہوئی۔ سپریم کورٹ کی جانب سے ایک تفصیلی فیصلہ دیا گیا جس میں یہ کہا گیا کہ ”ہم اس بات پر حیرت کا اظہار کرتے ہیں کہ مذکورہ بشیر احمد نے لیٹر میں اس بات کا ذکر کیا تھا کہ سپریم کورٹ آف پاکستان کے حکم کی تعمیل میں میسرز فیکٹو سینٹ لمیٹڈ کو جاری شدہ کان کنی کی لیز کو منسوخ کیا گیا۔“ یہ معاملہ ابھی تک سپریم کورٹ آف پاکستان کے روبرو زیر التواء ہے اور اس سلسلے میں کمپنی کی جانب سے ایک نظر ثانی اپیل دائر کی گئی ہے کہ سپریم کورٹ اپنے فیصلے مؤرخہ 25 اکتوبر 2013 پر نظر ثانی کرے۔ کمپنی کی جانب سے اسلام آباد ہائی کورٹ کے روبرو بھی ایک درخواست دائر کی گئی ہے جس میں آئی سی ٹی کی جانب سے کان کنی کی لیز منسوخ کئے جانے اور سی ڈی اے کی جانب سے این او سی واپس لئے جانے کے خلاف استدعا کی گئی ہے اور ان تمام کاروائیوں کے خلاف جو کہ اس سلسلے میں کمپنی کے خلاف کی گئیں ہیں۔ کمپنی کی جانب سے اس معاملے کو پوری شد و مد کے ساتھ اٹھایا گیا ہے اور ماہرین قانون کی رائے کی روشنی میں کمپنی اس بات سے پوری طرح پر امید ہے کہ اس کیس کا فیصلہ کمپنی حق میں ہی آئے گا۔

اس دوران کان کنی کی تمام سرگرمیاں معطل ہیں، تاہم کمپنی کی جانب سے پیداواری عمل شروع کرنے اور مال کو روانہ کرنے کے تمام انتظامات مکمل کر لیے گئے ہیں۔

صنعتی تعلقات

کمپنی اس بات پر مکمل یقین رکھتی ہے کہ کمپنی کا اصل اثاثہ وہ افراد ہیں جو کہ کمپنی کیلئے اپنی خدمات پیش کرتے ہیں اور کمپنی کی جانب سے اس سلسلے میں بلا تعطل تمام سہولیات بہم فراہم کی جاتی ہیں۔ اس طرح کمپنی کے اندر انتظامیہ اور ملازمین کے مابین انتہائی خوشگوار تعلقات پائے گئے ہیں اور کبھی کسی بھی قسم کا کوئی صنعتی تنازع منظر عام پر نہیں آیا۔

آڈیٹرز

موجودہ آڈیٹرز میسرز حسن سرفراز جیم اقبال رفیق چارٹرڈ اکاؤنٹنٹس ریٹائر ہونے جا رہے ہیں اور اپنی اہلیت کی بنیاد پر انہوں نے ایک مرتبہ پھر اپنی خدمات پیش کی ہیں۔ بورڈ کی آڈٹ کمیٹی کی جانب سے ان کی ایک مرتبہ پھر کمپنی کے قانونی آڈیٹروں کے بطور برائے مالی سال 30 جون 2018 رعیتانی کی سفارش کی گئی ہے اور بورڈ بھی آڈٹ کمیٹی کی

منفعت

دوران سال رواں کمپنی کی لاگت برائے فروختی میں %4.86 اضافہ ہوا، یہ اضافہ اس سال کلنکر اور سیمنٹ کی پیداوار اور فروخت کے حجم میں اضافے کے عین مطابق ہے۔ کوئلے کی قیمتیں جو کہ گزشتہ سال متوازن رہیں، اس مالی سال کوئلے کی قیمتوں میں سال کے وسط سے ہی قیمتوں میں اضافے کا رجحان دیکھنے کو ملا۔ کوئلے کی بنیاد پر چلنے والے پروجیکٹ کی ابتداء اور پیداواری حجم میں اضافے کی باعث اس سال کوئلے کی درآمد بھی بڑی مقدار میں ہوئی جس کی وجہ سے ٹرانسپورٹ کے اضافی اخراجات کمپنی کو برداشت کرنا پڑے۔ ان تمام وجوہات کی بنیاد پر ایندھن اور توانائی کی مد میں اخراجات میں %25.12 اضافہ ریکارڈ کیا گیا۔

اس طرح گزشتہ سال کے مقابلے میں رواں مالی سال کے دوران خام منافع میں %4.11 کی کمی واقع ہوئی اور اس طرح کمپنی نے اس سال کل فروختی کے عوض %30.34 خام منافع حاصل کیا جو کہ گزشتہ سال %32.26 تھا۔

مجموعی طور پر انتظامی اخراجات میں گزشتہ سال کے مقابلے میں دوران رواں مالی سال %1.13 کا اضافہ ہوا۔ البتہ قانونی اور پروفیشنل معاملات کی مد میں اخراجات میں %65.34 اضافہ ہوا جس میں بنیادی وجہ اسلام آباد ہائی کورٹ میں سی ڈی اے اور دیگران کے خلاف کان کنی کی لیز کی تینخ کے خلاف دائر کیا جانے والا مقدمہ ہے۔ جہاں تک لاگت برائے تقسیم مال کا تعلق ہے اس میں اضافہ مقامی فروختی میں اضافے اور مارکیٹ کے حالات کو مد نظر رکھتے ہوئے ادا کئے جانے والے کمیشن کے عین مطابق ہے۔

کمپنی نے رواں مالی سال کے دوران 1,091.49 ملین روپے کا منافع قبل از ٹیکس کمایا جبکہ گزشتہ سال قبل از ٹیکس کمایا جانے والا منافع 1,158.88 ملین روپے تھا۔

گزشتہ سال ٹیکس کے پروویژن 345 ملین روپے کے مقابلے میں اس سال پروویژن کم ہو کر 331 ملین روپے رہی۔

دوران سال رواں آپ کی کمپنی کا منافع فی حصص 15.17 روپے رہا جبکہ گزشتہ سال منافع فی حصص 16.22 روپے تھی۔

پیداواری صلاحیت میں اضافہ

دوران سال رواں کمپنی کی جانب سے پلانٹ میں بہت سی اصلاحات کی گئیں، ان اصلاحات کے تحت کلن کول ڈونگ آلات اور موٹروں جو آئی ڈی فین پر تھے کو تبدیل کر دیا گیا۔ اس اقدام کی وجہ سے کلنکر کی پیداوار 2,600 میٹرک ٹن یومیہ سے بڑھ کر 2,760 میٹرک ٹن تک جا پہنچی۔ اسی طرح سیمنٹ کی پیداوار بھی 2,730 ٹن یومیہ سے بڑھ کر 2,900 میٹرک ٹن یومیہ ہو گئی۔

مستقبل پر نظر

گزشتہ تین سالوں کے دوران سیمنٹ کی مانگ میں مقامی سطح پر اضافہ ہوا ہے اور اس بات کے قوی امکانات موجود ہیں کہ اس مالی سال کے دوران بھی یہ رجحان جاری رہے گا جس کی بنیادی وجہ یہ ہے حکومتی سطح پر بجٹ کا ایک بڑا حصہ پبلک سیکٹر میں ترقیاتی پروجیکٹس کے لیے مختص کیا گیا ہے۔ امن و عامہ کی بہتر صورتحال، مہنگائی اور شرح سود کی کم از کم سطح اور متوازن معاشی صورتحال کی وجہ سے صنعت پر مثبت اثرات مرتب ہو گئے۔ عالمی منڈی میں کوئلے کی قیمتوں میں اضافہ ہوا ہے اور کوئلے کی قیمتوں میں مزید اضافے کی صورت میں سیمنٹ کی صنعت کی منفعت پر منفی اثرات مرتب ہو گئے۔ ترقیاتی کاموں کیلئے مختص کئے جانے والے بجٹ کو صحیح انداز سے خرچ کئے جانے اور پاک چین معاشی راہداری کے تحت شروع کئے جانے والے منصوبوں کی وجہ سے سیمنٹ کی صنعت کی نشوونما میں بہت مدد ملے گی۔ رواں مالی سال کے دوران بھی سیمنٹ کی برآمدات میں مندی کا رجحان جاری رہنے کے امکانات موجود ہیں۔ وطن عزیز میں سیاسی استحکام بھی سیمنٹ کی صنعت کے استحکام میں مثبت کردار ادا کرے گا۔

کارپوریٹ گورننس

ڈائریکٹرز انتہائی مسرت کے ساتھ اس بات سے آگاہ کرتے ہیں کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ قواعد میں مذکور کارپوریٹ گورننس کے اصولوں کی کمپنی کی جانب سے مکمل پاسداری کی جاتی ہے۔

کارپوریٹ گورننس کی مکمل پاسداری کے سلسلے میں کمپنی کے ڈائریکٹرز اس بات کا اعلان کرتے ہیں کہ:

1۔ کمپنی کی جانب سے تیار کردہ مالیاتی رپورٹس صحیح اور شفاف انداز سے کمپنی کے تمام معاملات، اس کے کاروباری افعال، نقد رقوم کی ترسیل اور سرمایہ برہمی حصص میں تبدیلی کی نمائندگی کرتی ہیں۔

2۔ کمپنی کی جانب سے تمام محاسبی کھاتوں کا باقاعدہ ریکارڈ محفوظ رکھا جاتا ہے۔

3۔ کمپنی کی جانب سے مالیاتی رپورٹس تیار کرنے کے سلسلے میں محاسبی کے مسلمہ اصولوں کی مکمل پاسداری کی گئی اور تمام تر محاسبی کھاتے برہمی معقولیت اور ترین قیاس ہیں۔

4۔ پاکستان میں نافذ العمل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کی مکمل پاسداری کرتے ہوئے تمام مالیاتی رپورٹس تیار کی گئیں ہیں۔

5۔ کمپنی میں اندرونی کنٹرول کا نظام صحیح اور موثر انداز سے نافذ العمل ہے اور اس کی ہمہ وقت نگرانی کی جا رہی ہے۔

6۔ اس بات میں شک کی کوئی گنجائش نہیں پائی جاتی کہ کمپنی ہیشگی کی بنیاد پر اپنا کاروبار مستقبل میں جاری رکھنے کی خواہاں ہے۔

7۔ پروویڈنٹ فنڈ ٹرسٹ برائے مالی سال 30 جون 2016 کے آڈٹ شدہ اکاؤنٹس کی روشنی میں پروویڈنٹ فنڈ انویسٹمنٹ کی قدر 288 ملین روپے بنتی ہے۔

8۔ کسی بھی قانونی ذمہ داری کے تحت کمپنی ٹیکسوں، لیویز اور دیگر چارجز کی مد میں کوئی بھی واجب الادا ذمہ داریاں نہیں ہیں ماسوائے ان مالیاتی ذمہ داریوں کے جو کہ کاروبار میں معمول کا حصہ ہیں۔

کمپنی سے متعلق گزشتہ چھ سال کی اہم مالیاتی اور کاروباری معلومات رپورٹ ہذا کے ساتھ منسلک ہے۔

دوران رواں مالی سال بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد کئے گئے۔ ان اجلاسوں میں شرکت کرنے والے ڈائریکٹروں کی حاضری ذیل میں پیش کی جا رہی ہے:

ڈائریکٹروں کے نام	حاضری
جناب محمد حسین فیکو	5
جناب محمد اسد فیکو	0
جناب الطاف اے حسین	5
جناب عامر غنی	4
جناب روہیل اجمل	2
جناب صفدر عباس مورا والا	5
جناب اعجاز علی	4
جناب محمد انور حبیب	5
جناب خالد یعقوب	5

وہ ڈائریکٹرز جو علالت یا کسی دیگر وجوہات کی بناء پر ان اجلاسوں میں شرکت نہیں کی انہیں اس سلسلے میں رخصت دے دی گئی تھی۔ جناب محمد اسد فیکو نے بورڈ سے 12 جون 2017 کو استعفیٰ پیش کر دیا تھا اور اس طرح اتفاق طور پر پیدا ہونے والی اس اسامی کو اگلے سال میں پر کر دیا گیا ہے۔

مال کی روانگی			
مقامی	659,974	593,391	11.22
برآمدات	111,688	143,280	(22.05)
مجموعی	771,662	736,671	4.75

کمپنی کی جانب سے دوران سال رواں گزشتہ سال کے مد مقابل کلنکر اور سیمنٹ کی پیداوار میں بالترتیب %19.48 اور %5.12 کا اضافہ ہوا۔ مقامی سطح پر کمپنی کی دوران سال رواں فروختی کے حجم میں %11.22 کا اضافہ ریکارڈ کیا گیا ہے جبکہ سیمنٹ کی صنعت کا مجموعی اضافہ %8.03 تھا، جبکہ دوسری جانب برآمدات میں %22.05 کی کمی ریکارڈ کی گئی ہے جس کی اصل وجہ افغانستان کو برآمد کئے جانے والے سیمنٹ کی فروخت میں کمی ہے۔ اس طرح سے گزشتہ سال کے مقابلے میں دوران سال رواں کمپنی کی فروختی میں مجموعی طور پر %4.75 کا اضافہ ریکارڈ کیا گیا ہے۔

مالیاتی کارکردگی کا جائزہ

	روپے ہزاروں میں ماسوائے آمدن فی حصص کے		
	2016	2017	(%)
کل فروختی مقامی	4,204,696	4,551,604	8.25
کل فروختی برآمدات	826,926	579,140	(29.96)
مجموعی کل فروختی	5,031,622	5,130,744	1.97
لاگت برائے فروختی	3,408,172	3,573,968	4.86
خام منافع	1,623,450	1,556,776	(4.11)
منافع قبل از ٹیکس	1,158,876	1,091,492	(5.81)
منافع بعد از ٹیکس	813,825	760,693	(6.53)
آمدن فی حصص (روپے میں)	16.22	15.17	(6.53)

آمدن از فروختی

دوران سال رواں کمپنی کی کل مجموعی آمدن از فروختی میں گزشتہ سال کے مقابلے میں %1.97 کا اضافہ ہوا ہے۔ اس اضافے کی بنیادی وجہ مقامی سطح پر سیمنٹ کی فروختی کے حجم میں اضافہ تھا۔

کل مجموعی آمدن از فروختی برائے مقامی فروختی میں %8.25 کا اضافہ ریکارڈ کیا گیا جبکہ مجموعی طور پر فروختی کا حجم گزشتہ سال کے مقابلے میں %11.22 زیادہ تھا جس سے صاف ظاہر ہوتا ہے کہ اس سال سیمنٹ کی قیمتوں میں گزشتہ سال کے مقابلے میں کمی واقع ہوئی ہے۔ کمپنی کی آمدن از فروختی بابت برآمدات میں %29.96 کی کمی واقع ہوئی، اس کی میں %22.05 کمی تو اس وجہ سے ہوئی کہ برآمدات کے حجم میں واضح کمی واقع ہوئی جبکہ %7.91 کی کمی سیمنٹ کی قیمتوں میں کمی کی وجہ سے واقع ہوئی۔

فیکٹوری سیمنٹ لمیٹڈ

ڈائریکٹرز رپورٹ برائے ممبران

معزز ممبران گرامی

بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کی سالانہ مالیاتی رپورٹ بمعہ آڈٹ شدہ مالیاتی دستاویزات برائے مالی سال 30 جون 2017 آپ کی خدمت میں پیش کر رہے ہیں۔

جائزہ

دوران سال رواں مجموعی طور پر سیمنٹ کی صنعت کی جانب سے روانگی مال میں %3.71 کا اضافہ ریکارڈ کیا گیا اور فروختی کا مجموعی حجم 40.32 ملین ٹن رہا جبکہ مجموعی فروختی گزشتہ سال اسی عرصے کے دوران 38.87 ملین ٹن رہی تھی۔ مقامی سطح پر سیمنٹ کی صنعت کی مجموعی فروختی کے حجم میں %8.03 کا اضافہ ہوا اور فروختی کا مجموعی حجم 35.65 ملین ٹن رہا جبکہ گزشتہ سال اسی عرصے کے دوران یہ حجم 33.00 ملین ٹن تھا۔ جبکہ دوسری جانب برآمدات کے سلسلے میں سیمنٹ کی صنعت میں %20.59 کی کمی ریکارڈ کی گئی ہے جس کے تحت فروختی کا کل حجم 4.66 ملین ٹن رہا جو کہ گزشتہ سال اسی عرصے کے دوران 5.87 ملین ٹن تھا۔

شمال میں واقع پلانٹ سے مجموعی طور پر فروختی کا حجم بڑھ کر 32.29 ملین ٹن تک جا پہنچا جس میں %4.48 کا اضافہ ریکارڈ کیا گیا جس میں سے مقامی سطح پر ہونے والی فروختی کا حجم 29.14 ملین ٹن تھا جبکہ برآمدات کا حجم 3.15 ملین ٹن تھا۔ اس طرح شمال میں واقع پلانٹس میں مقامی سطح پر فروختی کے حجم میں %7.71 کا اضافہ ریکارڈ کیا گیا ہے جبکہ دوسری جانب برآمدات میں %18.22 کی کمی واقع ہوئی ہے۔

جنوب میں واقع پلانٹس میں مجموعی طور پر فروختی کا حجم %0.70 کی معمولی سی شرح سے بڑھا ہے، جس کی اصل وجہ برآمدات میں %25.10 کی کمی تھی جبکہ مقامی سطح پر فروختی کے حجم میں %9.47 کا اضافہ ریکارڈ کیا گیا ہے۔

آپریٹنگ کارکردگی کا جائزہ

کمپنی کی جانب سے دوران سال گزشتہ سال کے مد مقابل کی جانے والی پیداوار اور روانہ کئے جانے والے مال کا تقابلی جائزہ ذیل میں پیش خدمت ہے:

	ٹنوں میں		
	2016	2017	تبدیلی (%)
پیداوار			
کلنکر	661,103	789,904	19.48
سیمنٹ	735,501	773,180	5.12








www.jamapunji.pk










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-  Online Quizzes



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FORM OF PROXY

I/We _____

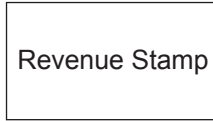
of _____

being a member of FECTO CEMENT LIMITED hereby appoint _____

_____ (NAME)
of _____

who is also a member of the Company vide Registration Folio Number _____ as my/our proxy in my/our absence to vote for me/us and on my/our behalf at the 36th Annual General Meeting of the Company to be held on Thursday, October 26, 2017 at 12.00 noon at Registered Office, 35-Darulaman Housing Society, Block 7/8, Shahra-e-Faisal, Karachi and at any adjournment thereof.

Member's Signature



Folio No. / CDC Participant I.D No. & A/C No. _____

Shares held (Nos.) _____

Place _____ Date _____

Witness: _____

Signature

Name: _____

Address : _____

Note:

- Proxies in order to be effective be received at the Company's Registered Office (35-Darulaman Housing Society, Block 7/8, shahra-e-Faisal, Karachi) no less than 48 hours before the meeting and must be duly stamped, signed and witnessed.
- Member's signature must agree with the specimen signature registered with the Company.

نیابتی فارم

_____ میں/ہم:

_____ برائے

_____ بحیثیت فیکٹوسیمینٹ لمیٹڈ کے رکن (ارکان) بذریعہ ہذا

_____ برائے

کو میری عدم موجودگی میں کمپنی کے چھتیسواں سالانہ اجلاس عام جو کہ بروز جمعرات 26/اکتوبر 2017ء بوقت دوپہر 12 بجے کمپنی کے رجسٹرڈ آفس 35 دارالامان ہاؤسنگ سوسائٹی بلاک 7/8 شاہراہ فیصل کراچی میں منعقد ہوگا۔ اپنی جگہ ووٹ دینے کا اہل قرار دیتا ہوں/دیتے ہیں۔

فولیو نمبر یا سی ڈی سی پارٹیسپنٹ آئی ڈی نمبر اور سب اکاؤنٹ نمبر _____
_____ رکن (ارکان) کے دستخط
_____ عمومی حصص کا ہولڈر (تعداد)

_____ جگہ _____ تاریخ _____

ریونیواسٹمپ

گواہ:-

نام: _____

پتہ: _____

اہم نکات:

- 1۔ میٹنگ سے 48 گھنٹے قبل نیابتی کارہ فارم جو ہر لحاظ سے مکمل، باقاعدہ دستخط اور تصدیق شدہ ہو۔ کمپنی کے رجسٹرڈ آفس 35 دارالامان ہاؤسنگ سوسائٹی بلاک 7/8 شاہراہ فیصل کراچی میں جمع کرادیا جائے۔
- 2۔ دستخط کمپنی میں رجسٹرڈ شدہ دستخط کے نمونے کے مطابق ہونے چاہئیں۔

IMPOTANT NOTICE

Dear Shareholder,

ELECTRONIC PAYMENT OF CASH DIVIDENDS INSTEAD OF PHYSICAL DIVIDEND WARRANTS

Pursuant to Section 242 of the Companies Act-2017 and notification issued by the Securities & Commission of Pakistan (SECP) that all listed companies / Modaraba's must pay future cash dividend in electronic mode into the bank accounts of the shareholders instead of issuing physical dividend warrant.

In this connection, it is necessary to provide complete bank mandate detail including IBAN number to proceeds of the future dividends either RTGS or through direct instruction to the bank for credit of proceeds to the bank account. You are therefore required to provide complete bank mandate details with IBANs otherwise dividend could be withheld as per the section 242 and directives of SECP.

Shareholders holding physical shares are requested to submit bank mandate by filling the attached form and send it to Company's Share Registrar at the following address:

M/s. Technology Trade (Pvt.) Ltd,
Shares Registrar,
Dagia House, 241-C,
Block -2, P.E.C.H.S, Karachi
Tel: 021-34391316-17 & 19, 021-34387960-61
Fax: 021-34391318
e-mail: mail@tpl.com.pk

The CDC shareholders must submit their bank mandate details to their investor account services or to the transfer agent where shares are placed electronically.

Your information should reach us on or before October 31, 2017.

For any query/ problem/information, the investors may contact the company's Share Registrar at the above mentioned Telephone Numbers, email address.

e dividend mandate form to all shareholders of FECTO CEMENT LIMITED

Please fill following details & forward by letter duly signed to:-

To,

Investor Account Services - Central Depository Company of Pakistan Limited or

in case of a sub account with any of the broker participant, kindly convey information to your broker participant.

Or

In case of Physical Shareholder

Share Registrar
FECTO CEMENT LIMITED
Technology Trade (Pvt.) Ltd.
Dagia House,
241-C, Block-2, PECHS, Off: Shahrah-e-Quaideen, Karachi

[illegible]

Authorized Signatories (to be signed as per operating instruction, in case of physical dispatch)

1) _____ 2) _____

3) _____ 4) _____

For information how to fill the form:

Example

Examples

A)	IBAN Number (24 Digit)	: PK37 HABB 0000 0700 3333 9999 (example)
B)	e mail investor account services CDC	: ias-khi@cdcpak.com(example)
C)	Independent Share Registrar	: mail@ttpl.com.pk(example)
D)	CDC Participant	: in case of a sub account with any of the broker participant, kindly convey information to your broker participant.