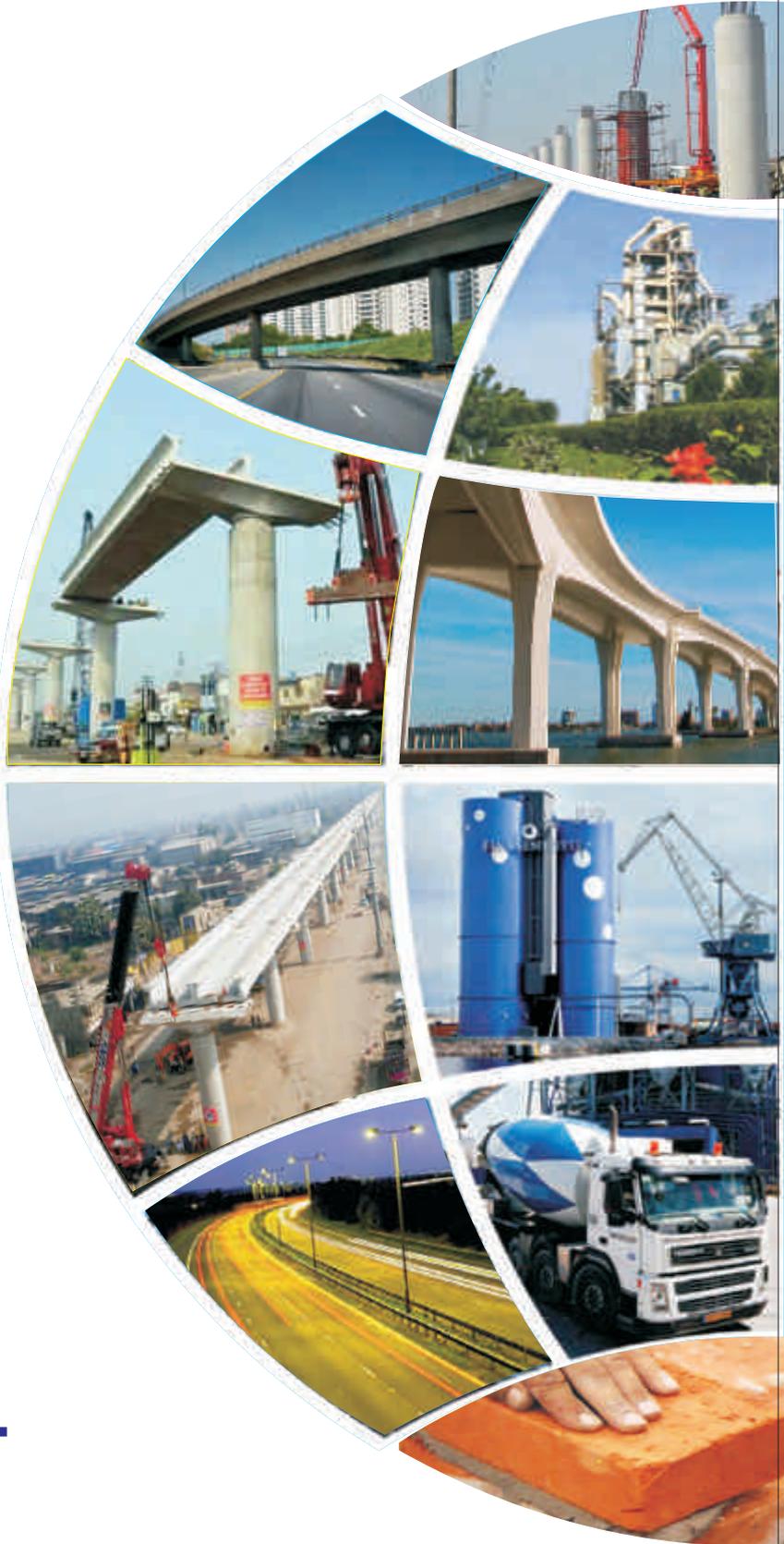


ANNUAL REPORT 2017



**FLYING CEMENT
COMPANY LTD.**



FLYING CEMENT COMPANY LIMITED



LIME STONE QUARRY



POWER PLANT

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CORE VALUES

At Flying Cement, core values are always given importance. These values are not only theoretical but in actual **fact delve** deep in the hearts of entire team.

These values are reflected with in the name of **FLYING** itself.

F = Focus We believe in **focusing** on reducing cost and improving quality thereby offering profit to our shareholders.

L = Leadership Our objective is to **lead** as a cost effective competitor. We understand the demand of cement industry at a global level as well as the needs of people within Pakistan.

Y = You Flying Cement always maintains '**You first**' approach, not only to please our customer but also to satisfy our shareholders.

I = Initiatives Taking **initiative** in incorporating modern technology to reduce cost and to improve quality.

N = New We are pioneer in using **new ideas** and strategies for the cost effective and quality cement manufacturing.

G = Global We strive to be reckoned with dignity in **global** market.

BUSINESS ETHICS

- ❖ Transparency in transactions
- ❖ Sound business policies
- ❖ Judicious use of Company's resources
- ❖ Avoidance of conflicts of interest
- ❖ Justice to all
- ❖ Integrity at all levels
- ❖ Compliance of laws of the land

STRATEGIC GOALS

- ❖ Lead Cement business
- ❖ Manufacture prime quality products
- ❖ Maintain operational, technological and managerial excellence
- ❖ Create new opportunities for business growth and diversification
- ❖ Eliminate duplication of resources to economize cost
- ❖ Maximize productivity and expand sales

THE VISION

“To be a premier quality cement manufacturing unit engaged in nation building through the most efficient utilization of resources”.

THE MISSION

“Successfully deliver quality cement by using innovative practices with the ultimate goal of increasing the satisfaction of our customers”.

“To minimize the cost of production by using state-of-the-art technology and utilizing our experience in increasing profits for our shareholders”.

Quality Policy

The quality policy of the cement is monitored through the chemical laboratories located at the site installed with latest instrumental analysis techniques directly linked through PLC to control the process of manufacturing automatically keeping lowest variation brand from the required values/parameters laid by the British Standards BS-12-1991.

Flying Cement Company is committed to produce high quality Ordinary Portland Cement as per International and British Standards to achieve customers' satisfaction.

The company is committed to abide by all applicable legal and regulatory requirements and shall strive for continual improvements including prevention of pollution by establishing and monitoring of its Quality and Environmental objectives.

The Chairman and Management are committed to communicate and maintain this policy at all levels of the company, and achieve continual improvement through teamwork.

Environmental Protection

Management of the company is committed towards environmental protection and prevention of pollution. FLYING has been playing its role towards the development of a better society and a better future through continual improvement in the Environmental Management System.

Cement Industry is normally considered to be highly un-friendly to the environment because of its inherent process difficulties. The management with the efforts of its employees succeeded in meeting the environmental objectives and targets after evaluating legal requirements, organizational aspects, technological options and other requirements.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Kamran Khan	Chairman
Mr. Momin Qamar	Member
Mr. Yousaf Kamran Khan	Member
Mr. Qasim Khan	Member
Mr. Imran Chaudry	Member
Mrs. Samina Kamran	Member
Mr. M. Tawassal Majid	Member

CHIEF EXECUTIVE

Agha Hamayun Khan

AUDIT COMMITTEE

Mr. M. Tawassal Majid	Chairman
Mr. Qasim Khan	Member
Mr. Yousaf Kamran Khan	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. M. Tawassal Majid	Chairman
Mrs. Samina Kamran	Member
Mr. Yousaf Kamran Khan	Member

STATUTORY AUDITORS

M/s. Tahir Siddiqi & Co.
Chartered Accountants
A member firm of TIAG Int'l

INTERNAL AUDITOR

Mr. Imran Matloob Khan

COMPANY SECRETARY

Mr. Muhammad Azeem
cosecretary@flyingcement.com

CHIEF FINANCIAL OFFICER

Mr. Muhammad Jamil

LEGAL ADVISOR

Mr. Waqar Hasan, Advocate High Court

BANKERS

Askari Bank Limited
The Bank of Punjab
United Bank Limited.
Al Baraka Bank (Pakistan) Limited
Faysal Bank Limited
MCB Bank Limited
National Bank of Pakistan
Bank Al-Habib Limited
Bank Al Falah Limited
Habib Bank Limited
Allied Bank Limited
Summit Bank Limited

REGISTERED HEAD OFFICE

103-Fazil Road, Lahore Cantt. Lahore
Tel: 042-36674301-5 Fax: 042-36660693
www.flyingcement.com

PLANT

25-K.m. Lilla Interchange
Lahore - Islamabad Motorway,
Mangowal, Distt. Khoshab

SHARES REGISTRAR

THK Associates (Pvt) Limited.
1st Floor, 40-C, Block-6,
P.E.C.H.S.
Karachi-75530
Tel: 021-111-000-322, Fax: 021-34168271

WEB SITE

www.flyingcement.com

E-MAIL

info@flyinggroup.com.pk
info@flyingcement.com

NOTICE OF 24th ANNUAL GENERAL MEETING

Notice is hereby given that 24th Annual General Meeting of the members of Flying Cement Company Limited will be held on Saturday the October 28, 2017 at 10.00 a.m. at Event Complex B-59 Main Boulevard Johar Town, Lahore to transact the following business:

- o To confirm minutes of 23rd Annual General Meeting held on 31st of October 2016.
- o To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2017 together with Directors' and Auditors reports thereon.
- o To appoint external Auditors of the Company and fix their remuneration for the next financial year 2017-18.
- o To transact any other business with the permission of Chairman.

(By Order of the Board)



(Muhammad Azeem)
COMPANY SECRETARY
Lahore: October 07, 2017

Notes:

1. The Share Transfer Books of the Company will remain closed from October 20, 2017 to October 27, 2017 (both days inclusive). Transfers received in order by our Share Registrar, M/s THK Associates (Pvt) Limited, 1st Floor, 40-C, Block 6, P.E.C.H.S, Karachi-75400 by the close of business on October 19, 2017 will be considered in time for the purpose of attendance.
2. A shareholder eligible to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote. Votes may be given personally or by proxy or by attorney in case of a corporate entity. In this case the instrument of proxy complete in every respect, must reach to the Registered Office of the Company not later than 48 hours before the time of the meeting.
3. The Original Computerized Identity Card of the shareholder is required to prove his/her identity along with account details etc at the time of meeting. In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be submitted (unless it has been provided earlier) along with proxy form.
4. Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 787(I) / 2014 has facilitated the Companies to circulate Audited Financial Statements through e-mail after obtaining prior written consent of its members. The members who intend to receive the Audited Accounts through email are therefore, requested to kindly send their written consent along with e-mail addresses in a standard request form.
5. Under the provisions of section 242 of the Companies Act 2017, any dividend payable in cash shall only be paid through electronic mode directly into the Bank Account designated by the

entitled shareholders. The SECP, vide its Circular No. 18, 2017 has relaxed the dividend payment till October 31, 2017. The shareholders are hereby advised to provide a dividend mandate in favour of e-dividend by providing dividend mandate form (specimen available on Company's website). In case of CDC shareholders, please update the record with your CDC Participant.

6. The Government of Pakistan has made certain amendments in the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the Companies. These tax rates are (a) 15% for filers of income tax returns and (b) 20% for non-filers of income tax returns.
7. To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 20%, all Members whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of the cash dividend otherwise tax on their cash dividend will be deducted @ 20% instead of 15%. Withholding of tax exemption on dividend income shall be allowed if copy of valid exemption certificate is made available at office of our Share Registrar M/s THK Associates (Pvt) Limited, 1st Floor, 40-C, Block 6, P.E.C.H.S, Karachi-75400 by the Close of Business day as on October 19, 2017.
8. In pursuant to the clarification of FBR, in case of joint account each joint holder is to be treated individually as either a filer or non – filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the members (CDC & Physical), in writing duly signed by each joint holder along with copies of CNICs as follows to the Shares Registrar of the Company. If the response to the notification is not received within stipulated time, each joint holder shall be assumed to have equal number of shares.

Folio/CDC A/c. No. :		Name of Company:		
Total Shares Held	Principal Share Holder (Name & CNIC)	Shares Held	Joint Share Holder (Name & CNIC)	Shares Held

9. As already communicated, SECP has directed vide its S.R.O. 831(I) / 2012 that the dividend warrants should bear the CNICs of the registered members or the authorized person except in the case of minor(s) and corporate members. CNIC numbers are, hence, mandatory for the issuance of dividend warrants and in the absence of such information, payment of dividend may be withheld. Therefore, the members who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs (if not already provided) to our Share Registrar.
10. The Annual Report is being transmitted to shareholders through CDs or DVDs instead of sending in Book form / hard copy in terms of SRO No. 470(I)/2016 dated May 31, 2016 and its subsequent approval in the Annual General Meeting held on October 31, 2016.

11. Pursuant to section 244 of the Companies Act 2017 (the "Act"), SECP has directed all Companies to submit a statement to the Commission through eServices portal stating therein the number or amounts, as the case may be, which remain unclaimed or unpaid for a period of three years from the date it is due and payable as of 30th May, 2017 in respect of shares of a Company / dividend and any other instrument or amount which remain unclaimed or unpaid, as may be specified. Through this notice, the shareholders are intimated to contact with the Company for any unclaimed dividend / shares.
12. Members can also avail video conference facility in the cities where facility can be provided keeping in view the geographical dispersal of members. In this regard fill the application as per following format and submit to the registered address of the company 10 days before the date of Annual General Meeting. The video conference facility will be provided only if the company receives consent from members holding in aggregate 10% or more shareholding residing at geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, The company will intimate members regarding venue of video conference facility at least 5 days before the date of Annual General Meeting along with complete information necessary to enable them to access such facility.

I / We _____ of _____ being member of Flying Cement Company Limited, holder of _____ Ordinary shares as per Register Folio # / CDC Account # / Participant Id # hereby opt for Video conference facility at _____.

Signature of shareholder

13. The Annual Report for the Financial Year ended June 30, 2017 have been placed on Company's website www.flyingcement.com.

DIRECTORS' REPORT

The Directors of your company have the pleasure to present before you the 24th Annual Report of your company along with duly audited Financial Statements for the year ended June 30, 2017.

BUSINESS PERFORMANCE**The production and sales volume performance**

The production and sales volume figures for the year of your Company together with the comparative figures are as under:

Particulars	2017	2016
	(Metric Tons)	
Cement Production	396,992	387,500
Cement Dispatches	397,273	387,585

During the year under review, the production of cement increased by 9,492 metric tons.

Financial Performance

A comparison of the key financial results of your Company for the year ended June 30, 2017 is as under:

Particulars	2017	2016
	(Rupees in Thousands)	
Sales revenue Gross	3,466,997	3,177,256
Less: Sales Tax/ Federal Excise Duty	996,772	701,478
Sales revenue-Net	2,470,225	2,475,778
Gross Profit	203,357	166,714
Operating profit	142,590	119,868
Profit before tax	198,881	195,334
Net Profit after tax	161,256	145,696
Earnings per Share	0.92	0.83

In addition to the higher sales volumes, profitability has also been improved by lower coal and energy prices, which benefitted the Company's performance.

CERTAIN DISCLOSURE AND PRESENTATION OF THE FINANCIAL STATEMENTS

Certain changes have been made in respect of the disclosures and presentation of the financial statements through promulgation of the Companies Act 2017 (The Act.). The application of the Act in relation to preparation of the financial statements for the year ended June 30, 2017 has been deferred by the Securities and Exchange Commission of Pakistan through its circular no. 17 dated July 20, 2017. Therefore, these financial statements have been prepared in accordance with the Companies Ordinance, 1984 and IFRSs.

EARNINGS PER SHARE

The earnings per share of the Company grew from Rs 0.83 for 2016 to Rs 0.92 for the year under review.

REVISION IN THE REMUNERATION OF DIRECTORS

During the year remuneration of directors was revised on recommendation of Human Resource and Remuneration Committee. The increase was disseminated to the members of the company and to Securities & Exchange Commission of Pakistan and Pakistan Stock Exchange. Detail of revision is as follows:

	<u>Existing Remuneration</u>	<u>Revised Remuneration</u>
Mr. Kamran Khan	Rs. 400,000/- per Month	Rs. 800,000/- per Month
Mr. Momin Qamar	Rs. 400,000/- per Month	Rs. 800,000/- per Month
Mrs. Samina Kamran	Rs. 150,000/- per Month	Rs. 300,000/- per Month

UP GRADATIOIN OF PLANT AND MACHINERY

The rising trend in cement sector in the country and outside the country has increased the demand of Cement. The board of directors has decided to increase Cement production capacity and extension of existing Plant and Machinery. The production capacity will be increased from 2,000 Metric Tons to 4,000 Metric Tons per day. In the light of up gradation an agreement is executed with Chinese Companies.

FUTURE OUTLOOK

CPEC project shall remain in focus to gauge Pakistan's GDP growth which is estimated to be 5.7 percent in the year ahead. This project will be focusing on infrastructure spending by the Pakistani Government which is estimated to attract substantial Investment in transport and energy-related projects. Higher cement demand is predicted in the years to come. CPEC's investment would be used for development of infrastructure i.e. rail and road links which will provide robust business opportunities for the construction and cement sector. Stability in international coal prices could enhance growth potential in cement sector. Prevailing political uncertainty on account of legal battle between the government and the opposition political parties needs to be addressed urgently to achieve the growth targets. The management is alive to the challenges ahead and is continuously evolving strategies and adopting.

Due to rising demand of cement in country and outside the country, sales volumes have been increasing day by day.

Dividend

The company has not declared dividend attributable to non-availability of sufficient revenue reserves.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Directors of your company review the Company's strategic direction and business plans on a regular basis. The Audit Committee is empowered for effective compliance of Code of Corporate Governance. We are taking all necessary steps to ensure good corporate governance in your Company as required by the Code. As part of the Compliance we confirm the following:

- (a) The financial statements prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- (b) Proper books of accounts have been maintained by the company.
- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- (d) International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements.
- (e) The system of internal control is sound in design and has been effectively implemented and monitored.
- (f) There are no significant doubts upon the company's ability to continue as a going concern.
- (g) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- (h) Key operating and financial data for the last six years is annexed.
- (i) No trade in shares of Flying Cement Company Limited was carried out by the CEO, Head of Internal Audit, CFO, Company Secretary and their spouses and minor children except of those as reported to the regulatory authorities and disclosed in the annexed Pattern of Shareholding.
- (j) Reasons for significant deviations from last year's operating results have been explained in the relevant section of the Directors' report.
- (k) Information about taxes and levies is given in the Notes to the Financial Statements.

- (l) The company has planned to upgrade its production operations by enhancing production capacity of its plant. The matter has been disclosed to shareholders in the due time and also has been written in this directors' report.
- (m) Details of number of Board and Committees meetings held during the year and attendance by each director has been disclosed below:

NO.	Name of Director	Board Meetings	Audit Committee Meetings	HR& R Committee Meetings
1	Mr. Kamran Khan	9	N/A	N/A
2	Mr. Momin Qamar	9	N/A	N/A
3	Mr. Yousaf Kamran Khan	8	4	2
4	Mr. Qasim Khan	7	4	N/A
5	Mr. Asim Qamar	6	N/A	N/A
6	Mrs. Samina Kamran	7	N/A	2
7	Mr. Muhammad Tawassal Majid	9	4	2
8	Mr. Imran Chaudhry	3	N/A	N/A
9	Mr. Agha Hamayun Khan	9	N/A	N/A
	Total Number of Meetings Held	9	4	2

- (n) The board has been provided with detailed in house briefings and information package to acquaint them with the code, applicable laws, their duties and responsibilities to enable them to effectively manage the affairs of the company for and on behalf of the shareholders.

Staff Retirement Benefits

An unfunded gratuity scheme has been maintained. Provision has been made in the financial statements accordingly for permanent employees of the company.

Auditors

The Auditors M/s. Tahir Siddiqi & Co; Chartered Accountants are retiring at the conclusion of forthcoming Annual General Meeting and being eligible have offered their services for the next term. The Auditors confirmed that they have been given satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) guidelines on code of ethics, as adopted by the ICAP. The Audit Committee and the Board recommended their re-appointment by the shareholders at the Annual General Meeting of Company as Auditors for the year ended June 30, 2018.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2017 along with disclosures as required by the Code of Corporate Governance is annexed.

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in Rule 5.19 of Rule Book of Pakistan Stock Exchange for the purpose of establishing a frame work of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

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

Independent Director	Mr. Muhammad Tawassal Majid
Non Executive Directors	Mr. Kamran Khan Mr. Yousaf Kamran Khan Mr. Qasim Khan Mrs. Samina Kamran Mr. Imran Chaudry
Executive Directors	Mr. Momin Qamar Mr. Agha Hamayun Khan (CEO)
2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurred in the Board and was filled on the same day during the year ended June 30, 2017. Mr. Asim Qamar resigned from the post of director and Mr. Imran Chaudhry was appointed new director in place of outgoing Director Mr. Asim Qamar.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. 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. The board has been provided with detailed in house briefings and information package to acquaint them with the code, applicable laws, their duties and responsibilities to enable them to effectively manage the affairs of the company for and on behalf of the shareholders. Three

Board Members have attained Director's Training Program from the Institute approved by the SECP. Training Program for the rest of directors will be ensured in timely manner.

10. The Board of Directors has approved the appointment of CFO and his remuneration and terms and conditions of employment, as determined by CEO. Any change to the remuneration terms and conditions of the employment of CFO, Company Secretary, Head of Internal Audit have been determined by CEO with the approval of Board of Directors.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance and fully describes the salient matters required to be disclosed.
12. The Financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.
13. The directors, Chief Executive Officer and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three members, all of them are non-Executive Directors and the chairperson of the committee is an independent director.
16. The meetings of the audit committee were held at least once in 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 by the Board and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises three members. All the members are non-executive directors including one independent director who is chairman of the committee.
18. The Board has setup an effective Internal Audit function which is considered suitably qualified and experienced for the purpose and is conversant with policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that neither the firm nor any of the partners of the firm, their spouses and minor children at any time since the last Annual General Meeting held, purchased, sold or took any position in the shares of the company or any of its associated companies or undertakings and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The "closed period" prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner

and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. We confirm that all other material principles enshrined in the CCG have been complied with.

On behalf of the Board of Directors



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive

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

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

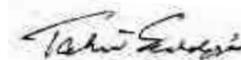
The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of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

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

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

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

Lahore:
October 7, 2017



Tahir Siddiqi & Co.

Chartered Accountants

Engagement Partner: Mohammad Tahir Siddiqi

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **FLYING CEMENT COMPANY LIMITED** (“the Company”) as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the 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 and loss account, statement of comprehensive income, cash flow statement and the statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017 and of the profit, the comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Lahore:
October 7, 2017



Tahir Siddiqi & Co.
Chartered Accountants
Engagement Partner: Mohammad Tahir Siddiqi

BALANCE SHEET AS AT JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital 200,000,000 ordinary shares of Rs 10/- each.		<u>2,000,000,000</u>	<u>2,000,000,000</u>
Issued, subscribed and paid up capital 176,000,000, ordinary shares of Rs. 10/- each.	5	1,760,000,000	1,760,000,000
Reserves	6	479,767,159	287,026,785
		<u>2,239,767,159</u>	<u>2,047,026,785</u>
Surplus on revaluation of fixed assets	7	1,497,415,385	1,528,823,943
NON-CURRENT LIABILITIES			
Long term liabilities	8	1,063,501,913	364,187,425
Long term deposits	9	13,505,340	13,505,340
Deferred liabilities	10	593,395,965	594,105,300
		<u>1,670,403,218</u>	<u>971,798,065</u>
CURRENT LIABILITIES			
Trade and other payables	11	1,699,856,315	1,601,324,909
Accrued interest / mark-up	12	6,600,628	27,039,458
Short term finances	13	81,052,367	110,353,089
Provision for taxation	29	33,809,723	33,206,934
		<u>1,821,319,033</u>	<u>1,771,924,390</u>
TOTAL LIABILITIES		<u>3,491,722,251</u>	<u>2,743,722,455</u>
Contingencies and commitments	14	-	-
TOTAL EQUITY AND LIABILITIES		<u>7,228,904,794</u>	<u>6,319,573,183</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	15	5,636,893,465	5,282,375,198
Long term security deposits	16	18,593,160	18,593,160
CURRENT ASSETS			
Stores, spares & loose tools	17	438,035,187	273,383,958
Stock in trade	18	210,155,475	218,229,743
Trade debts	19	3,429,583	1,118,954
Advances, deposits, prepayments & other receivables	20	906,698,199	479,523,013
Cash and bank balances	21	15,099,725	46,349,157
		<u>1,573,418,169</u>	<u>1,018,604,825</u>
TOTAL ASSETS		<u>7,228,904,794</u>	<u>6,319,573,183</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
Sales	22	2,470,224,763	2,475,777,927
Cost of Sales	23	(2,266,867,959)	(2,309,063,450)
Gross Profit		203,356,804	166,714,477
Operating Expenses			
Distribution Expenses	24	(6,059,253)	(5,199,911)
Administrative Expenses	25	(39,545,994)	(26,394,127)
Other Operating Expenses	26	(15,161,151)	(15,252,023)
		(60,766,398)	(46,846,061)
Operating Profit		142,590,405	119,868,416
Finance Cost	27	(8,084,273)	(2,915,487)
Other Income	28	64,374,591	78,381,977
Profit Before Taxation		198,880,723	195,334,906
Taxation	29	(37,624,875)	(49,638,438)
Profit After Taxation		161,255,848	145,696,468
Earnings Per Share (before tax) - Basic	30	1.13	1.11
Earnings Per Share (after tax) - Basic	30	0.92	0.83

The annexed notes from 1 to 39 form an integral part of these financial statements.



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2017

	2017 Rupees	2016 Rupees
Profit for the year	161,255,848	145,696,468
Remeasurements chargeable in other comprehensive income	75,967	61,967
Total Comprehensive income for the year	<u>161,331,815</u>	<u>145,758,435</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive

CASH FLOW STATEMENT FOR THE PERIOD ENDED JUNE 30, 2017

Note	2017 Rupees	2016 Rupees
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	198,880,723	195,334,906
Adjustment for:		
Depreciation	94,074,704	91,888,540
Provision for gratuity	268,547	254,828
Loss on sale of assets	1,463,371	-
Finance cost	8,084,273	2,915,487
	103,890,895	95,058,855
	302,771,618	290,393,761
(Increase) / Decrease in Stores, spares & loose tools	(164,651,229)	(93,303,516)
(Increase) / Decrease in Stock-in-trade	8,074,268	178,648,975
(Increase) / Decrease in Trade debts	(2,310,629)	5,241,467
(Increase) / Decrease in Advances, deposits, prepayments and other receivables	(353,392,680)	(160,804,803)
Increase in Trade and other Payables	98,531,406	(7,464,132)
Cash generated from operations	(110,977,246)	212,711,752
Gratuity Paid		(214,400)
Taxes paid	(111,706,507)	(40,220,445)
Net Cash from Operating Activities	(222,683,753)	172,276,907
Cash Flows From Investing Activities		
Fixed Capital Expenditure	(459,576,342)	(210,283,100)
Sale proceed of assets	9,520,000	
Long Term Security deposit	-	23,200,000
Net Cash (used in) Investing Activities	(450,056,342)	(187,083,100)
Cash Flows From Financing Activities		
Finance cost paid	(28,523,103)	(76,563,405)
Liabilities against assets subject to finance lease paid	-	(18,522,008)
Long term finance	699,314,488	98,803,079
Long term deposits	-	500,000
Net Cash from Financing Activities	670,791,385	4,217,666
Net Increase / (Decrease) in Cash and Cash Equivalents	(1,948,710)	(10,588,527)
Cash and Cash Equivalents - at the beginning of the year	(64,003,932)	(53,415,405)
Cash and Cash Equivalents - at the end of the year	(65,952,642)	(64,003,932)

The annexed notes from 1 to 39 form an integral part of these financial statements.



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2017

	Ordinary Share Capital (Rs.)	Accumulated Profit / (Loss) (Rs.)	Capital Reserve (Rs.)	Total (Rs.)
Balance as at July 01, 2015	1,760,000,000	(17,760,194)	126,978,994	1,869,218,800
Total Comprehensive Income for the Year	-	145,758,435	-	145,758,435
Incremental depreciation	-	32,049,550	-	32,049,550
Balance as at June 30, 2016	1,760,000,000	160,047,791	126,978,994	2,047,026,785
Total Comprehensive Income for the period	-	161,331,815	-	161,331,815
Incremental depreciation	-	31,408,558	-	31,408,558
Balance as at June 30, 2017	1,760,000,000	352,788,165	126,978,994	2,239,767,159

The annexed notes from 1 to 39 form an integral part of these financial statements.



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

1 LEGAL STATUS AND OPERATIONS

The Company was incorporated as Public Limited Company on December 24, 1992 under the Companies Ordinance, 1984. The company is listed on Pakistan Stock Exchange (Formerly Karachi, Lahore and Islamabad Stock Exchanges). The main objective of the company is to manufacture and sell the cement. The registered office of the company is situated at 103 Fazil Road, Lahore Cantt. and the factory in Khushab.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

- (a) recognition of taxation and deferred tax;
- (b) determining the residual value and useful lives of property, plant and equipment;
- (c) accounting for post employment benefits;
- (d) impairment of inventories / adjustment of their net realizable value.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Accounting Convention

These financial statements have been prepared under the historical cost convention except for those as stated in the respective policies and notes given here under.

4.2 New Accounting Standards, amendments to approved accounting standards and new interpretations.

Promulgation of Companies Act, 2017

Changes have been made in respect of the disclosure and presentation of the financial statements through promulgation of Companies Act, 2017 (the Act) with effect from May 30, 2017. However, the applicability of the Act in relation to the preparation of the financial statements has been deferred by the Securities and Exchange Commission of Pakistan through its Circular 17 dated July 20, 2017 for the companies having financial closure on or before June 30, 2017.

The Company has adopted the following revised standards, amendments and interpretation of IFRSs which became effective for the current year:

IAS 1- Disclosure Initiative (amendments to IAS 1 presentation of financial statements)
IFRS 10, IFRS 12 and IAS 28 - Investment Entities; applying the Consolidation Exceptions (amendments to IFRS 10, IFRS 12 and IAS 28)
Annual improvements to IFRSs 2012-2014 cycle
IAS 16 and IAS 41- Agriculture : Bearer Plants (amendments to IAS 16 and IAS 41)
IAS 16 and IAS 38 - Clarification of acceptable methods of depreciation and amortization (amendments to IAS 16 and IAS 38)
The adoption of the above accounting standards did not have any effect on the financial statements.

Standards and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective Date (accounting periods Beginning on or after)
IFRS 10 and IAS 28 - Sale and contribution of Assets between an Investor and its Associates or Joint Venture (Amendments to IFRS 10 and IAS 28)	Postponed
IAS 7 - Disclosure initiative (Amendments to IAS 7)	1/Jan/2017
IAS 12 -Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)	1/Jan/2017
IFRS 12 -Annual improvements IFRS 2014-2016	1/Jan/2017
IFRS 2 Classification and Measurement of Share-based payment transaction (Amendments to IFRS 2)	1/Jan/2018
IFRS 1 and IAS 28 - Annual Improvements to IFRSs 2014-2016	1/Jan/2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	1/Jan/2018
IAS 40 - Transfers of Investment Property (Amendments to IAS 40)	1/Jan/2018
IFRIC 23 - Uncertainty over Income Tax Treatments	1/Jan/2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

Following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective Date (accounting periods Beginning on or after)
IFRS 9 - Financial Instruments (2014) and consequent amendments to IFRS 4 Insurance Contracts	1-Jan-18
IFRS 14 - Regulatory Deferral Accounts	1-Jan-16
IFRS 15 - Revenue from Contracts with Customers	1-Jan-18
IFRS 16 - Leases	1-Jan-19
IFRS 17 - Insurance Contracts	1-Jan-21

4.3 Property, Plant & Equipment

4.3.1 Owned

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land and capital work-in-progress which are stated at cost less impairment losses, if any.

Maintenance and normal repairs are charged to profit and loss account, as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

An item of property, plant & equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the Profit & Loss Account in the year the asset is derecognized.

The carrying values of the Property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If such indications exist and where the carrying values exceed the recoverable amount, the assets are written down to the recoverable amounts.

Depreciation on all property, plant and equipment is charged to Profit and Loss Account on the reducing balance method, over its estimated useful life at annual rates mentioned in note 15 after taking into account their residual values. Depreciation on additions to property, plant and equipment is charged from the month in which property, plant and equipment is acquired or capitalized while no depreciation is charged for the month in which property, plant and equipment is disposed off.

Assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, if appropriate, at each financial year end.

4.4 Capital Work in Progress

Capital work in progress is stated at cost less any identified impairment loss. These costs are transferred to fixed assets as and when assets are available for use.

4.5 Stock - in - trade

Stock of raw materials, work in process and finished goods are valued at lower of the weighted average cost and the net realizable value. The cost is determined as follows:-

Raw Materials & Work in Process	weighted average cost
Finished Goods	weighted average cost

Stock in transit is valued at cost comprising invoice value and other charges incurred thereon accumulated to the balance sheet date.

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

4.6 Stores, spares & loose tools

These are valued at lower of cost and estimated net realizable value. The cost is determined on weighted average cost basis. Items in transit are valued at cost comprising invoice value and other charges thereon accumulated at the balance sheet date.

4.7 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the Income Tax Ordinance, 2001. The charge for current tax is calculated using prevailing tax rates after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet method in respect of all temporary differences arising from differences between carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of tax. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent to which it is probable that taxable profits will be available against which the deductible temporary difference, unused tax loss, and tax credits can be utilized. Deferred tax is charged or credited to profit & loss account.

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 that have been enacted or substantially enacted at the balance sheet date.

4.8 Trade Debts

Debtors originated by the company are recognized and carried at the original invoice value. Bad debts are written off, when identified.

4.9 Cash and Cash Equivalents

Cash and Cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise of cash in hand, balances with banks on current, saving and deposit accounts and short term borrowings under mark-up arrangements.

4.10 Trade and other payables

Trade and other payables are carried at the cost which is the fair value of the consideration to be paid in future for the goods and services received, whether or not invoiced to the company.

4.11 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at amortized cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost less subsequent repayments.

4.12 Borrowing costs

Mark-up, interest and other direct charges on borrowings are capitalized to the related qualifying asset till substantially all the activities necessary to prepare the qualifying asset for its intended use are complete. All other mark-up, interest and related charges are charged to the profit & loss account in the year in which they are incurred.

4.13 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past event, and it is probable that outflow of economic benefits will be required in the balance sheet to settle the obligation and a reliable estimate of the amount of obligation can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

4.14 Foreign currency transactions

Transactions in foreign currencies are accounted for in Pakistan rupees using exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into rupees at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains or losses are accounted for in Profit & Loss Account.

4.15 Financial Instruments

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. The particular measurement methods adopted are considered in individual policy statement associated with each item.

4.16 Offsetting of Financial Assets and Liabilities

A financial asset and financial liability is offset and net amount is reported in the balance sheet if the company has a legal enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the assets value and settle the liability simultaneously.

4.17 Impairments

The carrying amount of Company's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and impairment losses are recognized.

4.18 Related Party Transactions

The Company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods, except in extremely rare circumstances where, subject to approval of the Board of Directors, it is in the interest of the Company to do so.

4.19 Staff Retirement Benefits

The company operates an unfunded gratuity scheme for all its permanent employees which provides for the graduated scale of benefits dependent on the length of service of the employee on terminal date, subject to the completion of minimum qualifying period of service. Gratuity is based on employees' last drawn salary.

Remeasurement gains / losses as per actuarial valuation done at financial year end are recognised immediately in other comprehensive income and all other expenses are recognised in accordance with IAS-19 "Employee Benefits" in the profit and loss account. The most recent valuation was carried out as on June 30, 2017 using the "Projected Unit Credit Method".

4.20 Dividend and appropriations

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

4.21 Surplus on Revaluation of Fixed Assets

The surplus arising on revaluation of fixed assets is credited to the "Surplus on Revaluation of Fixed Assets Account" shown below equity in the balance sheet in accordance with the requirements of section 235 of the Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002 and accordingly the Company has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the Securities and Exchange Commission of Pakistan's (SECP) SRO 45(1)/2003 dated January 13, 2003.

- (a) Depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and
- (b) An amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Fixed Assets account" to accumulated profit / (loss) through Statement of Changes in Equity to record realization of Surplus to the extent of the incremental depreciation charge for the year.

4.22 Revenue Recognition

- Revenue from sale is recognized on dispatch of goods to the customers.
- Gain on sale of property, plant and equipment is recorded when title is transferred in favour of transferee.
- Income from Banks is recognized when earned.

		2017 Rupees	2016 Rupees
5 SHARE CAPITAL			
a) Authorized			
200,000,000 (2016: 200,000,000) ordinary shares of Rs.10/- each.		<u>2,000,000,000</u>	<u>2,000,000,000</u>
b) Issued, Subscribed and Paid Up.			
- 137,419,189 (2016: 137,419,189) ordinary shares of Rs.10/- each fully paid up in cash.		<u>1,374,191,890</u>	<u>1,374,191,890</u>
- 22,580,811 (2016: 22,580,811) ordinary shares of Rs. 10/- each fully paid up for consideration other than cash.		<u>225,808,110</u>	<u>225,808,110</u>
- 16,000,000 (2016: 16,000,000) bonus shares of Rs.10/- each fully issued as bonus shares.		<u>160,000,000</u>	<u>160,000,000</u>
		<u>1,760,000,000</u>	<u>1,760,000,000</u>
6 RESERVES			
Capital Reserve	6.1	<u>126,978,994</u>	<u>126,978,994</u>
Revenue Reserve			
Un-appropriated Profit/(Loss)		<u>352,788,165</u>	<u>160,047,791</u>
		<u>479,767,159</u>	<u>287,026,785</u>

6.1 Capital reserve consists of gain on disposal of 21,296,200 shares by directors / beneficial owners of the company in open market since 2008. This gain is tendered to the company as required by the Companies Ordinance, 1984.

		2017 Rupees	2016 Rupees
7 SURPLUS ON REVALUATION OF FIXED ASSETS			
Opening Balance of Revaluation Surplus		<u>1,528,823,943</u>	<u>1,560,873,493</u>
Less: Surplus transferred to retained earnings (accumulated loss)			
Incremental depreciation		<u>44,869,369</u>	<u>45,785,071</u>
Deferred Tax effect		<u>(13,460,811)</u>	<u>(13,735,521)</u>
		<u>31,408,558</u>	<u>32,049,550</u>
		<u>1,497,415,385</u>	<u>1,528,823,943</u>

7.1 The company got its assets i.e. land, building, plant & machinery revalued on June 30, 2006 on the basis of current market prices by M/s Hasib Associates (Pvt.) Limited, an independent and approved valuers from Pakistan Banks Association. This amount was credited to Surplus on Revaluation of Fixed Assets account to comply with the requirements of section 235 of the Companies Ordinance, 1984. It includes surplus on revaluation of freehold land amounting to Rs.114.261 million (2016 Rs. 114.261 million). Subsequently the company got its assets revalued in June 2013 by an independent valuer. However, no material differences were identified.

		2017 Rupees	2016 Rupees
8 LONG TERM LIABILITIES			
Loans from banking companies - secured	8.1	<u>484,112,250</u>	<u>63,860,835</u>
Loans from related parties - unsecured	8.2	<u>516,729,322</u>	<u>251,605,037</u>
Long term creditors	8.3	<u>62,660,341</u>	<u>48,721,553</u>
		<u>1,063,501,913</u>	<u>364,187,425</u>

8.1 LOANS FROM BANKING COMPANIES - SECURED

Askari Bank Ltd. - Term Finance I	8.1.1	-	-
National Bank of Pakistan Demand Finance	8.1.2	-	63,860,835
National Bank of Pakistan Demand Finance	8.1.3	<u>384,362,250</u>	
National Bank of Pakistan Demand Finance (WHR)	8.1.4	<u>99,750,000</u>	
		<u>484,112,250</u>	<u>63,860,835</u>
		<u>484,112,250</u>	<u>63,860,835</u>

8.1.1 Term Finance facility of Rs. 50 million was availed from Askari Bank Limited that was secured against 1st charge on present and future assets of the company, personal guarantees of directors and additional collaterals along with group inter corporate guarantees. The loan has been paid in year 2012 and release of charge is under arrangements.

8.1.2 Demand Finance of Rs.150 million (2016: Rs. 150 million) was availed from National Bank of Pakistan payable in quarterly installments. The finance was secured against 1st joint pari passu charge on entire present and future fixed assets of the sister concern Flying Board & Paper Products Limited company with 40% of margin, personal guarantees of sponsoring directors of the company and pledge of directors' shares of the company and cross corporate guarantee of Flying Board & Paper Products Limited. During the year the company has fully paid all its liabilities against the demand finance.

8.1.3 The Company has been sanctioned facility of Demand finance of Rs.1,500 million with sub-limit of Import LC-Sight from National Bank of Pakistan at 25% Margin over Fixed Assets secured against 1st charges of Rs.2,000 million over all present and future fixed assets (Hypothecation/Mortgage) of the company and personal guarantees of all directors to finance up gradation of production capacity to 4000 tons per day (TPD) from 2000 TPD.

The facility includes a grace period of one year and principal to be repaid in 16 quarterly installments of Rs.93.75 million each. The first installment falls due at the end of 15th month from lodgment of Import documents. Markup shall be charged at 3 Months KIBOR plus 1.5% p.a.

Sub-limit of LC-Sight includes facility of Rs.1,450 million against nil Cash Margin to finance import requirement for up-gradation of production capacity to 4000 TPD from 2000 TPD secured against lien on documents of title to Goods and same security packages and sponsor commitment as for Demand finance facility. The facility will expire on sight and repayment against the facility will be through disbursement of demand finance / own source of company.

8.1.4 The Company has availed facility of letter of credit-sight limited of Rs.100 million with nil cash margin and markup payable as per schedule of charges of the bank to import Heat Exchanger.

The Company has availed facility of demand finance as a sub-limit to LC-Sight at nil cash margin with as markup of 3 month KIBOR plus 1.5% p.a to finance import of Heat Exchanger. The facility will expire on 31-12-2018 including 6 months grace period and principal is to be repaid in 6 quarterly installments of Rs.16.67 million. The facility of LC-Sight and its sub limit of demand finance are secured against 1st charge of Rs.134 million over all present and future fixed assets (hypothecation/Mortgage) of the company, lien of import documents and personal guarantees of all Directors.

All these facilities also include commitment of sponsoring directors through pledge of shares.

		2017 Rupees	2016 Rupees
8.2	LOANS FROM RELATED PARTIES - UNSECURED		
	Directors & shareholders loan	8.2.1 516,729,322	251,605,037
		<u>516,729,322</u>	<u>251,605,037</u>
8.2.1	The directors have personally financed a portion of the expansion project and the loan is interest free. The repayment of the loan will be made after the completion of the expansion project subject to availability of funds.		
8.3	This include markup free loan from associate companies i.e. Poly Paper & Board Mills (Pvt.) Limited of Rs. 34.3 million, Zaman Paper & Board Mills (Pvt.) Limited of Rs.10.153 million and Flying Board & Paper Products Limited Rs.13.94 million.		
9	LONG TERM DEPOSITS- unsecured		
	Dealers	9.1 2,805,000	2,805,000
	Transporters	9.2 10,700,340	10,700,340
		<u>13,505,340</u>	<u>13,505,340</u>
9.1	These represents interest free security deposits from stockist and are repayable on cancellation of dealership or cessation of business. These are being utilized by the company in accordance with agreed terms.		
9.2	These represents interest free security deposits from transporters and are repayable on cancellation of dealership or cessation of business. These are being utilized by the company in accordance with agreed terms.		
10	DEFERRED LIABILITIES		
	Deferred Taxation	10.1 592,551,445	593,453,360
	Gratuity	10.2 844,520	651,940
		<u>593,395,965</u>	<u>594,105,300</u>
10.1	Deferred Taxation - Net		
	Taxable temporary differences - effect thereof		
	- Excess of accounting book value of fixed assets over their tax base	1,172,040,356	1,172,440,542
	Deductible temporary differences - effect thereof		
	- Gratuity	(253,356)	(195,582)
	- Excess Tax / Minimum Tax	(33,809,723)	(33,206,934)
	- WPPF & WWF	(7,668,120)	(6,476,954)
	- Unused tax losses	(537,757,712)	(539,107,712)
		<u>592,551,445</u>	<u>593,453,360</u>
10.2	The scheme provides for terminal benefits for all its permanent employees who attain the minimum qualifying period. Annual charge is made using the actuarial techniques of Projected Unit Credit Method.		
10.2.1	Movement in Net liability recognized in Balance Sheet		
	Net Liability at the beginning of the year	651,940	673,479
	Charge for the year	10.2.3 268,547	254,828
	Remeasurement Chargeable to other comprehensive income	(75,967)	(61,967)
	Benefits paid during the year	-	(214,400)
	Net Liability at the end of year	<u>844,520</u>	<u>651,940</u>
10.2.2	Movement in Present value of defined benefit obligation		
	Present value of defined benefit obligation	651,940	673,479
	Current service cost	209,872	195,369
	Interest cost	58,675	59,459
	Actuarial (gain) / loss	(75,967)	(61,967)
	Benefits paid	-	(214,400)
		<u>844,520</u>	<u>651,940</u>
10.2.3	Expenses recognized in Profit & loss account		
	Current service cost	209,872	195,369
	Interest cost	58,675	59,459
		<u>268,547</u>	<u>254,828</u>
	Total amount chargeable to profit and loss account		

	2017 Rupees	2016 Rupees
10.2.4 Change in Actuarial Gains/ (Losses)		
Unrecognised actuarial gains/(Losses) as at 30 June	-	-
Actuarial gains/(Losses) arising during the year	(75,967)	61,967
Actuarial gains/(Losses) charged to profit and loss during the year	-	-
Unrecognised actuarial gains/(Losses) as at 30 June	(75,967)	61,967
10.2.5 Component of defined benefit costs recognised in other comprehensive income		
Experience adjustment	(75,967)	61,967
Total remeasurements chargeable in other comprehensive income	(75,967)	61,967
10.2.6 Principal actuarial assumptions		
Discount rate	9.25%	9.00%
Expected rate of increase in salaries per annum	-	8.00%
11 TRADE AND OTHER PAYABLES		
Trade Payables	1,618,169,023	1,550,855,663
Accrued liabilities	5,805,680	5,472,688
Taxes and Other Govt. Levies payable	74,138,524	42,224,825
Other liabilities	1,743,088	2,771,733
	1,699,856,315	1,601,324,909
12 ACCRUED INTEREST / MARK-UP		
Mark-up on long term financing - secured	6,600,628	27,039,458
	6,600,628	27,039,458
13 SHORT TERM FINANCES		
Loans from banking companies-secured	13.1	81,052,367
		110,353,089
		81,052,367
		110,353,089
13.1 LOANS FROM BANKING COMPANIES-SECURED		
Banks - secured		
Askari Bank Ltd.	13.1.1	-
Albaraka Islamic Bank	13.1.2	4,323,909
National Bank of Pakistan	13.1.3	76,728,458
		81,052,367
		110,353,089

13.1.1 A letter of credit (S/U 180 days) of Rs. 60 million was obtained from Askari Bank Limited that was secured against 1st charge on current assets of the company and 5th charge on all present and future assets of the company. During the year 2012, the company has paid all its liabilities regarding above said borrowing and release of charge is under arrangements.

13.1.2 A letter of credit facility usance / acceptance 180 days of Rs. 42.50 million (2016: Rs. 22.50 million) is obtained from Albaraka Islamic Bank with a sub limit of letter of guarantee of Rs. 0.20 million (2016: Rs. 0.20 million) to meet the contractual and import requirements of the company. The finance is secured against 2nd ranking charge over current assets of the company valuing Rs. 75 million, 4th ranking charge over current assets of the company for Rs.69 million, lien over import documents valuing Rs. 22.5 million and personal guarantee of all Directors of the company. Mark-up is charged as per bank's Schedule of charges.

13.1.3 During the year Company has enhanced financing from National Bank of Pakistan through letter of credit facility of usance (180 Days) to Rs. 700 million from 300 million at 20% Cash Margin with expiry of 31-03-2017 for the purpose of importing coal, packing material and machinery parts to be repaid through internal Cash Flows routed through Sinking Fund created for the purpose. The facility is secured against 1st charge of Rs.934 million over all present and future fixed assets of the Company, personal guarantees of all Directors, Accepted Bills of Exchange and Trust Receipt.
The Company has availed facility of letter of credit-sight limited of Rs.100 million with nil cash margin and markup payable as per schedule of charges of the bank to import Heat Exchanger.

All these facilities also include commitment of sponsoring directors through pledge of shares.

The Company has been sanctioned facility of Demand finance of Rs.1,500 million with sub-limit of Import LC-Sight from National Bank of Pakistan at 25% Margin over Fixed Assets secured against 1st charges of Rs.2,000 million over all present and future fixed assets (Hypothecation/Mortgage) of the company and personal guarantees of all directors to finance gradation of production capacity to 4000 tons per day (TPD) from 2000 TPD.

The facility includes a grace period of one year and principal to be repaid in 16 quarterly installments of Rs.93.75 million each. The first installment falls due at the end of 15th month from lodgment of Import documents. Markup shall be charges at 3 Months KIBOR plus 1.5% p.a

Sub-limit of LC-Sight includes facility of Rs.1,450 million against nil Cash Margin to finance import requirement for up-gradation of production capacity to 4000 TPD from 2000 TPD secured against lien on documents of title to Goods and same security packages and sponsor commitment as for Demand finance facility. The facility will expire on sight and repayment against the facility will be through disbursement of demand finance / own source of company.

14 CONTINGENCIES AND COMMITMENTS

- 14.1** The Albaraka Islamic Bank has issued letter of guarantees on behalf of the company for the following:
- Excise Collection Office, Sindh Development & Maintenance amounting to Rs. 0.20 million
- 14.2** The Competition Commission of Pakistan (CCP) has issued a show cause notice to the company for an increase in prices of cement across the country. As a result of it an amount of Rs. 12 million was imposed as a penalty. The case is currently before the the Honorable High Court. The Court granted the stay order restricting the CCP to pass any adverse order(s) against the show cause notices issued to the cement manufacturers.
- 14.3** Sales tax audit was conducted in 2015 and an impugned liability of Rs. 40.9 million was determined out of which Rs. 20 million has been deposited by the company under protest. The company feeling aggrieved filed an appeal before appellate tribunal which is pending yet and is likely to be decided in favour of the company.

15 PROPERTY, PLANT & EQUIPMENT

		2017 Rupees	2016 Rupees
Operating Assets - tangible	15.1	4,641,202,214	4,743,400,789
Capital Work in Progress - at cost	15.5	995,691,251	538,974,409
		<u>5,636,893,465</u>	<u>5,282,375,198</u>

15.1

Particulars	Cost / Revaluation				Rate %	Accumulated Depreciation				Book value as at 30-06-2017 Rs.
	As at 01-07-2016 Rs.	Addition/ (Deletion) Rs.	Adjustment	As at 30-06-2017 Rs.		As at 01-07-2016 Rs.	Adjustment	For the period Rs.	As at 30-06-2017 Rs.	
	Owned Assets									
Land - freehold	6,276,246	-	-	6,276,246		-	-	-	6,276,246	
Revaluation	114,261,254	-	-	114,261,254		-	-	-	114,261,254	
	120,537,500			120,537,500					120,537,500	
Building-on freehold land					2					
Revaluation	292,730,850	-	-	292,730,850		73,744,257	4,379,732	78,123,989	214,606,861	
	287,101,651	-	-	287,101,651	2	52,518,698	4,691,659	57,210,357	229,891,294	
	579,832,501			579,832,501		126,262,955	9,071,391	135,334,346	444,498,155	
Roads	5,514,865	-	-	5,514,865	2	1,445,687	81,384	1,527,071	3,987,794	
Plant & machinery	2,538,783,127	-	(35,000,000)	2,503,783,127	2	403,283,204	(24,016,629)	421,756,906	2,082,026,221	
Revaluation	2,458,637,095	-	-	2,458,637,095	2	449,751,582	40,177,710	489,929,292	1,968,707,803	
	4,997,420,222		(35,000,000)	4,962,420,222		853,034,786	(24,016,629)	911,686,198	4,050,734,024	
Electrical installations	18,827,285	2,859,500	-	21,686,785	10	8,951,431	1,157,560	10,108,991	11,577,795	
Tools & equipment	1,391,363	-	-	1,391,363	10	767,781	62,358	830,139	561,224	
Furniture, fixtures & equipment	1,524,309	-	-	1,524,309	10	1,022,715	50,159	1,072,874	451,435	
Vehicles	23,443,385	-	-	23,443,385	10	13,605,287	983,810	14,589,097	8,854,288	
Total	5,748,491,430	2,859,500	(35,000,000)	5,716,350,930		1,005,090,642	(24,016,629)	94,074,704	4,641,202,214	

15.2 Depreciation for the year has been allocated as under.

Cost of Goods Sold
Administrative expenses

2017 Rupees	2016 Rupees
93,040,734	90,739,685
1,033,969	1,148,855
94,074,704	91,888,540

Particulars	Cost / Revaluation				Rate %	Accumulated Depreciation				Book value as at 30-06-2016 Rs.
	As at 01-07-2015 Rs.	Addition/ (Deletion) Rs.	Adjustment	As at 30-06-2016 Rs.		As at 01-07-2015 Rs.	Adjustment	For the period Rs.	As at 30-06-2016 Rs.	
Owned Assets										
Land - freehold	6,276,246	-	-	6,276,246		-	-	-	-	6,276,246
Revaluation	114,261,254	-	-	114,261,254		-	-	-	-	114,261,254
	120,537,500			120,537,500						120,537,500
Building-on freehold land	292,730,850	-	-	292,730,850	2	69,275,143	-	4,469,114	73,744,257	218,986,593
Revaluation	287,101,651	-	-	287,101,651	2	47,731,291	-	4,787,407	52,518,698	234,582,953
	579,832,501			579,832,501		117,006,434		9,256,521	126,262,955	453,569,546
Roads	5,514,865	-	-	5,514,865	2	1,362,643	-	83,044	1,445,687	4,069,178
Plant & machinery	2,300,577,030	209,406,097	28,800,000	2,538,783,127	2	359,670,020	4,298,024	39,315,160	403,283,204	2,135,499,923
Revaluation	2,458,637,095	-	-	2,458,637,095	2	408,753,918	-	40,997,664	449,751,582	2,008,885,513
	4,759,214,125	209,406,097	28,800,000	4,997,420,222		768,423,938	4,298,024	80,312,824	853,034,786	4,144,385,436
Electrical installations	17,950,285	877,000	-	18,827,285	10	7,933,422	-	1,018,009	8,951,431	9,875,855
Tools & equipment	1,391,363	-	-	1,391,363	10	698,494	-	69,287	767,781	623,582
Furniture, fixtures & equipment	1,524,309	-	-	1,524,309	10	966,982	-	55,733	1,022,715	501,594
Vehicles	23,443,385	-	-	23,443,385	10	12,512,165	-	1,093,122	13,605,287	9,838,098
Sub Total	5,509,408,333	210,283,097	28,800,000	5,748,491,430		908,904,078	4,298,024	91,888,540	1,005,090,642	4,743,400,789
Leased Assets										
Plant & machinery	28,800,000	-	(28,800,000)	-	2	4,298,024	(4,298,024)	-	-	-
Sub Total	28,800,000		(28,800,000)			4,298,024	(4,298,024)			
Total	5,538,208,333	210,283,097		5,748,491,430		913,202,102		91,888,540	1,005,090,642	4,743,400,789

15.2 Depreciation for the year has been allocated as under:

	2016 Rupees	2015 Rupees
Cost of Goods Sold	90,739,685	92,563,230
Administrative expenses	1,148,855	1,276,505
	91,888,540	93,839,735

15.3 Particulars of assets

Particulars of assets	Cost	Accumulated Depreciation	Book Value	Sales proceeds
Generator	35,000,000	24,016,629	10,983,371	9,520,000
	35,000,000	24,016,629	10,983,371	9,520,000

		2017 Rupees	2016 Rupees
15.4	Had there been no revaluation the carrying amount of the assets would be:		
	Land	6,276,246	6,276,246
	Building	214,606,861	218,986,593
	Plant & Machinery	<u>2,082,026,221</u>	<u>2,135,499,923</u>
		<u>2,302,909,328</u>	<u>2,360,762,762</u>
15.5	CAPITAL WORK IN PROGRESS		
	Building	113,132,700	113,132,700
	Plant & machinery	882,558,551	425,841,709
		<u>995,691,251</u>	<u>538,974,409</u>
16	LONG TERM SECURITY DEPOSITS		
	Security deposits-WAPDA	<u>18,593,160</u>	<u>18,593,160</u>
		<u>18,593,160</u>	<u>18,593,160</u>
16.1	These are security deposits held with WAPDA and do not carry any markup arrangement.		
17	STORES, SPARES AND LOOSE TOOLS		
	Stores & Spares	9,759,028	5,575,016
	Furnace oil, coal & lubricants	428,276,159	267,808,942
		<u>438,035,187</u>	<u>273,383,958</u>
18	STOCK IN TRADE		
	Raw & Packing material	19,833,727	17,050,832
	Work in process	23 188,257,571	197,470,634
	Finished goods	23 2,064,177	3,708,277
		<u>210,155,475</u>	<u>218,229,743</u>
19	TRADE DEBTS- considered good though unsecured	<u>3,429,583</u>	<u>1,118,954</u>
20	ADVANCES, DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES		
	Advances to suppliers - Unsecured, considered good	72,927,548	168,433,746
	Advances to staff - Unsecured, considered good	376,400	726,277
	Margin held by banks	90,984,169	59,015,410
	Advance income tax	304,492,086	230,709,580
	Sales tax & excise duty tax year 2013	20,000,000	20,000,000
	Other advances	417,917,996	638,000
		<u>906,698,199</u>	<u>479,523,013</u>
21	CASH AND BANK BALANCES		
	In Hand	4,662,383	3,247,178
	At Banks- current accounts	10,437,342	43,101,979
		<u>15,099,725</u>	<u>46,349,157</u>

	2017 Rupees	2016 Rupees
22 SALES		
Gross Sales		
Local - Cement	3,452,058,357	3,177,256,558
Material Transferred to Associate	14,938,622	-
	<u>3,466,996,979</u>	<u>3,177,256,558</u>
Less :		
Sales Tax	590,439,616	537,187,454
Excise Duty	397,273,000	158,702,197
Rebate/Commission on Sales	9,059,600	5,588,980
	<u>996,772,216</u>	<u>701,478,631</u>
NET SALES	<u><u>2,470,224,763</u></u>	<u><u>2,475,777,927</u></u>
23 COST OF SALES		
Raw Material Consumed	83,235,912	56,796,870
Furnace Oil, Diesel, Coal and Lubricants consumed	801,799,441	787,967,440
Packing Material consumed	188,264,866	183,163,187
Stores and Spares consumed	7,983,451	8,245,208
Material Transferred to Associate	12,768,053	-
Salaries , Wages and Benefits	56,455,675	53,255,799
Water Charges	1,213,467	796,095
Electricity	966,694,691	959,534,433
Extraction Charges	35,725,500	34,347,500
Repair and Maintenance	2,332,774	1,994,189
Vehicle Running Expenses	3,137,004	2,442,198
Communication	208,056	558,979
Entertainment	69,897	146,920
Printing and Stationery	48,835	240,200
Travelling and Conveyance	332,140	673,220
Other Manufacturing Expenses	2,700,300	2,363,284
Depreciation	15.2 93,040,734	90,739,685
	<u>2,256,010,796</u>	<u>2,183,265,207</u>
Work In Process		
Opening stock	197,470,634	322,738,467
Closing stock	(188,257,571)	(197,470,634)
	<u>9,213,063</u>	<u>125,267,833</u>
Cost of Goods Manufactured	<u>2,265,223,859</u>	<u>2,308,533,040</u>
Finished Goods		
Opening stock	3,708,277	4,238,687
Closing stock	(2,064,177)	(3,708,277)
	<u>1,644,100</u>	<u>530,410</u>
Cost of Sales	<u><u>2,266,867,959</u></u>	<u><u>2,309,063,450</u></u>

		2017 Rupees	2016 Rupees
24	DISTRIBUTION COST		
	Salaries , Wages and Benefits	24.1 5,652,542	4,793,122
	Rent, Rates and Taxes	165,000	180,000
	Travelling, Conveyance and Vehicle Running	23,030	22,630
	Communication	30,938	28,230
	Electricity, Water & Sui Gas	16,147	12,596
	Advertisement	148,878	123,930
	Entertainment & Miscellaneous	22,718	39,403
		<u>6,059,253</u>	<u>5,199,911</u>

24.1 Salaries Wages and Benefits includes Rs.49,169/- (2016: Rs.46,657/-) in respect of gratuity.

		2017 Rupees	2016 Rupees
25	ADMINISTRATIVE EXPENSES		
	Salaries , Wages and Benefits	25.1 6,459,124	5,992,496
	Directors' Remuneration	17,100,000	11,400,000
	Travelling, Conveyance and Vehicle Running	2,321,125	1,576,445
	Legal and Professional	2,129,000	2,735,000
	Communication	2,242,036	1,145,383
	Charity and Donation	25.2 285,950	230,000
	Fee and Subscription	3,326,843	1,337,355
	Insurance	2,373,638	828,593
	Fine & Penalties	2,274,309	-
	Depreciation	15.2 1,033,969	1,148,855
		<u>39,545,994</u>	<u>26,394,127</u>

25.1 Salaries Wages and Benefits includes Rs.219,378/- (2016: Rs. 208,171/-) in respect of gratuity.

25.2 The company has paid the charity and donation of Rs. 285,950/-(2016: Rs.230,000/-) and directors or their spouses were not interested in the donee.

26	OTHER EXPENSES		
	Workers' Profit Participation Fund	10,667,094	10,490,596
	Workers' Welfare Fund	3,794,057	3,986,427
	Auditors' Remuneration	700,000	775,000
		<u>15,161,151</u>	<u>15,252,023</u>

	2017 Rupees	2016 Rupees
26.1 Auditors' Remuneration		
Tahir Siddiqi & Co. -statutory audit	700,000	660,000
Junaidy Shoaib Asad & Co. -cost audit	-	115,000
	<u>700,000</u>	<u>775,000</u>
27 FINANCE COST		
Mark up	6,676,335	1,213,875
Bank Charges and Commission	1,407,938	1,701,612
	<u>8,084,273</u>	<u>2,915,487</u>
28 OTHER INCOME		
Loss on disposal of fixed assets	(1,463,371)	-
Sale of Trees & Scrap	65,837,962	28,512,301
Creditors written off (Over Three Years)	-	5,212,860
Financial Charges Written off	-	44,656,816
	<u>64,374,591</u>	<u>78,381,977</u>
	2017 Rupees	2016 Rupees
29 TAXATION		
Prior	4,717,067	9,611,540
Current	33,809,723	33,206,934
	<u>38,526,790</u>	<u>42,818,474</u>
Deferred	(901,915)	6,819,964
	<u>37,624,875</u>	<u>49,638,438</u>

29.1 Numerical reconciliation between the average tax rate and applicable tax rate has not been presented as the company is subject to the provisions of minimum tax under section 113 and alternate corporate tax under section 113 C of the Income Tax Ordinance, 2001.

29.2 The applicable income tax rate for subsequent years beyond tax year 2017 was reduced to 30% on account of changes made to the Income Tax Ordinance, 2001 through Finance Act 2015. Therefore, deferred tax is computed at the rate of 30% applicable to the period when temporary differences are expected to be reversed / utilized.

	2017 Rupees	2016 Rupees
30 EARNINGS / (LOSS) PER SHARE-BASIC		
There is no dilutive effect on the earnings per share, and basic earnings per share is based on: Profit/(Loss) before taxation	<u>198,880,723</u>	<u>195,334,906</u>
Profit / (Loss) after taxation	<u>161,255,848</u>	<u>145,696,468</u>
	(No. of shares)	
Weighted average number of ordinary shares	<u>176,000,000</u>	<u>176,000,000</u>
	(Rupees)	
30.1 Earnings/(Loss) per share (before tax) - Basic	<u>1.13</u>	<u>1.11</u>
30.2 Earnings/(Loss) per share (after tax) - Basic	<u>0.92</u>	<u>0.83</u>
31 NUMBER OF EMPLOYEES		
Total number of employees at the end of year.	<u>305</u>	<u>276</u>
Average number of employees during the year.	<u>295</u>	<u>250</u>

32 RELATED PARTIES TRANSACTIONS

Related parties of the company comprise associated undertakings, directors, key employees and management personnel. Detail of transactions with related parties except remuneration and benefits to directors and management personnel under their terms of employment, are as under:

Nature of transaction		2017 Rupees	2016 Rupees
Purchase of goods, services	Relationship		
Flying Paper Industries Limited	Associate	76,372,185	88,371,460
Flying Board & Paper Products Limited	Associate	93,701,588	44,513,511
		<u>170,073,773</u>	<u>132,884,971</u>
Nature of transaction			
Sales of goods, services	Relationship		
Flying Board & Paper Products Limited	Associate	12,768,053	-
		<u>12,768,053</u>	<u>-</u>
32.1 Year end balances			
Payable to related parties.	8.3	62,660,341	48,721,553
Receivable from related parties		48,232,384	21,250,563

32.2 All transactions with related parties have been carried out on commercial terms and conditions.

33 FINANCIAL RISK MANAGEMENT

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

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

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

33.1 Credit risk

The company's Credit risk exposures are categorized under the following heads:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at reporting date was:

	2017 Rupees	2016 Rupees
Trade debtors	3,429,583	1,118,954
Advances, deposits, prepayments and other receivables	509,278,565	60,379,687
Cash at banks	10,437,342	43,101,979
	<u>523,145,490</u>	<u>104,600,620</u>

The trade debts at the balance sheet date are all domestic debts.

The aging of trade receivables at the reporting date:

Not past due	891,692	268,549
Past due 1-30 days	1,268,946	414,013
Past due 31-60 days	754,508	268,549
Past due 61-90 days	308,662	111,895
Over 90 days	205,775	55,948
	<u>3,429,583</u>	<u>1,118,954</u>

Based on historic records, the company believes that no impairment allowance in respect of loans and receivables is required.

33.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as substantially obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has obtained finance facilities from various commercial banks to meet any deficit, if required to meet the short term liquidity commitments.

At June 30 , 2017	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
Long term finances	1,000,841,572	1,000,841,572	-	-	-	1,000,841,572
Trade and other payables	1,625,717,791	1,625,717,791	1,625,717,791	-	-	-
Accrued Markup	6,600,628	6,600,628	6,600,628	-	-	-
Short term borrowings	81,052,367	81,052,367	81,052,367	-	-	-
	<u>2,714,212,358</u>	<u>2,714,212,358</u>	<u>1,713,370,786</u>	-	-	<u>1,000,841,572</u>

At June 30 , 2016	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
Long term finances	315,465,872	315,465,872	-	-	-	315,465,872
Trade and other payables	1,559,100,084	1,559,100,084	1,559,100,084	-	-	-
Accrued Markup	27,039,458	27,039,458	27,039,458	-	-	-
Short term borrowings	110,353,089	110,353,089	110,353,089	-	-	-
	<u>2,011,958,503</u>	<u>2,011,958,503</u>	<u>1,696,492,631</u>	-	-	<u>315,465,872</u>

33.3 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 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. The Company is exposed to currency risk and interest rates only.

33.3.1 Interest rate risk

At the reporting date the interest rate profile of the Company's interest bearing financial instruments were:

	Effective rate in %		Carrying Amount (Rupees)	
	2017	2016	2017	2016
Financial Liabilities				
Variable Rate instruments:				
Short term borrowings	7.62	-	81,052,367	110,353,089
Long term borrowings	7.64	-	484,112,250	63,860,835

33.3.1.1 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 rate at the reporting date would not affect profit and loss account.

33.3.1.2 Cash flow sensitivity analysis for various rate instruments

A change of 100 basis points in interest rate at the reporting date would have increased / (decreased) profit or loss by amount shown below. This analysis assumes that all other variables, in a particular foreign currency rate (if any), remains constant. The analysis is performed on the same basis as for the previous year:-

	Rupees	Rupees
	Increase Profit	Decrease Profit
As at June 30, 2017	5,651,646	(5,651,646)
As at June 30, 2016	1,742,139	(1,742,139)

The sensitivity analysis prepared is not necessarily indicative of the effect on profit / (loss) for the year and assets / liabilities of the company.

33.3.2 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

33.3.3 Currency Risk

Foreign currency risk is the risk that the value of financial assets or liabilities will fluctuate due to change in foreign exchange rates. It arises mainly where receivable and payable exist due to transactions entered into foreign currencies. The company is exposed to currency risk on import of machinery mainly dominated in US dollars. The Company's exposure to foreign currency risk for US dollars is as follows:

	2017	2016
	Rupees	Rupees
Outstanding letter of credits	81,052,367	97,159,552
Average rate	104.95	104.37
Reporting date rate	106.85	104.83

33.3.3.1 Sensitivity Analysis

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, post-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of outstanding letter of credits.

The effect on profit and loss account is 8,105,237 9,715,955

The weakening of PKR against foreign currencies would have an equal but opposite impact on the post tax profit. The sensitivity analysis prepared is not necessarily indicative of the effects on (loss)/profit for the year and assets/liabilities of the Company.

33.4 Fair values of the financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

34 Capital Risk Management

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

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

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total capital employed. Total capital employed is calculated as equity as shown in the balance sheet plus debt.

	2017 Rupees	2016 Rupees
Total Borrowings	1,081,893,939	425,818,961
Total Equity	2,239,767,159	2,047,026,785
Total Capital Employed	<u>3,321,661,098</u>	<u>2,472,845,746</u>
Gearing Ratio	32.57%	17.22%

35 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executive Directors		Non Executive Directors		Executives	
	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees
Managerial remuneration	876,000	876,000	6,545,400	4,364,000	9,000,000	6,000,000	4,050,000	3,491,000
Medical allowance	87,600	87,600	654,600	436,000	900,000	600,000	405,000	349,000
	<u>963,600</u>	<u>963,600</u>	<u>7,200,000</u>	<u>4,800,000</u>	<u>9,900,000</u>	<u>6,600,000</u>	<u>4,455,000</u>	<u>3,840,000</u>
Number of persons	1	1	1	1	2	2	10	8

35.1 No amount was paid to directors for attending the Board of Directors meeting.

36 PRODUCTION CAPACITY

	Installed Capacity		Actual production	
	2017 Tons	2016 Tons	2017 Tons	2016 Tons
Clinker	600,000	600,000	374,033	336,257
Cement	<u>600,000</u>	<u>600,000</u>	<u>396,992</u>	<u>387,500</u>

Reason for shortfall

The major reason of short fall in production vis-à-vis production capacity is due to old Plant & Machinery causing frequent break down of the Plant. Further frequent long load shedding of Electricity also augmented the short fall of the production.

2017 Rupees	2016 Rupees
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37 CASH AND CASH EQUIVALENTS

Cash & Bank balances	15,099,725	46,349,157
Short term finances	<u>(81,052,367)</u>	<u>(110,353,089)</u>
	<u>(65,952,642)</u>	<u>(64,003,932)</u>

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 07, 2017 by the board of directors of the company.

39 GENERAL

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

- Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison.



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive

Operating and Financial Data

Particulars	2017	2016	2015	2014	2013	2012
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(Restated)

Operating Results (Rs.)

Net Sales	2,470,224,763	2,475,777,927	2,222,797,816	2,064,569,791	841,229,501	1,307,903,515
Gross Profit / (Loss)	203,356,804	166,714,477	119,612,703	105,978,256	(5,151,382)	(169,394,484)
Pre tax profit / (loss)	198,880,723	195,334,906	188,375,282	151,341,885	29,750,399	(256,573,894)
After tax profit / (loss)	161,255,848	145,696,468	117,134,811	100,358,339	11,117,733	28,487,253

Financial Position (Rs.)

Current Assets	1,573,418,169	1,018,604,825	895,760,306	736,287,613	778,473,782	618,103,131
Current Liabilities	1,821,319,033	1,771,924,390	1,805,745,250	1,502,531,941	1,395,684,687	1,088,722,485
Property, Plant & Equipment	5,636,893,465	5,282,375,198	5,163,980,638	5,234,261,754	5,033,425,637	4,940,369,960
Total Assets	7,228,904,794	6,319,573,183	6,101,534,104	6,012,342,527	5,853,692,579	5,600,266,251
Long Term Liabilities	1,077,007,253	377,692,765	278,389,686	633,868,898	717,476,814	792,874,495
Shareholders Equity	2,239,767,159	2,047,026,785	1,869,218,800	1,720,824,278	1,588,864,796	1,546,258,571

Ratios (%)

Current Ratio	0.86	0.57	0.50	0.49	0.56	0.57
Debt to Equity Ratio	32.57%	17.22%	13.75%	25.00%	33.39%	35.14%
Gross Profit to Sale Ratio	8.23%	6.73%	5.38%	5.13%	-0.61%	-12.95%
Net Profit to Sales Ratio (before tax)	8.05%	7.89%	8.47%	7.33%	3.54%	-19.62%

Earnings Per Share (Rs.)

Basic (before tax)	1.13	1.11	1.07	0.86	0.17	(1.46)
Basic (after tax)	0.92	0.83	0.67	0.57	0.06	0.16

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2017

No. of Shareholders	Having Shares		Total Shares Held
	From	To	
619	1	100	28220
437	101	500	192510
1414	501	1000	961005
800	1001	5000	2193669
181	5001	10000	1456479
68	10001	15000	864102
40	15001	20000	734200
34	20001	25000	813650
11	25001	30000	313000
10	30001	35000	328550
8	35001	40000	302500
4	40001	45000	172500
13	45001	50000	648500
5	50001	55000	264049
3	55001	60000	170000
4	60001	65000	250850
3	65001	70000	207500
5	70001	75000	365000
1	75001	80000	77000
1	80001	85000	83500
4	95001	100000	400000
1	100001	105000	102500
1	105001	110000	105500
2	110001	115000	225500
3	120001	125000	373000
1	125001	130000	126000
1	145001	150000	150000
1	150001	155000	155000
1	160001	165000	163000
1	170001	175000	174000
2	195001	200000	400000
1	360001	365000	365000
1	425001	430000	430000
1	445001	450000	450000
1	475001	480000	480000
1	495001	500000	500000
1	995001	1000000	1000000
1	1095001	1100000	1100000
1	1360001	1365000	1362500
1	2160001	2165000	2160050
1	2650001	2655000	2651000
1	3510001	3515000	3510492
1	3645001	3650000	3647050
1	5035001	5040000	5039280
1	5995001	6000000	6000000
1	7005001	7010000	7009400
1	7170001	7175000	7174291
1	9180001	9185000	9180500
1	9995001	10000000	10000000
1	11055001	11060000	11055550
1	11080001	11085000	11082007
1	14830001	14835000	14834314
1	16795001	16800000	16799549
1	18295001	18300000	18297298
1	29070001	29075000	29070435
3703	Total		176000000

**CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2017**

Particulars	Shareholders	Shares held	Percentage
Directors, CEO, Spouse & Children	8	83,942,504	47.6946
Banks, DFI, NBF1	1	25,000	0.0142
Modarabas, Mutual Funds	2	8,505	0.0048
General Public (Local)	3614	89,844,030	51.0477
General Public (Foreign)	51	391,060	0.2222
Others	27	1,788,901	1.0164
Total	3703	176,000,000	100

**PATTERN OF SHAREHOLDING
ADDITIONAL INFORMATION AS AT JUNE 30, 2017**

SHAREHOLDERS CATEGORY		No. of Shares held
DIRECTORS, CEO, THEIR SPOUSES AND MINOR CHILDREN		
Mr. Muhammad Tawassal Majid		1500
Mr. Imran Chaudhry		500
Mr. Kamran Khan		14834314
Mr. Momin Qamar		29070435
Mr. Yousaf Kamran Khan		11082007
Mr. Qasim Khan		3647050
Mrs. Samina Kamran		18297298
Mrs. Misbah Momin (W/O Mr. Momin Qamar)		7009400
EXECUTIVES		
		-
PUBLIC SECTOR COMPANIES AND CORPORATIONS		
		-
BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS AND INSURANCE COMPANIES.		25000
SHAREHOLDERS HOLDING 5% OR MORE (other than those reported in Directors)		
		-
MUTUAL FUNDS		
		5
MODARABAS		
		8500
OTHERS		
		1788901
INDIVIDUALS		
	Local	89844030
	Foreign	391060
		<u>176000000</u>

The CEO, Directors, CFO, Head of Internal Auditors, Company Secretary and their spouses and minor children have made no Sale/Purchase in the shares of company during the financial year ended June 30, 2017 other than below:

Name	No. of Shares
Mr. Asim Qamar	1000
Mr. Imran Chaudhary	500
Mr. Qasim Khan	3000000

ڈائریکٹرز رپورٹ

30 جون 2017ء کو اختتام پذیر سال کے لئے آپ کی کمپنی کے ڈائریکٹرز 24 ویں سالانہ رپورٹ بمع آڈیٹڈ مالیاتی اسٹیٹمنٹس پیش کرنے میں فخر محسوس کرتے ہیں۔

کاروباری کارکردگی

پیداوار اور سیلز حجم کی کارکردگی

رواں سال کے لئے آپ کی کمپنی کے سیلز والیوم کے اعداد و شمار بشمول مقابل اعداد و شمار مندرجہ ذیل ہیں:

تفصیلات
سال 2017ء سال 2016ء
(میٹرک ٹن میں)

387,500 396,992 سیمنٹ کی پیداوار

387,585 397,273 سیمنٹ کی ترسیل

زیر جائزہ سال کے دوران سیمنٹ کی پیداوار میں 9,492 میٹرک ٹن اضافہ ہوا۔

مالی کارکردگی

30 جون 2017ء کو اختتام پذیر سال کے لئے آپ کی کمپنی کے بنیادی مالی نتائج کا موازنہ مندرجہ ذیل ہے:

تفصیلات
سال 2017ء سال 2016ء
(روپے ہزاروں میں)

3,177,256 3,466,997 کل سیلز ریونیو

701,478 996,772 منفی: سیلز ٹیکس/فیڈرل ایکسائز ڈیوٹی

2,475,778 2,470,225 سیلز ریونیو (خالص)

166,714 203,357 کل منافع

119,868 142,590 آپریٹنگ منافع

195,334 198,881 نفع بمع ٹیکس

145,696 161,256 خالص منافع ماسوائے ٹیکس

0.83 0.92 فی حصص آمدنی

کوئلے اور توانائی کی قیمتوں میں کمی کی وجہ سے اعلیٰ سیلز حجم کے ساتھ نفع میں بھی اضافہ ہوا۔ جس سے کمپنی کی کارکردگی بہتر ہوئی۔

مالیاتی اسٹیٹمنٹس کی چند خصوصیات

کمپنیز ایکٹ 2017ء (ایکٹ) کی اشاعت کے ذریعے مالیاتی اسٹیٹمنٹس کے اظہار کی مد میں مخصوص تبدیلیاں کی گئی ہیں۔ 30 جون 2017ء کو اختتام پذیر مالیاتی سال کے لئے مالیاتی اسٹیٹمنٹس کی تیاری میں ایکٹ کا اطلاق، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مورخہ 20 جولائی، 2017ء کے سرکلر نمبر 17 ملتوی کیا گیا ہے۔ اس لئے یہ مالیاتی اسٹیٹمنٹس کمپنیز آرڈیننس 1984ء اور IFRSs کے تحت تیار کی گئی ہیں۔

فی حصص آمدنی

زیر جائزہ سال کے لئے کمپنی کی فی حصص آمدنی میں سال 2016ء کے 0.83 روپے کے مقابلہ میں 0.92 روپے اضافہ ہوا ہے۔

ڈائریکٹروں معاوضہ میں نظر ثانی / ترمیم

ہیومن ریسورس اینڈ ریمونریشن کمیٹی کی سفارشات پر رواں سال کے دوران ڈائریکٹروں کے معاوضہ پر نظر ثانی کی گئی ہے۔ اضافہ کمپنی کے اراکین، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان سٹاک ایکسچینج کے سامنے پیش کیا گیا ہے۔ نظر ثانی کی تفصیلات حسب ذیل ہیں۔

ترمیم شدہ معاوضہ	موجودہ معاوضہ	
800,000/- روپے ماہانہ	400,000/- روپے ماہانہ	جناب کامران خان
800,000/- روپے ماہانہ	400,000/- روپے ماہانہ	جناب مومن قمر
300,000/- روپے ماہانہ	150,000/- روپے ماہانہ	محترمہ شمینہ کامران

پلانٹ اور مشینری کی تجدید

ملک اور بیرون ملک میں سیمنٹ کے شعبہ میں ابھرتے ہوئے رجحان کی وجہ سے سیمنٹ کی مانگ میں اضافہ ہوا ہے۔ بورڈ آف ڈائریکٹرز نے فیصلہ کیا ہے کہ سیمنٹ کی پیداواری صلاحیت میں اضافہ کیا جائے اور موجودہ پلانٹ اور مشینری میں توسیع کی جائے۔ پیداواری صلاحیت 2,000 میٹرک ٹن سے بڑھ کر 4,000 میٹرک ٹن روزانہ ہو جائے گی۔ تجدید کو مد نظر رکھتے ہوئے ایک چینی کمپنی کے ساتھ معاہدہ طے پایا ہے۔

مستقبل کا نقطہ نظر

پاکستان کی خالص قومی پیداوار، رواں سال میں جس کا تخمینہ 5.7 فی صد لگایا گیا ہے، میں اضافہ کے لئے سی پیک پراجیکٹ توجہ کا مرکز رہے گا۔ یہ پراجیکٹ پاکستانی حکومت کی جانب سے بنیادی ڈھانچہ میں سرمایہ داری کو مد نظر رکھے گا۔ جس سے ٹرانسپورٹ اور توانائی سے متعلقہ پراجیکٹ میں حقیقی سرمایہ داری کو متوجہ کرنے کی توقع ہے۔ آئندہ سال میں سیمنٹ کی مانگ میں اضافہ کی توقع ہے۔ سی پیک کی سرمایہ داری بنیادی ڈھانچہ میں بہتری کے لئے استعمال ہوگی جیسا کہ ریل اور سڑک کے رابطے جس سے تعمیرات اور سیمنٹ کے شعبہ میں کاروبار کے وسیع مواقع میسر آئیں گے۔ کونکے کی بین الاقوامی قیمتوں میں ٹھہراؤ سیمنٹ کے شعبہ میں پیداواری صلاحیت بڑھائے گا۔ حکومت اور حزب اختلاف میں قانونی جنگ کی وجہ سے غیر یقینی سیاسی صورت حال پیدا ہو رہی ہے۔ انہیں اس پر فوری توجہ دینے کی ضرورت ہے تاکہ پیداواری ہدف کو حاصل کیا جاسکے۔ انتظامیہ درپیش چیلنجز سے نپٹنے کے لئے تیار ہے اور مسلسل لائحہ عمل بنا رکھا ہے۔

ملک اور بیرون ملک سیمنٹ کی بڑھتی ہوئی مانگ کی وجہ سے سیلز کے حجم میں روز بروز اضافہ ہو رہا ہے۔

منافع منقسمہ

مناسب ریونیوز خارجہ دستیاب نہ ہونے کی وجہ سے کمپنی نے منسوب منافع منقسمہ کا اعلان نہ کیا ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

آپ کی کمپنی کے ڈائریکٹر مستقل بنیادوں پر کمپنی کی حکمت عملی اور کاروباری منصوبوں کا جائزہ لیتے ہیں۔ آڈٹ کمیٹی کوڈ آف کارپوریٹ گورننس کی موثر تعمیل کے لئے کوشاں ہے۔ ہم ضابطہ کے تحت آپ کی کمپنی میں بہترین کارپوریٹ گورننس کو یقینی بنانے کے ضروری اقدامات کر رہے ہیں۔ تعمیل کے لحاظ سے ہم مندرجہ ذیل کی توثیق کرتے ہیں:

- (1) انتظامیہ کی جانب سے تیار کی گئی مالیاتی اسٹیٹمنٹس اپنے امور، آپریشنز کے نتائج، کیش فلوا اور نصفت میں تبدیلی کی حیثیت کو منصفانہ طور پر پیش کرتی ہیں۔
- (2) کمپنی کی جانب سے مناسب بکس آف اکاؤنٹس مرتب کی گئی ہیں۔
- (3) مالیاتی اسٹیٹمنٹس اور اکاؤنٹنگ تخمینوں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے جو کہ معقول اور اہل فیصلہ کی بنیاد پر ہیں۔
- (4) مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ معیارات کو مد نظر رکھا گیا ہے۔
- (5) انٹرنل کنٹرول کا نظام بہت اعلیٰ ہے اور موثر انداز میں اس کا نفاذ اور نگرانی کی جاتی ہے۔

- (6) کمپنی کے کاروبار جاری رکھنے کی صلاحیت میں کوئی ابہام موجود نہ ہے۔
- (7) لسٹنگ ریگولیشنز میں بیان کردہ کارپوریٹ گورننس پر مکمل عمل درآمد میں کوئی خلا موجود نہ ہے۔
- (8) گذشتہ چھ سال کا بنیادی مالی اور آپریٹنگ ڈیٹا ساتھ منسلک ہے۔
- (9) CEO، انٹرنل آڈٹ کے سربراہ، CFO، کمپنی سیکریٹری اور ان کے اہلیان اور نابالغان ماسوائے ان کے جنہیں ریگولیٹری اتھارٹی کو رپورٹ کیا گیا ہو اور حصص داری کے ضمیمہ جاتی وضع میں بیان کیا گیا ہو فلائنگ سینٹ کمپنی لمیٹڈ کے حصص کی تجارت میں شامل نہیں۔
- (10) گذشتہ سال کے آپریٹنگ نتائج سے مخصوص انحراف کی تفصیل ڈائریکٹرز رپورٹ کے متعلقہ سیکشن میں وضاحت کی گئی ہے۔
- (11) محصولات اور لیویز کا اندراج مالیاتی اسٹیٹمنٹس کے نوٹ میں کیا گیا ہے۔
- (12) کمپنی نے اپنے پلانٹ کی پیداواری صلاحیت میں اضافہ کر کے اپنے پیداواری امور میں تجدید کا منصوبہ بنایا ہے۔ یہ معاملہ مقررہ وقت پر حصص داران کے سامنے اٹھایا گیا ہے اور اسے ڈائریکٹرز رپورٹ میں تحریر بھی کیا گیا ہے۔
- (13) سال کے دوران بورڈ اور کمیٹی کے اجلاسوں کی تعداد اور ہر ڈائریکٹر کی حاضری کی تفصیل ذیل میں بیان کی گئی ہے:

سیریل نمبر	نام ڈائریکٹر	بورڈ کے اجلاس	آڈٹ کمیٹی کے اجلاس	HR&R کمیٹی کے اجلاس
1	جناب کامران خان	9	N/A	N/A
2	جناب مومن قمر	9	N/A	N/A
3	جناب یوسف کامران خان	8	4	2
4	جناب قاسم خان	7	4	N/A
5	جناب عاصم قمر	6	N/A	N/A
6	محترمہ شمینہ کامران	7	N/A	2
7	جناب محمد توصل مجید	9	4	2
8	جناب عمران چوہدری	3	N/A	N/A
9	جناب آغا ہمایوں خان	9	N/A	N/A
	منعقدہ اجلاسوں کی کل تعداد	9	4	2

- (14) بورڈ کو بند کمرے میں تفصیلی بریفنگ اور کوڈ سے واقفیت کے لئے معلوماتی پیکیج، لاگو قوانین، کمپنی کے امور کو موثر انداز میں منظم کرنے کے لئے ان کے فرائض اور ذمہ داریاں منجانب حصص داران تفصیلات فراہم کی گئی ہیں۔

سٹاف کی ریٹائرمنٹ کے فوائد

بغیر سرمائے کے گریجویٹ اسکیم تیار کی گئی ہے۔ کمپنی کے مستقل ملازمین کے لئے مالیاتی اسٹیٹمنٹس میں اس کا اندراج کیا گیا ہے۔

آڈیٹرز

میسرز طاہر صدیقی اینڈ کو، چارٹرڈ اکاؤنٹنٹس آئینڈ منسٹر آف انڈیا منعقد ہونے والے سالانہ اجلاس عام کے بعد ریٹائر ہو رہے ہیں۔ اور اہل ہونے کی بنیاد پر اگلی مدت کے لئے بھی اپنی خدمات پیش کرنے کے خواہاں ہیں۔ آڈیٹرز نے تصدیق کی ہے کہ انہوں نے انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول ریویو پروگرام کے تحت تسلی بخش درجہ حاصل کیا ہے۔ اور ICAP کی جانب سے منتخب کردہ ضابطہ اخلاق پر انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کی ہدایات کے مطابق عمل ہو رہا ہے۔ کمپنی کے سالانہ اجلاس عام میں آڈٹ کمیٹی اور بورڈ نے حصص داران کی جانب سے 30 جون 2018ء کو اختتام پذیر سال کے لئے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے۔

حصص داری کی وضع

کوڈ آف کارپوریٹ گورننس کی جانب سے 30 جون 2017ء کو حصص داری کی وضع اور اعلانات ساتھ منسلک ہیں۔

اعتراف

ڈائریکٹرز کمپنی کے حصص داران، مالیاتی اداروں اور گاہکوں کے مسلسل تعاون، مدد اور سرپرستی کے شکر گزار ہیں۔
ڈائریکٹرز عملہ کے اراکین کی جانب سے سخت محنت اور پرجوش خدمات کا اعتراف کرتے ہیں۔

منجانب بورڈ اور بورڈ کے لئے

مومن قمر

ڈائریکٹر

لاہور: اکتوبر 07، 2017ء

آغا ہمایوں خان

چیف ایگزیکٹو

فلاننگ سیمنٹ کمپنی لمیٹڈ

تشکیل نیابت داری برائے سالانہ اجلاس عام

میں / ہم _____ ساکن _____
فلاننگ سیمنٹ کمپنی لمیٹڈ کا / کی اکے حصص

دار ہوں / ہیں اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر کے تحت _____ عمومی حصص کا / کی مالک _____
ہوں / ہیں۔ اپنی جگہ پر حق رائے دہی کے لیے _____ رہائشی _____ اور بموجب

رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر _____ کو یا اس کے نہ آنے کی صورت میں _____
رہائشی _____ اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر _____

کو جو کہ فلاننگ سیمنٹ کمپنی لمیٹڈ کا / کی اکے حصص دار ہے ہیں۔ کو اپنی جگہ بروز ہفتہ بتاریخ 28 اکتوبر 2017 بوقت صبح 10 بجے
لاہور میں منعقد ہونے والے 24 ویں سالانہ اجلاس عام یا کسی متبادل دن جو بھی ہوگا میں رائے دہندگی کے لئے نمائندہ مقرر کرتا / کرتی
/ کرتے ہوں / ہیں۔

پانچ روپے کی رسیدی ٹکٹ
چسپاں کریں

دستخط۔

کمپنی کے ریکارڈ کے مطابق دستخط

گواہ نمبر: 2

گواہ نمبر: 1

_____ دستخط

_____ دستخط

_____ نام

_____ نام

_____ پتہ

_____ پتہ

_____ شناختی کارڈ نمبر یا

_____ شناختی کارڈ نمبر یا

_____ پاسپورٹ نمبر

_____ پاسپورٹ نمبر

تاریخ: _____ 2017

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POSTAGE

The Company Secretary,

Flying Cement Company Limited

103-Fazil Road, St. John Park,

Lahore Cantt. Pakistan

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FLYING CEMENT COMPANY LIMITED
24th Annual General Meeting

Registered Folio /
Participant ID No. &
A/c No.
No. of Shares Held.

PROXY FORM

IMPORTANT

Instruments of Proxy will not be considered as valid unless deposited or received at the Company's Registered Office at 103-Fazil Road, Lahore Cantt. Not later than 48 hours before the time of holding the meeting.

I / We _____
of _____ being a
member of **Flying Cement Company Limited** and holder of _____ Shares do hereby
authorize _____ of _____ another member of the company
as my/our proxy to attend and vote for me /us and on my /our behalf at the 24th Annual General
Meeting of the Company to be held on Saturday, 28th October 2017 at 10:00 hours or any
adjournment thereof.

Signature

Please affix
Rupees Five
revenue stamp

Witnesses:

1. Signature: _____

Name _____

Address: _____

CNIC or Passport _____

2. Signature: _____

Name _____

Address: _____

CNIC or Passport _____

Dated 2017

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AFFIX
CORRECT
POSTAGE

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Flying Cement Company Limited

103-Fazil Road, St. John Park,

Lahore Cantt. Pakistan

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