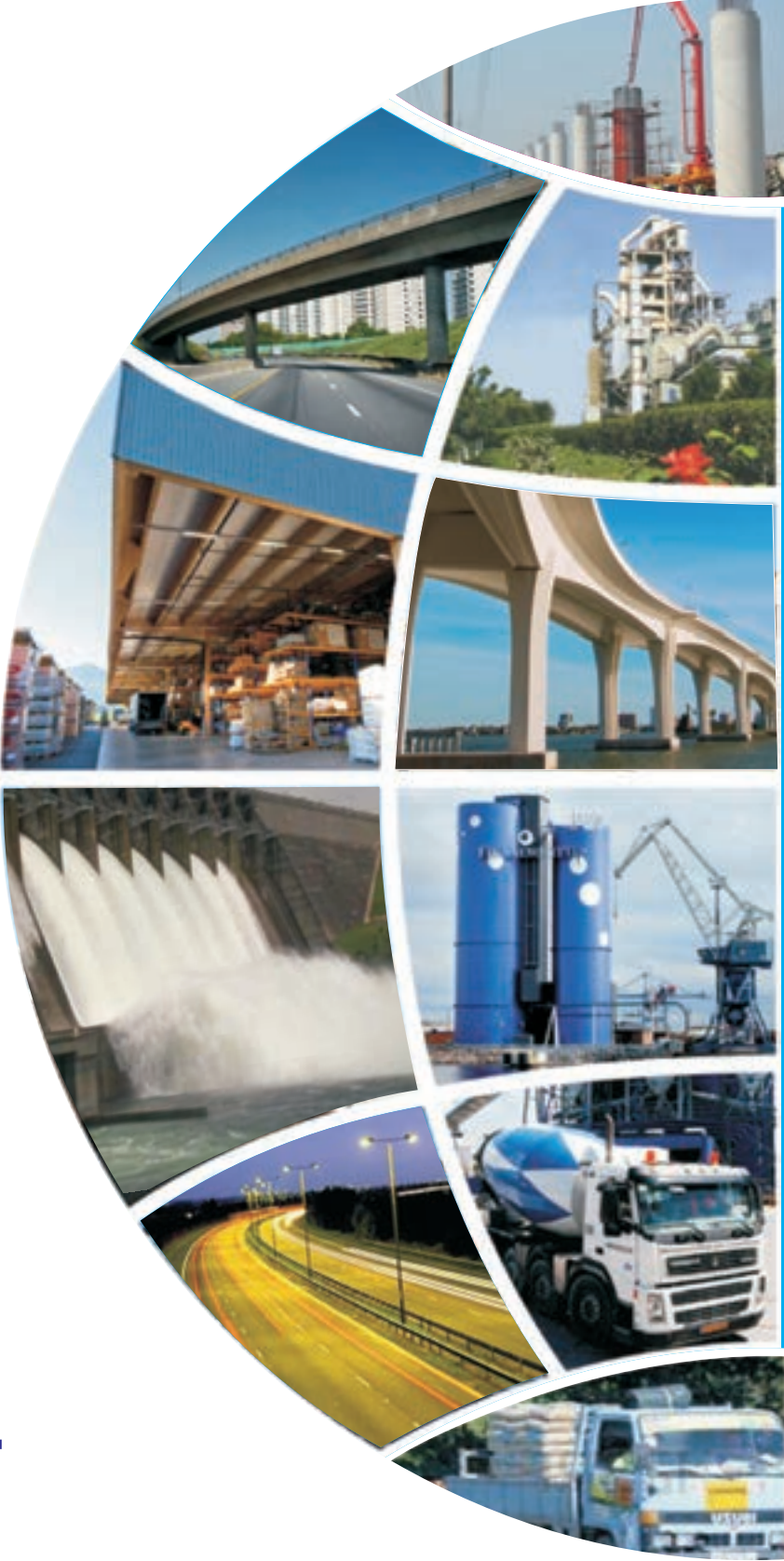


# ANNUAL REPORT 2016



**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 (OPC) 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 Cement 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. Asim Qamar	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

### COST AUDITORS

M/s. Junaidy Shoaib Asad  
Chartered Accountants

### 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.  
Ground Floor, State Life Building -3  
Dr. Zia Uddin Ahmed Road, P.O.Box 8533  
Karachi-75530  
Tel: 021-111-000-322, Fax: 021-5655595

### WEB SITE

www.flyingcement.com

### E-MAIL

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

**NOTICE OF 23<sup>rd</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that 23<sup>rd</sup> Annual General Meeting of the shareholders of Flying Cement Company Limited will be held on Monday October 31, 2016 at 10:00 a.m. at Event Complex B-59 Main Boulevard Johar Town, Lahore to transact the following Agenda:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2016 together with the reports of auditors and the directors thereon.
2. To appoint the auditors and to fix their remuneration for the next financial year 2016-17.
3. **Special Business**
  - I. To consider and if deemed fit to pass the following resolution as special resolution:

**Resolved that** the Articles of Association of the Company be and is hereby amended by inserting the following new clause 50-A for E-Voting after Clause 50 of the Articles of Association of the Company:

**E-Voting 50 - A** The provisions and requirements for e-voting as prescribed by the Securities & Exchange Commission of Pakistan for the time being and from time to time shall be deemed to be incorporated in these Articles. In case of E-voting, a member can appoint member and non-member as proxy. This Article meant only for e-voting purposes. The member(s) opting e-voting are required to comply with the requirements of law for the time being in force. Instrument of proxy in relation to E-voting shall be in the following form or in any other form near thereto as may be:

I/We, \_\_\_\_\_ of \_\_\_\_\_ being a member of the \_\_\_\_\_ holder of \_\_\_\_\_ share(s) as per register Folio No./CDC Accounts No. \_\_\_\_\_ hereby opt for E-voting through Intermediary and hereby consent the appointment of Execution Officer \_\_\_\_\_ as proxy and will exercise E-voting as per The Companies (E-voting) Regulations, 2016 and hereby demand for poll for resolutions.

My secured email address is \_\_\_\_\_, please send login details, password and electronic signature through email.

\_\_\_\_\_  
Signature of Member  
CNIC No. \_\_\_\_\_

Signed in the presence of:

\_\_\_\_\_  
Signature of Witness  
Address: \_\_\_\_\_  
CNIC No: \_\_\_\_\_

\_\_\_\_\_  
Signature of Witness  
Address: \_\_\_\_\_  
CNIC No. \_\_\_\_\_



- II. **Resolved that** in terms of SRO 470(1)/2016 of May 31, 2016 issued by Securities & Exchange Commission of Pakistan, approval of shareholders of the Company be and is hereby granted that the Company may transmit its annual audited accounts, directors' and auditor's reports and notice etc. of the Company to its shareholders through CD/DVD/USB instead of sending these in the form of hard/printed copies.

**Further Resolved that** the Chief Executive Officer or Company Secretary be and are hereby authorized to do all acts, deed and things, take all steps and action necessary, ancillary and incidental for altering the Articles of Association of the Company including filing of all requisite documents/statutory forms as required under law with regulatory body(ies).

4. Any other business with the permission of Chairman.

(By order of the Board)



**(Muhammad Azeem)**  
COMPANY SECRETARY  
Lahore: October 10, 2016

**NOTES:**

1. The Share Transfer Books of the Company will remain closed from October 24, 2016 to October 31, 2016 (both days inclusive).
2. A member entitled to attend and vote in the meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. The proxy, in order to be effective, must be received at the registered office of the Company duly signed and stamped not later than 48 hours before the meeting.
3. The members are requested to bring their Folio / Account details (participant ID and sub-account) and original CNIC for identification purpose at the time of meeting. In case of corporate entity, the Board of Directors' Resolution or power of attorney with specimen signatures of the nominee should be produced.
4. Members are requested:
  - a) to notify the change of address immediately, if any.
  - b) to provide the copies of their valid CNIC's if not provided earlier.
5. As per directions of Securities and Exchange Commission of Pakistan, the Company is pleased to offer the members the dispatch of Annual Financial Statements and Notices through e-mail. Members desirous to receive the Annual Financial Statements through e-mail, may send the standard request form duly filled and signed to the company ensuring that there is sufficient space is available in their mail box to receive this kind of mail. The option may be exercised sending the completed Request Form available at website of the company at [www.flyingcement.com](http://www.flyingcement.com).

6. The annual audited accounts of the company are available at website of the company at [www.flyingcement.com](http://www.flyingcement.com)

**Statement Under Section 160(1) (b) of the Companies Ordinance, 1984**

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 31, 2016.

**Agenda Item 3 (I).**

The company is required to make necessary changes in the Articles of Association of the Company in order to cover e-voting mechanism and related matters such as members and non-members can also be appointed as proxy. Accordingly the directors have proposed to amend the Articles of Association of the Company in terms of SRO 43(1)/2016 dated January 22, 2016 issued by Securities and Exchange Commission of Pakistan regarding (E-Voting) Regulations 2016. In compliance of the said SRO, approval of members is being sought for insertion of new Clause 50 (Electronic Voting) in the Articles of Association which will facilitate members to be part of decision making in the general meetings of the Company through electronic means. A copy of amended Articles of Association is available with the Company Secretary for inspection of members during office hours.

**Agenda Item 3 (II).**

In continuation of SRO 787(1)/2014 dated September 08, 2014, Securities and Exchange Commission of Pakistan had issued a new SRO 470(1)/2016 on May 31, 2016 which permit the companies to disseminate the annual audited accounts, directors' and auditor's reports and notices etc. to shareholders through CD/DVD/USB at their registered addresses instead of sending these in the hard/printed form as per provisions of law subject to the fulfillment of certain requirements.

- The Company will send hard copy to a member free of cost within a week's time upon receipt of request from member of the Company on his/her request.
- A standard request form with address details shall remain available at website of the company at [www.flyingcement.com](http://www.flyingcement.com) for the convenience of members to communicate their needs to receive the Annual Accounts in printed form.

The Directors have no interest in passing of the above resolutions except to the extent of their respective shareholdings in the Company.

## DIRECTORS' REPORT

The Directors of your company have the pleasure to present before you the 23<sup>rd</sup> Annual Report of your company along with duly audited Financial Statements for the year ended June 30, 2016.

### Overview

The country's cement industry witnessed a significant overall growth of 9.82% which has increased cordially the domestic demand. The growth in local demand is on the back of lower interest rates and inflation, improving law and order conditions, promising economic indicators, mega housing schemes and public sector development projects, while the exports have seen a decline as the domestic market is offering more lucrative business, in addition to this, the imposition of anti-dumping duty in South Africa is also an important factor causing fall in exports.

During the year under review, the dispatches of your Company registered an increase of 11 % achieving a volume of 387,585 metric tons as compared to 347,398 metric tons in the last financial year.

### Business Performance

#### The production and sales volume performance

The production and sales volume statistics ( in tons ) for the year of your Company together with the comparative figures are as under:

Particulars	2016	2015
	( Metric Tons )	
Cement Production	387,500	346,875
Clinker Production	336,257	337,710
Cement Dispatches	387,585	347,398

During the year under review, the production of cement increased by 40,625 metric tons

## Financial Performance

A comparison of the key financial results of your Company for the year ended June 30, 2016 is as under:

Particulars	2016	2015
	(Rupees in Thousands)	
Sales revenue Gross	3,177,256	2,851,162
Less: Sales Tax/ Federal Excise Duty	701,478	628,364
Sales revenue-Net	2,475,778	2,222,798
Gross Profit	166,714	119,612
Operating profit	119,868	74,816
Profit before tax	195,334	188,375
Net Profit after tax	145,696	117,134
Earnings per share (Rupees)	0.83	0.67

In addition to the higher sales volumes, profitability has also been improved by lower coal and energy prices

## Earning Per Share

The earning per share of the Company grew from Rs 0.67 for 2015 to Rs 0.83 for the year under review.

## Audit Committee

The Board of Directors has established an Audit Committee which comprises of three members, all of whom are non executive directors. The composition of the Audit Committee has been made in line with the requirements of CCG.

## Contribution To National Exchequer

The Company contributed over PKR 777 million (2015: 726 million) to the government treasury in shape of taxes, excise duty, income tax and sales tax.

## Future Outlook

The macro economic outlook of the county is showing signs of improvement. The combination of increased demand from private sector housing schemes and public sector development projects has in a way attracted cement manufacturers to shift their focus to the local market. Mega development projects under the China Pakistan Economic Corridor (CPEC) and cheaper housing finances attributable to lower discount rate are also likely to support cement demand. Furthermore, the cost efficiencies emanating from lower coal and energy prices also make the Company optimistic about the future.

## Dividend

The company could not declare dividend due to non availability of sufficient revenue reserves. The company will declare dividend upon availability of sufficient 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.

The Directors hereby confirm that:

- (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 Ltd. was carried out by the directors, 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 outstanding taxes and levies is given in the Notes to the Financial Statements.
- (l) The company has no significant plans and decisions regarding corporate restructuring, business expansion and discontinuing of operations.
- (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. Muhammad Tawassal Majid	8	4	2
2	Mr. Kamran Khan	8	N/A	N/A
3	Mr. Yousaf Kamran Khan	8	4	2
4	Mr. Qasim Khan	8	4	N/A
5	Mr. Asim Qamar	8	N/A	N/A
6	Mrs. Samina Kamran	8	N/A	2
7	Mr. Momin Qamar	8	N/A	N/A
8	Agha Hamayun Khan	8	N/A	N/A
	Total Number of Meetings Held	8	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 the retiring auditors of the company and offer their services for re-appointment. They confirm 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, 2017.

#### Pattern of Shareholding

The pattern of shareholding as at June 30, 2016 along with disclosures as required by the Code of Corporate Governance is annexed. The detail of Shares traded by Director(s) is also given with Annexure.

#### Acknowledgement

The Directors of the Company take this opportunity to express their deep sense of gratitude for all the stakeholders for their encouragement and support.

We would like to place on record our deepest appreciation for the commitment, dedication and hard work put in by all staff of the company and also our shareholders, who have always shown their confidence and faith in the company.

For and on behalf of the Board



#### AGHA HAMAYUN KHAN

Chief Executive

Lahore: October 10, 2016

## STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

**Name of Company :** Flying Cement Company Limited  
**Year ending :** June 30, 2016

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 5.19 of listing regulation of Pakistan Stock Exchange (PSX) Rule book 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

Mr. Asim Qamar

Mrs. Samina Kamran

**Executive Directors**

Mr. Momin Qamar

Mr. Agha Hamayun Khan (CEO)

The independent director meets the criteria of independence under clause 5.19.1 (b) of the Code of Corporate Governance.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable)
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. No casual vacancy occurred in the Board during the year ended 30<sup>th</sup> June 2016.
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/Shareholders
8. The meetings of the Board were presided 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. Two directors of the company and Chief Executive have completed the certification under Directors' Training Program. The company will ensure the certification of Board members under the directors training program within the time frame specified in the Code. The board arranged training programs for the directors during the year.
10. No new appointment of Chief Financial Officer (CFO), Company Secretary or Head of Internal Audit has been made during the year.
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 chairman 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 exchanges.
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 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



**AGHA HAMAYUN KHAN**

Chief Executive

Lahore: October 10, 2016

## **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, 2016 to comply with the requirements of Regulation No. 5.19 of the Pakistan Stock Exchange Limited Regulations where the company is listed.

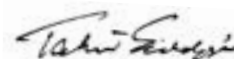
The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of 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, 2016.

Lahore:  
October 10, 2016



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

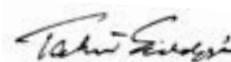
## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **FLYING CEMENT COMPANY LIMITED** ("the Company") as at June 30, 2016 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, 2016 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).



**Tahir Siddiqi & Co.**  
Chartered Accountants

Engagement Partner: Mohammad Tahir Siddiqi

Lahore:  
October 10, 2016

## BALANCE SHEET AS AT JUNE 30, 2016

Note	2016 Rupees	2015 Rupees
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL &amp; RESERVES</b>		
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 <b>1,760,000,000</b>	1,760,000,000
Reserves	6 <b>287,026,785</b>	109,218,800
	<u>2,047,026,785</u>	<u>1,869,218,800</u>
Surplus on revaluation of fixed assets	7 <b>1,528,823,943</b>	1,560,873,493
<b>NON-CURRENT LIABILITIES</b>		
Long term liabilities	8 <b>364,187,425</b>	265,384,346
Liabilities against assets subject to finance lease	9 <b>-</b>	-
Long term deposits	10 <b>13,505,340</b>	13,005,340
Deferred liabilities	11 <b>594,105,300</b>	587,306,875
	<u>971,798,065</u>	<u>865,696,561</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	12 <b>1,601,324,909</b>	1,576,765,243
Accrued interest / mark-up	13 <b>27,039,458</b>	100,687,376
Short term finances	14 <b>110,353,089</b>	77,746,825
Current portion of - Liabilities against assets subject to finance lease	9 <b>-</b>	18,522,008
Provision for taxation	30 <b>33,206,934</b>	32,023,798
	<u>1,771,924,390</u>	<u>1,805,745,250</u>
<b>TOTAL LIABILITIES</b>	<u>2,743,722,455</u>	<u>2,671,441,811</u>
Contingencies and commitments	15 <b>-</b>	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>6,319,573,183</u>	<u>6,101,534,104</u>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipment	16 <b>5,282,375,198</b>	5,163,980,638
Long term security deposits	17 <b>18,593,160</b>	41,793,160
<b>CURRENT ASSETS</b>		
Stores, spares & loose tools	18 <b>273,383,958</b>	180,080,442
Stock in trade	19 <b>218,229,743</b>	396,878,718
Trade debts	20 <b>1,118,954</b>	6,360,421
Advances, deposits, prepayments & other receivables	21 <b>479,523,013</b>	288,109,305
Cash and bank balances	22 <b>46,349,157</b>	24,331,420
	<u>1,018,604,825</u>	<u>895,760,306</u>
<b>TOTAL ASSETS</b>	<u>6,319,573,183</u>	<u>6,101,534,104</u>

The annexed notes from 1 to 40 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, 2016

	Note	2016 Rupees	2015 Rupees
Sales	23	2,475,777,927	2,222,797,816
Cost of Sales	24	(2,309,063,450)	(2,103,185,113)
<b>Gross Profit</b>		<b>166,714,477</b>	<b>119,612,703</b>
Operating Expenses			
Distribution Expenses	25	(5,199,911)	(4,788,441)
Administrative Expenses	26	(26,394,127)	(25,356,493)
Other Operating Expenses	27	(15,252,023)	(14,651,219)
		(46,846,061)	(44,796,153)
<b>Operating Profit</b>		<b>119,868,416</b>	<b>74,816,550</b>
Finance Cost	28	(2,915,487)	(1,417,342)
Other Income	29	78,381,977	114,976,074
Profit Before Taxation		195,334,906	188,375,282
Taxation	30	(49,638,438)	(71,240,471)
<b>Profit After Taxation</b>		<b>145,696,468</b>	<b>117,134,811</b>
Earnings Per Share (before tax) - Basic	31	1.11	1.07
Earnings Per Share (after tax) - Basic	31	0.83	0.67

The annexed notes from 1 to 40 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, 2016

	2016 Rupees	2015 Rupees
Profit for the year	145,696,468	117,134,811
Remeasurements chargeable in other comprehensive income	61,967	(42,327)
Total Comprehensive income for the year	<u>145,758,435</u>	<u>117,092,484</u>

The annexed notes from 1 to 40 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, 2016

Note	2016 Rupees	2015 Rupees
<b>Cash Flows From Operating Activities</b>		
<b>Profit/(Loss) before taxation</b>	<b>195,334,906</b>	188,375,282
Adjustment for:		
Depreciation	91,888,540	93,839,735
Provision for gratuity	254,828	229,559
Finance cost	2,915,487	1,417,342
	<u>95,058,855</u>	<u>95,486,636</u>
	<b>290,393,761</b>	283,861,918
(Increase) / Decrease in Stores, spares & loose tools	(93,303,516)	(15,745,067)
(Increase) / Decrease in Stock-in-trade	178,648,975	(36,784,171)
(Increase) / Decrease in Trade debts	5,241,467	(1,238,428)
(Increase) / Decrease in Advances, deposits, prepayments and other receivables	(160,804,803)	(45,220,058)
Increase in Trade and other Payables	(7,464,132)	267,038,190
Cash generated from operations	<u>212,711,752</u>	<u>451,912,384</u>
Gratuity Paid	(214,400)	
Taxes paid	(40,220,445)	(54,910,182)
<b>Net Cash from Operating Activities</b>	<u>172,276,907</u>	<u>397,002,202</u>
<b>Cash Flows From Investing Activities</b>		
Fixed Capital Expenditure	(210,283,100)	(23,558,618)
Long Term Security deposit	23,200,000	-
<b>Net Cash (used in) Investing Activities</b>	<u>(187,083,100)</u>	<u>(23,558,618)</u>
<b>Cash Flows From Financing Activities</b>		
Finance cost paid	(76,563,405)	(1,417,342)
Liabilities against assets subject to finance lease paid	(18,522,008)	-
Long term finance	98,803,079	(355,479,212)
Long term deposits	500,000	-
<b>Net Cash from Financing Activities</b>	<u>4,217,666</u>	<u>(356,896,554)</u>
Net Increase in Cash and Cash Equivalents	(10,588,527)	16,547,030
Cash and Cash Equivalents - at the beginning of the year	(53,415,405)	(69,962,435)
<b>Cash and Cash Equivalents - at the end of the year</b>	<u>38</u> <u>(64,003,932)</u>	<u>(53,415,405)</u>

The annexed notes from 1 to 40 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, 2016

	Ordinary Share Capital (Rs.)	Accumulated Profit / (Loss) (Rs.)	Capital Reserve (Rs.)	Total (Rs.)
<b>Balance as at July 01, 2014</b>	<b>1,760,000,000</b>	<b>(166,154,716)</b>	<b>126,978,994</b>	<b>1,720,824,278</b>
Total Comprehensive Income for the Year	-	117,092,484	-	117,092,484
Incremental depreciation	-	31,302,038	-	31,302,038
<b>Balance as at June 30, 2015</b>	<b>1,760,000,000</b>	<b>(17,760,194)</b>	<b>126,978,994</b>	<b>1,869,218,800</b>
Total Comprehensive Income for the period	-	145,758,435	-	145,758,435
Incremental depreciation	-	32,049,550	-	32,049,550
<b>Balance as at June 30, 2016</b>	<b>1,760,000,000</b>	<b>160,047,791</b>	<b>126,978,994</b>	<b>2,047,026,785</b>

The annexed notes from 1 to 40 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, 2016

### 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 sale 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.

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

IFRS 10- Consolidated Financial Statements

IFRS 11- Joint Arrangements

IFRS 12- Disclosure of Interests in Other Entities

IFRS 13- Fair Value Measurement

IAS 27- Equity Method in Separate Financial Statements

IAS 28 - Investments in Associates and Joint Ventures

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 2: Share-based Payments - Classification and measurement of Share based Payments Transaction (Amendments)	1/Jan/2018
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Intetests in Other Entities and IAS 27 Separate Financial Statements- Investments Entities (Amendment)	1/Jan/2016
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and joint Ventures- Sale of Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not Yet Finalized
IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	1/Jan/2016
IAS 1 - Presentation of Financial Statements - Disclosure Initiative (Amendment)	1/Jan/2016
IAS 7 - Financial Instruments: Disclosures - Disclosure Initiative -(Amendment)	1/Jan/2017
IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	1/Jan/2017
IAS 16 Property, Plant and Equipment and IAS 38 intangible assets- Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	1/Jan/2016
IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	1/Jan/2016
IAS 27 - Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)	1/Jan/2016

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.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, 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

IFRS 9 - Financial Instruments: Classification and Measurement	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

### 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.

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 16 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.

#### 4.3.2 Leased

Leases wherein the Company has substantially all the risks and rewards of ownership are classified as finance leases. At inception, finance leases are capitalized at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets, less accumulated depreciation and impairment loss, if any.

The related rental obligations, net of finance costs, are included in liabilities against assets subject to finance lease as referred to in note 9. The liabilities are classified as current and non-current depending upon the timing of the payment.

Minimum lease payments made under finance leases are apportioned between the finance cost and principal liability. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments, if any are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed. The interest element of the rental is charged to Profit & Loss Account over the lease term.

Depreciation on leased assets is charged at the rates specified in note 16 of the financial statements. Residual values and the useful lives of the assets are reviewed at least at each financial year end and adjusted if impact of depreciation is significant.

#### 4.4 Capital Work in Progress

Capital work in progress is stated at cost less any identified impairment loss.

#### 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 or tax rates expected to apply to the profit for the year if enacted 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.

#### **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.

The company accounts for lease obligations by recording the asset and corresponding liability there against determined on the basis of discounted value of minimum lease payments. Financial Charges are recognized in the profit & loss account using the effective mark-up rate method.

#### **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. 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 at monthly average rates. Monetary assets and liabilities in foreign currencies are translated into rupees at the rate of exchange prevailing at the balance sheet date. Exchange gains or losses are charged to 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, 2016 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.

**5 SHARE CAPITAL**

## a) Authorized

200,000,000 (2015: 200,000,000) ordinary shares of Rs.10/- each.

## b) Issued, Subscribed and Paid Up.

- 137,419,189 (2015: 137,419,189) ordinary shares of Rs.10/- each fully paid up in cash.

- 22,580,811 (2015: 22,580,811) ordinary shares of Rs. 10/- each fully paid up for consideration other than cash.

- 16,000,000 (2015: 16,000,000) bonus shares of Rs.10/- each fully issued as bonus shares.

	2016 Rupees	2015 Rupees
	<b>2,000,000,000</b>	2,000,000,000
	<b>1,374,191,890</b>	1,374,191,890
	<b>225,808,110</b>	225,808,110
	<b>160,000,000</b>	160,000,000
	<b>1,760,000,000</b>	1,760,000,000
<b>6 RESERVES</b>		
Capital Reserve	<b>6.1 126,978,994</b>	126,978,994
<b>Revenue Reserve</b>		
Un-appropriated Profit/(Loss)	<b>160,047,791</b>	(17,760,194)
	<b>287,026,785</b>	109,218,800

- 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.

## 7 SURPLUS ON REVALUATION OF FIXED ASSETS

	2016 Rupees	2015 Rupees
Opening Balance of Revaluation Surplus	1,560,873,493	1,592,175,531
Less: Surplus transferred to retained earnings (accumulated loss)		
Incremental depreciation	45,785,071	46,719,460
Deferred Tax effect	(13,735,521)	(15,417,422)
	<b>32,049,550</b>	<b>31,302,038</b>
	<b>1,528,823,943</b>	<b>1,560,873,493</b>

- 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 ( 2015 Rs. 114.261 million). Subsequently the company got its assets revalued in June 2013 by an independent valuer. However, no material differences were identified.

## 8 LONG TERM LIABILITIES

		2016 Rupees	2015 Rupees
Loans from banking companies - secured	8.1	63,860,835	149,850,000
Loans from related parties - unsecured	8.2	251,605,037	51,823,479
Long term creditors	8.3	48,721,553	63,710,867
		<b>364,187,425</b>	<b>265,384,346</b>

### 8.1 LOANS FROM BANKING COMPANIES - SECURED

		2016 Rupees	2015 Rupees
Askari Bank Ltd. - Term Finance I	8.1.1	-	-
National Bank of Pakistan	8.1.2	63,860,835	149,850,000
		<b>63,860,835</b>	<b>149,850,000</b>
		<b>63,860,835</b>	<b>149,850,000</b>

- 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 (2015: Rs. 150 million) was availed from National Bank of Pakistan payable in quarterly installments. The finance is 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.

The bank has rescheduled the facility on April 2016 by extending the repayment of principal amount upto 31st December 2018 in 36 monthly installments of Rs. 3.745 million. An upfront payment of Rs.15 million plus 67 million (condition of fresh issuance of L/C was made during the year). Markup is fixed at Rs. 41.779 million by the bank which shall be paid in 6 monthly installments of Rs. 6.963 million starting at tail end from 31st January 2019 to 30th June 2019.

2016 Rupees	2015 Rupees
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**8.2 LOANS FROM RELATED PARTIES - UNSECURED**

Directors & shareholders loan	<b>8.2.1</b>	<b>251,605,037</b>	51,823,479
		<b>251,605,037</b>	<b>51,823,479</b>

**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 and Zaman Paper & Board Mills (Pvt.) Limited of Rs.10.153 million.

**9 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**

This represents finance lease arrangement with Saudi Pak Leasing Company Limited for leasing of machinery. Lease rentals are payable on monthly basis in advance and include finance charges. The rate of mark-up used as discount factor (implicit in the lease) ranges from 12.98% to 16.93% per annum. Taxes, repairs, replacements and insurance costs are to be borne by the Company. In the case of termination of agreement, the lessee has to pay the entire rent for un-expired period subject to certain credits. Purchase option can be exercised by the company.

Years	2016 Rupees			2015 Rupees		
	Minimum Lease Payments	Finance Charges	Present value of minimum Lease Payments	Minimum Lease Payments	Finance Charges	Present Value of Minimum Lease Payments
Not later than one year	-	-	-	26,381,666	7,859,658	18,522,008
	-	-	-	26,381,666	7,859,658	18,522,008

2016 Rupees	2015 Rupees
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**10 LONG TERM DEPOSITS- unsecured**

Dealers	<b>10.1</b>	<b>2,805,000</b>	2,805,000
Transporters	<b>10.2</b>	<b>10,700,340</b>	10,200,340
		<b>13,505,340</b>	<b>13,005,340</b>

**10.1** 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.

**10.2** 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.

		2016 Rupees	2015 Rupees
<b>11 DEFERRED LIABILITIES</b>			
Deferred Taxation	11.1	593,453,360	586,633,396
Gratuity	11.2	651,940	673,479
		<u>594,105,300</u>	<u>587,306,875</u>
<b>11.1 Deferred Taxation - Net</b>			
Taxable temporary differences - effect thereof			
- Excess of accounting book value of fixed assets over their tax base		1,172,440,542	1,256,685,549
Deductible temporary differences - effect thereof			
- Gratuity		(195,582)	(222,248)
- Excess Tax / Minimum Tax		(33,206,934)	(32,023,798)
- WPPF & WWF		(6,476,954)	(5,685,783)
- Unused tax losses		(539,107,712)	(632,120,324)
		<u>593,453,360</u>	<u>586,633,396</u>
<b>11.2</b>	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.		
<b>11.2.1 Movement in Net liability recognized in Balance Sheet</b>			
Net Liability at the beginning of the year		673,479	401,593
Charge for the year	11.2.3	254,828	229,559
Remeasurement Chargeable to other comprehensive income		(61,967)	42,327
Benefits paid during the year		(214,400)	-
Net Liability at the end of year		<u>651,940</u>	<u>673,479</u>
<b>11.2.2 Movement in Present value of defined benefit obligation</b>			
Present value of defined benefit obligation		673,479	401,593
Current service cost		195,369	175,344
Interest cost		59,459	54,215
Actuarial (gain) / loss		(61,967)	42,327
Benefits paid		(214,400)	-
		<u>651,940</u>	<u>673,479</u>
<b>11.2.3 Expenses recognized in Profit &amp; loss account</b>			
Current service cost		195,369	175,344
Interest cost		59,459	54,215
<b>Total amount chargeable to profit and loss account</b>		<u>254,828</u>	<u>229,559</u>



		2016 Rupees	2015 Rupees
<b>11.2.4 Change in Actuarial Gains/ (Losses)</b>			
Unrecognised actuarial gains/(Losses) as at 30 June		-	-
Actuarial gains/(Losses) arising during the year		61,967	(42,327)
Actuarial gains/(Losses) charged to profit and loss during the year		-	-
<b>Unrecognised actuarial gains/(Losses) as at 30 June</b>		<b>61,967</b>	<b>(42,327)</b>
<b>11.2.5 Component of defined benefit costs recognised in other comprehensive income</b>			
Experience adjustment		61,967	(42,327)
<b>Total remeasurements chargeable in other comprehensive income</b>		<b>61,967</b>	<b>(42,327)</b>
<b>11.2.6 Principal actuarial assumptions</b>			
Discount rate		9.00%	10.50%
Expected rate of increase in salaries per annum		8.00%	9.50%
<b>12 TRADE AND OTHER PAYABLES</b>			
Trade Payables		1,550,855,663	1,506,886,964
Accrued liabilities		5,472,688	3,733,360
Taxes and Other Govt. Levies payable		42,224,825	64,153,581
Other liabilities		2,771,733	1,991,338
		<b>1,601,324,909</b>	<b>1,576,765,243</b>
<b>13 ACCRUED INTEREST / MARK-UP</b>			
Mark-up on long term financing - secured		27,039,458	77,500,600
Mark-up on short term financing - secured		-	15,327,118
Finance lease		-	7,859,658
		<b>27,039,458</b>	<b>100,687,376</b>
<b>14 SHORT TERM FINANCES</b>			
Loans from banking companies-secured	14.1	110,353,089	77,746,825
		<b>110,353,089</b>	<b>77,746,825</b>
<b>14.1 LOANS FROM BANKING COMPANIES-SECURED</b>			
<b>Banks - secured</b>			
Askari Bank Ltd.	14.1.1	-	-
Albaraka Islamic Bank	14.1.2	13,193,537	22,189,935
National Bank of Pakistan	14.1.3	97,159,552	-
The Bank of Punjab			
Demand Finance I	14.1.4	-	47,102,600
Demand Finance II	14.1.4	-	8,454,290
		<b>110,353,089</b>	<b>77,746,825</b>

- 14.1.1** 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.
- 14.1.2** A letter of credit facility usance / acceptance 180 days of Rs. 22.50 million (2015: Rs. 22.50 million) is obtained from Albaraka Islamic Bank with a sub limit of letter of guarantee of Rs. 0.20 million ( 2015: 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.
- 14.1.3** A letter of credit facility usance 180 days of Rs. 300 million is obtained from National Bank of Pakistan to meet the import requirements of the company of coal & machinery parts. The finance is secured against 1st charge of Rs. 400 million over all present and future fixed assets of the company, personal guarantee of all directors and accepted bills of exchange and trust receipt. Markup is charged as per bank's schedule of charge.
- 14.1.4** Forced Demand Finance Facility of Rs. 70.884 million obtained from the Bank of Punjab is settled by paying Rs. 48.630 million as full and final settlement of principal as well as markup payable. Release of charge is under arrangements.

## 15 CONTINGENCIES AND COMMITMENTS

- 15.1** 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
- 15.2** 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.
- 15.3** 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.

## 16 PROPERTY, PLANT & EQUIPMENT

		2016 Rupees	2015 Rupees
Operating Assets - tangible	<b>16.1</b>	<b>4,743,400,789</b>	4,625,006,232
Capital Work in Progress - at cost	<b>16.4</b>	<b>538,974,409</b>	538,974,406
		<b><u>5,282,375,198</u></b>	<u>5,163,980,638</u>

Particulars	Cost / Revaluation				Rate %	Accumulated Depreciation				Book value as at 30-06-2016 Rs.
	As at 01-07-2015	Addition/ (Deletion)	Adjustment	As at 30-06-2016		As at 01-07-2015	Adjustment	For the period	As at 30-06-2016	
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	
<b>Owned Assets</b>										
Land - freehold	6,276,246	-	-	6,276,246		-	-	-	-	6,276,246
Revaluation	114,261,254	-	-	114,261,254		-	-	-	-	114,261,254
	<b>120,537,500</b>			<b>120,537,500</b>						<b>120,537,500</b>
Building-on freehold land					2					
Revaluation	292,730,850	-	-	292,730,850		69,275,143	4,469,114	73,744,257		218,986,593
	287,101,651	-	-	287,101,651	2	47,731,291	4,787,407	52,518,698		234,582,953
	<b>579,832,501</b>			<b>579,832,501</b>		<b>117,006,434</b>	<b>9,256,521</b>	<b>126,262,955</b>		<b>453,569,546</b>
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	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
	<b>4,759,214,125</b>	<b>209,406,097</b>	<b>28,800,000</b>	<b>4,997,420,222</b>		<b>768,423,938</b>	<b>4,298,024</b>	<b>853,034,786</b>		<b>4,144,385,436</b>
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
<b>Sub Total</b>	<b>5,509,408,333</b>	<b>210,283,097</b>	<b>28,800,000</b>	<b>5,748,491,430</b>		<b>908,904,078</b>	<b>4,298,024</b>	<b>1,005,090,642</b>		<b>4,743,400,789</b>
<b>Leased Assets</b>										
Plant & machinery	28,800,000	-	(28,800,000)	-	-	4,298,024	-	-		-
<b>Sub Total</b>	<b>28,800,000</b>	<b>-</b>	<b>(28,800,000)</b>	<b>-</b>		<b>4,298,024</b>	<b>(4,298,024)</b>	<b>-</b>		<b>-</b>
<b>Total</b>	<b>5,538,208,333</b>	<b>210,283,097</b>	<b>-</b>	<b>5,748,491,430</b>		<b>913,202,102</b>	<b>91,888,540</b>	<b>1,005,090,642</b>		<b>4,743,400,789</b>

16.1

16.2 Depreciation for the year has been allocated as under:

Cost of Goods Sold  
Administrative expenses

2016 Rupees	2015 Rupees
90,739,685	92,563,230
1,148,855	1,276,505
<b>91,888,540</b>	<b>93,839,735</b>

16.1

Particulars	Cost / Revaluation				Rate %	Accumulated Depreciation				Book value as at 30-06-2015 Rs.
	As at 01-07-2014 Rs.	Addition/ (Deletion) Rs.	Adjustment	As at 30-06-2015 Rs.		As at 01-07-2014 Rs.	Adjustment	For the period Rs.	As at 30-06-2015 Rs.	
	<b>Owned Assets</b>									
Land - freehold	6,276,246	-	-	6,276,246		-	-	-	-	6,276,246
Revaluation	114,261,254	-	-	114,261,254		-	-	-	-	114,261,254
	<b>120,537,500</b>			<b>120,537,500</b>						<b>120,537,500</b>
Building-on freehold land	292,730,850	-	-	292,730,850	2	64,714,822	4,560,321	69,275,143	223,455,707	292,730,850
Revaluation	287,101,651	-	-	287,101,651	2	42,846,182	4,885,109	47,731,291	239,370,360	287,101,651
	<b>579,832,501</b>			<b>579,832,501</b>		<b>107,561,004</b>	<b>9,445,430</b>	<b>117,006,434</b>	<b>462,826,067</b>	<b>462,826,067</b>
Roads	5,514,865	-	-	5,514,865	2	1,277,904	84,739	1,362,643	4,152,222	5,514,865
Plant & machinery	2,296,785,773	3,791,257	-	2,300,577,030	2	320,121,598	39,548,422	359,670,020	1,940,907,010	2,296,785,773
Revaluation	2,458,637,095	-	-	2,458,637,095	2	366,919,567	41,834,351	408,753,918	2,049,883,177	2,458,637,095
	<b>4,755,422,868</b>	<b>3,791,257</b>		<b>4,759,214,125</b>		<b>687,041,165</b>	<b>81,382,773</b>	<b>768,423,938</b>	<b>3,990,790,187</b>	<b>3,990,790,187</b>
Electrical installations	17,235,285	715,000	-	17,950,285	10	6,860,159	1,073,263	7,933,422	10,016,863	17,235,285
Tools & equipment	1,391,363	-	-	1,391,363	10	621,509	76,985	698,494	692,869	1,391,363
Furniture, fixtures & equipment	1,524,309	-	-	1,524,309	10	905,057	61,925	966,982	557,327	1,524,309
Vehicles	23,443,385	-	-	23,443,385	10	11,297,585	1,214,580	12,512,165	10,931,220	23,443,385
<b>Sub Total</b>	<b>5,504,902,076</b>	<b>4,506,257</b>		<b>5,509,408,333</b>		<b>815,564,383</b>	<b>93,339,695</b>	<b>908,904,078</b>	<b>4,600,504,255</b>	<b>4,600,504,255</b>
<b>Leased Assets</b>										
Vehicles	-	-	-	-		-	-	-	-	-
Plant & machinery	28,800,000	-	-	28,800,000	2	3,797,984	500,040	4,298,024	24,501,976	28,800,000
<b>Sub Total</b>	<b>28,800,000</b>			<b>28,800,000</b>		<b>3,797,984</b>	<b>500,040</b>	<b>4,298,024</b>	<b>24,501,976</b>	<b>24,501,976</b>
<b>Total</b>	<b>5,533,702,076</b>	<b>4,506,257</b>		<b>5,538,208,333</b>		<b>819,362,367</b>	<b>93,839,735</b>	<b>913,202,102</b>	<b>4,625,006,231</b>	<b>4,625,006,231</b>

2015 Rupees	2014 Rupees
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16.2 Depreciation for the year has been allocated as under:

Cost of Goods Sold	92,563,230	94,213,259
Administrative expenses	1,276,505	1,228,132
	<b>93,839,735</b>	<b>95,441,391</b>

		2016 Rupees	2015 Rupees
<b>16.3</b>	Had there been no revaluation the carrying amount of the assets would be:		
	Land	6,276,246	6,276,246
	Building	218,986,593	223,455,707
	Plant & Machinery	2,135,499,923	1,940,907,010
		<u>2,360,762,762</u>	<u>2,170,638,963</u>
<b>16.4</b>	<b>CAPITAL WORK IN PROGRESS</b>		
	Building	113,132,700	104,609,086
	Plant & machinery	425,841,709	434,365,320
		<u>538,974,409</u>	<u>538,974,406</u>
<b>17</b>	<b>LONG TERM SECURITY DEPOSITS</b>		
	Lease key money	-	23,200,000
	Security deposits-WAPDA	18,593,160	18,593,160
		<u>18,593,160</u>	<u>41,793,160</u>
<b>17.1</b>	These are security deposits held with WAPDA and do not carry any markup arrangement.		
<b>18</b>	<b>STORES, SPARES AND LOOSE TOOLS</b>		
	Stores & Spares	5,575,016	6,912,252
	Furnace oil, coal & lubricants	267,808,942	173,168,190
		<u>273,383,958</u>	<u>180,080,442</u>
<b>19</b>	<b>STOCK IN TRADE</b>		
	Raw & Packing material	17,050,832	69,901,564
	Work in process	24 197,470,634	322,738,467
	Finished goods	24 3,708,277	4,238,687
		<u>218,229,743</u>	<u>396,878,718</u>
<b>20</b>	<b>TRADE DEBTS-</b> considered good though unsecured	<u>1,118,954</u>	<u>6,360,421</u>
<b>21</b>	<b>ADVANCES, DEPOSITS, PREPAYMENTS &amp; OTHER RECEIVABLES</b>		
	Advances to suppliers - Unsecured, considered good	168,433,746	56,081,022
	Advances to staff - Unsecured, considered good	726,277	495,600
	Margin held by banks	59,015,410	4,405,548
	Advance income tax	230,709,580	190,489,135
	Sales tax & excise duty tax year 2013	20,000,000	20,000,000
	Other advances	638,000	16,638,000
		<u>479,523,013</u>	<u>288,109,305</u>
<b>22</b>	<b>CASH AND BANK BALANCES</b>		
	In Hand	3,247,178	5,666,921
	At Banks- current accounts	43,101,979	18,664,499
		<u>46,349,157</u>	<u>24,331,420</u>

	2016 Rupees	2015 Rupees
<b>23 SALES</b>		
Gross Sales		
Local - Cement	3,177,256,558	2,851,162,048
	<u>3,177,256,558</u>	<u>2,851,162,048</u>
Less :		
Sales Tax	537,187,454	482,270,144
Excise Duty	158,702,197	141,844,208
Rebate/Commission on Sales	5,588,980	4,249,880
	<u>701,478,631</u>	<u>628,364,232</u>
<b>NET SALES</b>	<u><u>2,475,777,927</u></u>	<u><u>2,222,797,816</u></u>
<b>24 COST OF SALES</b>		
Raw Material Consumed	56,796,870	55,190,070
Furnace Oil, Diesel, Coal and Lubricants consumed	787,967,440	762,620,638
Packing Material consumed	183,163,187	165,422,999
Stores and Spares consumed	8,245,208	7,398,849
Salaries , Wages and Benefits	53,255,799	51,743,949
Water Charges	796,095	667,783
Electricity	959,534,433	953,419,917
Extraction Charges	34,347,500	31,586,750
Repair and Maintenance	1,994,189	3,791,111
Vehicle Running Expenses	2,442,198	3,590,502
Communication	558,979	507,097
Entertainment	146,920	118,212
Rent, Rates and Taxes	-	44,400
Printing and Stationery	240,200	176,572
Travelling and Conveyance	673,220	646,371
Other Manufacturing Expenses	2,363,284	4,073,641
Depreciation	90,739,685	92,563,230
	<b>16.2</b>	
	<u>2,183,265,207</u>	<u>2,133,562,091</u>
<b>Work In Process</b>		
Opening stock	322,738,467	289,340,981
Closing stock	(197,470,634)	(322,738,467)
	<u>125,267,833</u>	<u>(33,397,486)</u>
<b>Cost of Goods Manufactured</b>	<u>2,308,533,040</u>	<u>2,100,164,605</u>
<b>Finished Goods</b>		
Opening stock	4,238,687	7,259,195
Closing stock	(3,708,277)	(4,238,687)
	<u>530,410</u>	<u>3,020,508</u>
<b>Cost of Sales</b>	<u><u>2,309,063,450</u></u>	<u><u>2,103,185,113</u></u>

	2016 Rupees	2015 Rupees
<b>25 DISTRIBUTION COST</b>		
Salaries , Wages and Benefits	4,793,122	4,415,980
Rent, Rates and Taxes	180,000	212,400
Travelling, Conveyance and Vehicle Running	22,630	20,200
Communication	28,230	20,290
Electricity, Water & Sui Gas	12,596	12,588
Advertisement	123,930	72,600
Entertainment & Miscellaneous	39,403	34,383
	<b>5,199,911</b>	<b>4,788,441</b>

Salaries , Wages and Benefits includes Rs.46,657/- (2015: Rs.114,640/-) in respect of gratuity.

		2016 Rupees	2015 Rupees
<b>26 ADMINISTRATIVE EXPENSES</b>			
Salaries , Wages and Benefits	26.1	5,992,496	5,062,349
Directors' Remuneration		11,400,000	11,400,000
Travelling, Conveyance and Vehicle Running		1,576,445	1,027,092
Legal and Professional		2,735,000	2,975,000
Communication		1,145,383	1,634,937
Charity and Donation	26.2	230,000	270,210
Fee and Subscription		1,337,355	1,675,655
Insurance		828,593	32,745
Entertainment & Miscellaneous		-	2,000
Depreciation	16.2	1,148,855	1,276,505
		<b>26,394,127</b>	<b>25,356,493</b>

**26.1** Salaries , Wages and Benefits includes Rs.208,171/- (2015: Rs. 114,919/-) in respect of gratuity.

**26.2** The company has paid the charity and donation of Rs. 230,000/-(2015: Rs.270,210/-) and directors or their spouses were not interested in the donee.

## 27 OTHER EXPENSES

Workers' Profit Participation Fund	10,490,596	10,116,825
Workers' Welfare Fund	3,986,427	3,844,394
Auditors' Remuneration	775,000	690,000
	<b>15,252,023</b>	<b>14,651,219</b>

	2016 Rupees	2015 Rupees
<b>27.1 Auditors' Remuneration</b>		
Tahir Siddiqi & Co. -statutory audit	660,000	600,000
Junaidy Shoaib Asad & Co. (2015: Mumtaz Balouch & Co.) -cost audit	115,000	90,000
	<u>775,000</u>	<u>690,000</u>
<b>28 FINANCE COST</b>		
Mark up	1,213,875	937,185
Bank Charges and Commission	1,701,612	480,157
	<u>2,915,487</u>	<u>1,417,342</u>
<b>29 OTHER INCOME</b>		
Sale of Trees & Scrap	28,512,301	32,546,213
Creditors written off (Over Three Years)	5,212,860	72,501,563
Financial Charges Written off	44,656,816	9,928,298
	<u>78,381,977</u>	<u>114,976,074</u>
	<b>2016 Rupees</b>	<b>2015 Rupees</b>
<b>30 TAXATION</b>		
Prior	9,611,540	15,123,563
Current	33,206,934	32,023,798
	<u>42,818,474</u>	<u>47,147,361</u>
Deferred	6,819,964	24,093,110
	<u>49,638,438</u>	<u>71,240,471</u>

**30.1** 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.

**30.2** 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.



	2016 Rupees	2015 Rupees
<b>31 EARNINGS / (LOSS) PER SHARE-BASIC</b>		
There is no dilutive effect on the earning per share, and basic earning per share is based on: Profit/(Loss) before taxation	<u>195,334,906</u>	<u>188,375,282</u>
Profit / (Loss) after taxation	<u>145,696,468</u>	<u>117,134,811</u>
	<b>(No. of shares)</b>	
Weighted average number of ordinary shares	<u>176,000,000</u>	<u>176,000,000</u>
	<b>(Rupees)</b>	
<b>31.1</b> Earnings/(Loss) per share (before tax) - Basic	<u>1.11</u>	<u>1.07</u>
<b>31.2</b> Earnings/(Loss) per share (after tax) - Basic	<u>0.83</u>	<u>0.67</u>
<b>32 NUMBER OF EMPLOYEES</b>		
Total number of employees at the end of year.	<u>276</u>	<u>252</u>
Average number of employees during the year.	<u>250</u>	<u>235</u>

**33 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

Purchase of goods, services

Relationship

Flying Paper Industries Limited

Associate

Flying Board & Paper Products Limited

Associate

	2016 Rupees	2015 Rupees
<b>33.1</b> Year end balances		
Payable to related parties.	<u>48,721,553</u>	<u>63,710,867</u>
Receivable from related parties	<u>21,250,563</u>	<u>8,069,350</u>
<b>33.2</b> All transactions with related parties have been carried out on commercial terms and conditions.		

**34 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 Functions undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

**34.1 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:

	2016 Rupees	2015 Rupees
Trade debtors	1,118,954	6,360,421
Advances, deposits, prepayments and other receivables	60,379,687	21,539,148
Cash at banks	43,101,979	18,664,499
	<b>104,600,620</b>	<b>46,564,068</b>

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

The aging of trade receivables at the reporting date:

Not past due	268,549	1,526,501
Past due 1-30 days	414,013	2,353,356
Past due 31-60 days	268,549	1,526,501
Past due 61-90 days	111,895	636,042
Over 90 days	55,948	318,021
	<b>1,118,954</b>	<b>6,360,421</b>

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

### 34.2 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 all 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 , 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	-	-	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-
	<b>2,011,958,503</b>	<b>2,011,958,503</b>	<b>1,696,492,631</b>	<b>-</b>	<b>-</b>	<b>315,465,872</b>

#### At June 30 , 2015

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
Long term finances	201,673,479	201,673,479	-	-	-	201,673,479
Trade and other payables	1,512,611,662	1,512,611,662	1,512,611,662	-	-	-
Accrued Markup	100,687,376	100,687,376	100,687,376	-	-	-
Short term borrowings	77,746,825	77,746,825	77,746,825	-	-	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-
	<b>1,892,719,342</b>	<b>1,892,719,342</b>	<b>1,691,045,863</b>	<b>-</b>	<b>-</b>	<b>201,673,479</b>

**34.3 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.

**34.3.1 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)	
	2016	2015	2016	2015
<b>Financial Liabilities</b>				
Variable Rate instruments:				
Short term borrowings	-	9.73 to 10.18	110,353,089	77,746,825
Long term borrowings	-	10.23 to 13.68	63,860,835	149,850,000
Lease financing	-	12.98 to 16.43	-	18,522,008

**34.3.1.1 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.

**34.3.1.2 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 Increase Profit	Rupees Decrease Profit
As at June 30, 2016	1,742,139	(1,742,139)
As at June 30, 2015	2,461,188	(2,461,188)

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

**34.3.2 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.

**34.3.3 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:

	2016 Rupees	2015 Rupees
Outstanding letter of credits	97,159,552	-
Average rate	104.37	-
Reporting date rate	104.83	-

### 34.3.3.1 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 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.

### 34.4 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.

### 35 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.

	2016 Rupees	2015 Rupees
Total Borrowings	425,818,961	279,420,304
Total Equity	2,047,026,785	1,869,218,800
Total Capital Employed	<u>2,472,845,746</u>	<u>2,148,639,104</u>
Gearing Ratio	17.22%	13.00%

### 36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executive Directors		Non Executive Directors		Executives	
	2016 Rupees	2015 Rupees	2016 Rupees	2015 Rupees	2016 Rupees	2015 Rupees	2016 Rupees	2015 Rupees
Managerial remuneration	876,000	829,000	4,364,000	4,364,000	6,000,000	6,000,000	3,491,000	2,180,000
Medical allowance	87,600	83,000	436,000	436,000	600,000	600,000	349,000	220,000
	<u>963,600</u>	<u>912,000</u>	<u>4,800,000</u>	<u>4,800,000</u>	<u>6,600,000</u>	<u>6,600,000</u>	<u>3,840,000</u>	<u>2,400,000</u>
<b>Number of persons</b>	1	1	1	1	2	2	8	5

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

### 37 PRODUCTION CAPACITY

	Installed Capacity		Actual production	
	2016 Tons	2015 Tons	2016 Tons	2015 Tons
Clinker	600,000	600,000	336,257	337,710
Cement	600,000	600,000.00	387,500	346,875

**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.

	2016 Rupees	2015 Rupees
<b>38 CASH AND CASH EQUIVALENTS</b>		
Cash & Bank balances	46,349,157	24,331,420
Short term finances	<u>(110,353,089)</u>	<u>(77,746,825)</u>
	<u><b>(64,003,932)</b></u>	<u><b>(53,415,405)</b></u>

**39 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on **October 10, 2016** by the board of directors of the company.

**40 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	2016	2015	2014	2013	2012	2011
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(Restated)

### Operating Results (Rs.)

Net Sales	2,475,777,927	2,222,797,816	2,064,569,791	841,229,501	1,307,903,515	723,948,685
Gross Profit / (Loss)	166,714,477	119,612,703	105,978,256	(5,151,382)	(169,394,484)	(163,017,463)
Pre tax profit / (loss)	195,334,906	188,375,282	151,341,885	29,750,399	(256,573,894)	(222,408,210)
After tax profit / (loss)	145,696,468	117,134,811	100,358,339	11,117,733	28,487,253	(145,941,419)

### Financial Position (Rs.)

Current Assets	1,018,604,825	895,760,306	736,287,613	778,473,782	618,103,131	529,559,977
Current Liabilities	1,771,924,390	1,805,745,250	1,502,531,941	1,395,684,687	1,088,722,485	808,323,585
Property, Plant & Equipments	5,282,375,198	5,163,980,638	5,234,261,754	5,033,425,637	4,940,369,960	4,901,092,134
Total Assets	6,319,573,183	6,101,534,104	6,012,342,527	5,853,692,579	5,600,266,251	5,454,762,161
Long Term Liabilities	377,692,765	278,389,686	633,868,898	717,476,814	792,874,495	677,953,874
Share Holder's Equity	2,047,026,785	1,869,218,800	1,720,824,278	1,588,864,796	1,546,258,571	1,485,506,223

### Ratios (%)

Current Ratio	0.57	0.50	0.49	0.56	0.57	0.66
Debt to Equity Ratio	17.22%	13.75%	25.00%	33.39%	35.14%	38.44%
Gross Profit to Sale Ratio	6.73%	5.38%	5.13%	-0.61%	-12.95%	-22.52%
Net Profit to Sales Ratio (before tax)	7.89%	8.47%	7.33%	3.54%	-19.62%	-30.72%

### Earning Per Share (Rs.)

Basic (before tax)	1.11	1.07	0.86	0.17	(1.46)	(1.26)
Basic (after tax)	0.83	0.67	0.57	0.06	0.16	(0.83)

**PATTERN OF SHAREHOLDING AS AT JUNE 30, 2016**

No. of Shareholders	Having Shares		Total Shares Held
	From	To	
570	1	100	27177
351	101	500	149927
1377	501	1000	883810
711	1001	5000	1830729
190	5001	10000	1528695
74	10001	15000	943197
43	15001	20000	780900
23	20001	25000	534800
18	25001	30000	513550
6	30001	35000	196050
13	35001	40000	497000
7	40001	45000	299500
15	45001	50000	742000
4	50001	55000	206599
3	55001	60000	174000
3	60001	65000	191850
1	65001	70000	68000
4	70001	75000	285000
2	75001	80000	159500
1	80001	85000	85000
5	85001	90000	440000
1	90001	95000	91000
7	95001	100000	698291
2	100001	105000	206000
1	110001	115000	111500
2	120001	125000	250000
1	125001	130000	126000
1	145001	150000	150000
1	160001	165000	164500
1	170001	175000	170500
1	195001	200000	200000
1	200001	205000	204000
1	205001	210000	207000
1	210001	215000	212500
1	285001	290000	290000
1	295001	300000	300000
1	335001	340000	338000
1	500001	505000	504500
1	530001	535000	534500
1	645001	650000	647050
1	680001	685000	685000
1	690001	995000	693500
1	735001	740000	735500
1	755001	760000	760000
1	805001	810000	809000
1	820001	825000	825000
2	995001	1000000	1999000
1	1420001	1425000	1422000
1	1430000	1435000	1430500
1	1465000	1470000	1469000
1	1995001	2000000	2000000
1	2160001	2165000	2160050
1	2270000	2275000	2270500
1	2295001	2300000	2300000
1	2670001	2675000	2674500
1	2995001	3000000	3000000
1	3510001	3515000	3510492
1	3995001	4000000	4000000
1	5035001	5040000	5039280
1	7005001	7010000	7009400
1	11055001	11060000	11055550
1	11080001	11085000	11082007
1	14830001	14835000	14834314
1	15620001	15625000	15622798
2	16795001	16800000	33599549
1	29070001	29075000	29070435
3476	Total		176,000,000

## CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2016

Particulars	Shareholders	Shares held	Percentage
Directors, CEO, Spouse & Children	8	83,102,054	47.2171
Banks, DFI, NBFI	1	25,000	0.0142
Modarabas, Mutual Funds	1	5	0.0000
General Public (Local)	3413	87,595,288	49.7701
General Public (Foreign)	34	276,178	0.1569
Others	19	5,001,475	2.8417
<b>Total</b>	<b>3476</b>	<b>176,000,000</b>	<b>100</b>



## PATTERN OF SHAREHOLDING ADDITIONAL INFORMATION AS AT JUNE 30, 2016

SHAREHOLDERS CATEGORY	No. of Shares held
MUTUAL FUNDS	
N.H.Capital Fund Limited	5
DIRECTORS, CEO, THEIR SPOUSES AND MINOR CHILDREN	
Mr. Muhammad Tawassal Majid	1500
Mr. Kamran Khan	14834314
Mr. Momin Qamar	29070435
Mr. Yousaf Kamran Khan	11082007
Mr. Qasim Khan	647050
Mrs.Samina Kamran	18297298
Mr. Asim Qamar	2160050
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
OTHERS	5001475
SHAREHOLDERS HOLDING 5% OR MORE (other than those reported in Directors)	-
INDIVIDUALS	
Local	87595288
Foreign	276178

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, 2016 other than below:

Name	No. of Shares Purchased
Mrs. Samina Kamran	2674500

## ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹران کی جانب سے تیسواں سالانہ نتائج شدہ مالی حسابات برائے سال ختمہ 30 جون 2016ء بمشمول محاسب کی رپورٹ پیش کی جا رہی ہے۔

### عمومی جائزہ

سیمنٹ کی ملکی پیداوار میں اس سال مجموعی طور پر 9.82 فیصد اضافہ ہوا ہے جو ملکی طلب میں اضافے کے باعث تھی۔ مقامی طلب میں اضافے کی وجہ کم شرح سود اور افراط زر، قانون کی بہتر ہوتی ہوئی صورتحال، متوقع معاشرتی اعشاریے، بڑے ہاؤسنگ سکیموں کے منصوبے، اور ملکی سطح پر ترقیاتی منصوبے ہیں۔ جبکہ برآمدات کے شعبے میں کمی دیکھنے میں آئی ہے جو مقامی منڈی میں کاروبار کے بہتر مواقعوں کی وجہ سے ہے۔ اس کے علاوہ ساؤتھ افریقہ کی جانب سے اینٹی ڈمپنگ ڈیوٹی کا نفاذ بھی برآمدات میں کمی کا سبب رہا۔

زیر جائزہ سال میں آپ کی کمپنی نے 11 فیصد زیادہ سیمنٹ فروخت کرتے ہوئے 387,585 میٹرک ٹن حجم کا سیمنٹ بیچا جو کہ پچھلے سال 347,398 میٹرک ٹن تھا۔

### کاروباری کارکردگی

پیداوار اور فروخت کی حجمی کارکردگی

آپ کی کمپنی کے پیداوار اور فروخت کے حجم کے اعداد و شمار تقابلی جائزے کے ساتھ درج ذیل ہیں:

2015	2016	تفصیلات
(میٹرک ٹن)		
346,875	387,500	سیمنٹ کی پیداوار
337,710	336,257	کلنکر کی پیداوار
347,398	387,585	سیمنٹ کی فروخت

زیر جائزہ سال میں سیمنٹ کی پیداوار میں 40,625 میٹرک ٹن اضافہ ہوا۔

### مالی کارکردگی

مالی سال 2015-16 کے بنیادی مالی نتائج کا تقابلی جائزہ نیچے دیا گیا ہے:

2015	2016	تفصیلات
(رقم ہزاروں اور پاکستانی روپے میں ہے)		
2,851,162	3,177,256	فروخت کا کل حجم
628,364	701,478	سیلز ٹیکس اور ایکسائز ڈیوٹی

2,222,798	2,475,778	فروخت کا حجم خالص
119,612	166,714	خام منافع
74,816	119,868	آپریٹنگ منافع
188,375	195,334	ٹیکس ادائیگی سے قبل منافع
117,134	145,696	ٹیکس ادائیگی کے بعد خالص منافع
0.67	0.83	آمدن فی حصہ (روپوں میں)

کاروباری حجم میں اضافے کے علاوہ کونسلے کے کم دام اور بجلی کی کم قیمتوں کی وجہ سے کمپنی کی منافع کی صلاحیت بڑھی۔

### آمدن فی حصص

کمپنی کی آمدن فی حصص 0.67 پیسہ سے جو کہ سال 2015 میں تھی، 2016 میں بڑھ کر 0.83 پیسہ فی حصہ ہو گئی۔

### محاسبی کمیٹی

بورڈ آف ڈائریکٹران نے محاسبی کمیٹی بنا رکھی ہے جو تین نان ایگزیکٹو اراکان پر مشتمل ہے۔ محاسبی کمیٹی کو ڈ آف کارپوریٹ کی ضروریات کے مطابق بنائی گئی ہے۔

### قومی خزانے کو ادائیگی

کمپنی نے مبلغ 777 ملین روپے (2015: 726 ملین روپے) کی رقم قومی خزانے میں جمع کروائی ہے۔

### مستقبل کا نقطہ نظر

ملکی معاشرتی اعشاریے بہتری کی طرف اشارہ کر رہے ہیں۔ پرائیویٹ ہاؤسنگ سکیموں اور ملکی سطح پر جاری ترقیاتی منصوبوں کی جانب سے بڑھتی ہوئی طلب نے سینٹ تیار کنندگان کے لیے کشش پیدا کی ہے کہ وہ مقامی منڈی میں زیادہ کاروبار کریں۔ بڑے تعمیراتی منصوبے جو چین پاکستان اقتصادی راہداری کے تحت چل رہے ہیں اور گھر بنانے کے لیے کم شرح سود پر قرض کی فراہمی سینٹ کی طلب میں اضافہ کرنے میں مددگار ہو رہی ہے۔ اسکے ساتھ کم کاروباری لاگت جو کہ کونسلے اور بجلی کے کم بھاؤ کی وجہ سے ہیں، نے کمپنی کو بہتر مستقبل کی امید دی ہے۔

### حصص داران کے لئے منافع کی تقسیم

کمپنی کے زیر جائزہ مالی نتائج کو دیکھتے ہوئے کمپنی انتظامیہ اس سال حصص داران کو منافع کی ادائیگی نہیں کر سکتی۔ جبکہ مالیات کے وافر ذخائر ہونے پر کمپنی حصص داران کے لیے منافع کا اعلان کرے گی۔

### کارپوریٹ گورننس کی تعمیل

آپ کی کمپنی کے ڈائریکٹرز کمپنی کی حکمت عملی اور کاروباری منصوبوں کو متواتر دیکھ رہے ہیں۔ کارپوریٹ گورننس کی تعمیل محاسبی کمیٹی کی ذمہ

داری ہے۔ ہم ایسے تمام اقدامات کر رہے ہیں جس کے تحت کمپنی میں اچھی کارپوریٹ گورننس کی تعمیل ہو جو کوڈ کی ضروریات کو پورا کر سکے۔

آپ کے ڈائریکٹران تصدیق کرتے ہیں کہ:

(I) - مالیاتی حسابات جسے کمپنی کی انتظامیہ مرتب کرتی ہے جس میں کمپنی کے تمام امور، آپریشن کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلی شامل ہیں، واضح اور درست بنائے گئے ہیں۔

(II) - کمپنی نے مالیاتی حسابات کی کتابیں درست انداز میں بنائی ہوئی ہیں۔

(III) - مالیات حسابات کی مناسب پالیسیاں مرتب کی گئی ہیں اور انہیں بہتر انداز میں لاگو کیا جا رہا ہے۔

(IV) - بین الاقوامی مالیاتی حسابات کے قوانین جو کہ پاکستان میں لاگو ہیں پر عمل ہو رہا ہے۔

(V) - کمپنی کا اندرونی محاسبتی نظام مضبوط اور بہتر انداز میں کام کر رہا ہے۔

(VI) - کمپنی کے کاروباری معاملات جاری رہنے میں کوئی شکوک و شبہات نہیں ہیں۔

(VII) - کمپنی لسٹنگ قوانین میں موجود کارپوریٹ گورننس کے تحت بہتر انداز میں عمل پیرا ہے۔

(VIII) - کمپنی کے پچھلے پانچ سالوں کے بنیادی حسابات کے اعداد و شمار کا خلاصہ لف ہے۔

(IX) - زیر جائزہ مالی سال کے دوران کمپنی کے کسی عہدہ دار کی طرف سے کمپنی کے حصص میں کوئی خرید و فروخت نہیں کی گئی ماسوائے اس کے جو حصص کے ملکیتی نمونہ میں لکھی گئی ہیں۔

(X) - کمپنی کے نتائج میں تبدیلی کا تقابلی جائزہ ڈائریکٹران کی رپورٹ کے متعلقہ حصہ میں کیا گیا ہے۔

(XI) - واجب الادا ٹیکسز اور دوسرے حکومتی واجبات کی تفصیلات متعلقہ نوٹ میں درج ہیں۔

(XII) - مستقبل میں کمپنی کے کاروبار میں تبدیلی سے متعلق کوئی منصوبہ نہیں ہے۔

(XIII) - ڈائریکٹران اور انکی ذیلی کمیٹیوں کے اجلاس کی تفصیلات درج ذیل ہیں:

- زیر جائزہ سال میں ڈائریکٹران کے آٹھ اجلاس ہوئے تھے، جس میں سبھی ڈائریکٹران نے شمولیت کی۔

- محاسبتی کمیٹی کے سال میں چار اجلاس ہوئے، اس کے تمام ممبران نے تمام اجلاس میں شرکت کی،

- انسانی وسائل اور مراعاتی کمیٹی کے سال میں دو اجلاس ہوئے، اس کے تمام ممبران نے تمام اجلاس میں شرکت کی،

(XIV) - بورڈ کے ممبران کو ان کے امور کی بہتر انجام دہی کے لیے ہر قسم کی معلومات اور دفتری امور کی تربیت دی گئی ہے تاکہ وہ اپنے فرائض صحیح طریقے سے ادا کر سکیں۔

ملازمین کے لیے بعد از ملازمت فوائد

کمپنی مستقل ملازمین کے لئے ان فنڈ ڈگریجویٹ سکیم پر عمل پیرا ہے۔ جبکہ مالی حسابات میں ذکر موجود ہے۔

## بیرونی محاسب

کمپنی کے بیرونی محاسب طاہر صدیقی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے اپنی خدمات جاری رکھنے کی خواہش ظاہر کی ہے جس کی محاسبی کمیٹی نے بھی نامزدگی کی تائید کی ہے۔ چنانچہ حصص داران سے ان کو دوبارہ تعینات کرنے کی منظوری کی درخواست کی جاتی ہے جبکہ بیرونی محاسب نے اس بات کا یقین دلایا ہے کہ وہ تعیناتی کی قانون میں موجود اہلیت پر پورا اترتے ہیں۔

ملکیتی حصص کا نمونہ

ملکیتی حصص کا نمونہ برائے سال مختتمہ 30 جون 2016ء لف ہے جس میں ڈائریکٹران کی طرف سے خرید و فروخت کی تفصیل بھی دی گئی ہے۔

اظہارِ تشکر

کمپنی کے ڈائریکٹران دل کی گہرائیوں سے کاروبار سے منسلک تمام لوگوں کی حمایت کے شکر گزار ہیں۔ ہم اپنے ملازمین کی کام میں لگن، سخت محنت جو وہ کر رہے ہیں اور حصص داران کا بھی شکر ادا کرتے ہیں جنہوں نے ہمیشہ کمپنی پر اعتماد کیا۔

منجانب بورڈ

آغا ہمایوں خان

چیف ایگزیکٹو آفیسر

لاہور 10 اکتوبر 2016

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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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# فلاننگ سیمنٹ کمپنی لمیٹڈ

تشکیل نیابت داری برائے سالانہ اجلاس عام

میں / ہم \_\_\_\_\_ ساکن \_\_\_\_\_  
فلاننگ سیمنٹ کمپنی لمیٹڈ کا / کی / کے 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 / کے حصص دار ہے ہیں۔ کو اپنی جگہ بروز سوموار بتاریخ 31 اکتوبر 2016 بوقت صبح 10 بجے  
لاہور میں منعقد ہونے والے 23 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

\_\_\_\_\_ دستخط

\_\_\_\_\_ نام

\_\_\_\_\_ پتہ

\_\_\_\_\_ شناختی کارڈ نمبر یا

\_\_\_\_\_ پاسپورٹ نمبر

گواہ نمبر: 1

\_\_\_\_\_ دستخط

\_\_\_\_\_ نام

\_\_\_\_\_ پتہ

\_\_\_\_\_ شناختی کارڈ نمبر یا

\_\_\_\_\_ پاسپورٹ نمبر

تاریخ: \_\_\_\_\_ 2016

**FLYING CEMENT COMPANY LIMITED**  
23<sup>rd</sup> 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 23<sup>rd</sup> Annual General  
Meeting of the Company to be held on Monday, 31<sup>st</sup> October 2016 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 ..... 2016



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