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## COMPANY INFORMATION

DEWAN CEMENT LIMITED

### BOARD OF DIRECTORS

#### Executive Directors

Dewan Muhammad Yousuf Farooqui  
Syed Muhammad Anwar  
Mr. Haroon Iqbal

Chairman Board of Directors  
Chief Executive Officer

#### Non-Executive Directors

Mr. Waseem-ul-Haque Ansari  
Mr. Ghazanfar Babar Siddiqi  
Mr. Ishtiaq Ahmad

#### Independent Director

Mr. Aziz-ul-Haque

### AUDIT COMMITTEE MEMBERS

Mr. Aziz-ul-Haque  
Mr. Ishtiaq Ahmed  
Mr. Ghazanfar Baber Siddiqi

Chairman  
Member  
Member

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Aziz-ul-Haque  
Syed Muhammad Anwar  
Mr. Ishtiaq Ahmad

Chairman  
Member  
Member

### CHIEF FINANCIAL OFFICER

Mr. Imran Ahmed Javed

### COMPANY SECRETARY

Mr. Muhammad Hanif German

### REGISTERED ADDRESS

Block-A, 7th Floor, Finance & Trade Centre,  
Shahrah-e-Faisal, Karachi, Pakistan.

### HEAD OFFICE

Block-A, 2nd Floor, Finance & Trade Centre,  
Shahrah-e-Faisal, Karachi, Pakistan.

### FACTORY

1. Deh Dhando, Dhabeji  
District, Malir, Karachi.

2. Kamilpur Near Hattar  
District, Haripur, Khyber Pakhtoonkhwa.

### AUDITORS

Faruq Ali & Co.  
Chartered Accountants

### COST AUDITORS

Rafaqat Mansha Mohsin Dossani Masoom & Co.  
Chartered Accountants

### SHARES REGISTRAR TRANSFER AGENT

BMF Consultants Pakistan (Pvt.) Limited  
Anum Estate, Room No. 310 & 311, 3rd Floor,  
49, Darul Aman Society, Main Shahrah-e-Faisal,  
Adjacent to Baloch Colony Bridge, Karachi, Pakistan.

### LEGAL ADVISOR

Muhammad Azhar Faridi (Advocate)

### WEBSITE

[www.yousufdewan.com](http://www.yousufdewan.com)



**YD**

A YOUSUF DEWAN COMPANY

# *The Vision Statement*

*"The vision of Dewan Cement Limited is to become leading market player  
in the cement sector".*

# *The Mission Statement*

*To assume leadership role in the technological advancement of the industry and to achieve the highest level of qualitative and quantitative indigenization.*

*To be the finest organization in its industry, and to conduct its business responsibly and in a straight forward manner.*

*To seek long-term and good relations with our suppliers and Sales Agents with fair, honest and mutually profitable dealings.*

*To achieve the basic aim of benefiting its customers, employees and shareholders and to fulfill its commitments to the society.*

*To create a work environment highlighting team work, which motivates, recognizes and rewards achievements at all levels of the organization, because "In ALLAH we believe, and in people we trust".*

*To be honest, initiative and be able to respond effectively to changes in all aspects of life, including technology, culture and environment.*

*To be a contributing corporate citizen for the betterment of society and to exhibit a socially responsible behaviour.*

*To conduct with integrity and strive to be the best.*

## NOTICE OF THE THIRTY EIGHTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Thirty Eighth Annual General Meeting of **Dewan Cement Limited** ("DCL" or "the Company") will be held on **Monday, October 30, 2017, at 04:00 p.m.** at Dewan Cement Limited Factory Site, at Deh Dhandu, Dhabeji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur'aan and other religious recitals:

1. To confirm the minutes of the preceding Extra Ordinary General Meeting of the Company held on Monday, January 30, 2017;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2017, together with the Directors' and Auditors' Reports thereon;
3. To appoint the Statutory Auditors' of the Company for the ensuing year, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

### **SPECIAL BUSINESS:**

1. To consider and if deemed fit, approve the amendments / addition in Articles of Association of the Company as mentioned in detail in the Statement under Section 134(3).
2. In connection with consent from shareholders for the transmission of the annual audited accounts in any approved transmission medium; and provision for appointment of a non-members as proxy in case of e-voting; and pass the following resolutions, with or without modifications, as Special Resolutions;
3. To obtain consent of the shareholders in terms of S.R.O. 470(I)/2016 dated May 31, 2016 issued by Securities and Exchange Commission of Pakistan, for the transmission of the annual audited accounts, notices of general meetings and other information contained therein of the Company either through CD or DVD or USB and to pass the following resolution with or without modification:

"RESOLVED THAT consent & approval of the members of Dewan Cement Limited (the "Company") be and is hereby accorded for transmission of annual audited accounts, notices of general meetings and other information contained therein of the Company to the members for future years commencing from the year ending on June 30, 2018 through CD or DVD or USB instead of transmitting the same in hard copies.

"FURTHER RESOLVED THAT appointment of non-members as proxy in case of e-voting be and is hereby approved".

"FURTHER RESOLVED THAT in connection with the resolution passed above and subject to the necessary approvals to be obtained from regulators and any consequent modifications thereon, the amendments / addition in Articles of Association of the Company which is laid before the members in the Statement under Section 134(3) and forms an integral part of this resolution be and are hereby approved".

"FURTHER RESOLVED THAT Mr. Haroon Iqbal, Director or Mr. Muhammad Hanif German, Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purpose of implementing this resolution."

**"Statement under Section 134(3) of the Companies Act, 2017, concerning the Special Business, is attached along with the Notice circulated to the members of the Company, and is deemed an integral part hereof"**

By order of the Board



**Muhammad Hanif German**  
Company Secretary

Karachi: October 1, 2017

**NOTES:**

1. The Share Transfer Books of the Company will remain closed for the period from October 23, 2017 to October 30, 2017 (both days inclusive).
2. Members are requested to immediately notify change in their addresses, if any, at our Shares Registrar Transfer Agent BMF Consultants Pakistan (Private) Limited, located at Annum Estate Building, Room No. 310 & 311, 3rd Floor, 49 Darul Aman Society, Main Shahr-e-Faisal, Adjacent Baloch Colony Bridge, Karachi, Pakistan.
3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the above-said address, not less than 48 hours before the meeting.
4. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and Exchange Commission of Pakistan:
  - a) **For Attending Meeting:**
    - i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (CNIC), or original passport at the time of attending the meeting.
    - ii) In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) at the time of meeting.
  - b) **For Appointing Proxies:**
    - i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.



- iii) Attested copies of CNIC or passport of the beneficial owners and proxy shall be furnished along with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) along with the proxy form to the Company.

**5. Notice to Shareholders who have not provided CNIC:**

CNIC of the shareholders is mandatory in terms of directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(1)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc. and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Shares Registrar without any further delay.

**6. Mandate for E-DIVIDENDS for shareholders:**

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 5, 2013 had advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed.

**7. Electronic Transmission of Financial Statements Etc.:**

SECP through its notification No. SRO 787(1)/2014 dated September 8, 2014 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desires to avail this facility. The members who desire to opt to receive aforesaid statements and notice of AGM through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: <http://www.yousufdewan.com/DCL/index.html>

**STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT. 2017**

This statement is annexed as an integral part of the Notice of the Annual General Meeting of Dewan Cement Limited ("the Company" or "DCL") to be held on **Monday, October 30, 2017, at 04:00 p.m.**, at Dewan Cement Limited, Plant Site, Deh Dhando, Dhabeji, District Malir, Karachi, Pakistan; and sets out the material facts concerning the Special Business to be transacted at the Meeting.

## Special Business

### 1. Circulation of Annual Reports through CD/DVD/USB:-

Securities and Exchange Commission of Pakistan has vide S.R.O. 470(I)/2016 dated May 31, 2016 allowed the companies to circulate the annual audited accounts, notices of general meetings and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting. This will save time and expenses incurred on printing of the annual reports.

The Company shall supply the hard copies of the aforesaid documents to the shareholders on demand, free of cost within one week of such demand. After approval of the shareholders, the Company will place a Standard Request Form on its website to communicate their need of hard copies of the documents along with the postal and email address of the Company Secretary/Share Registrar to whom such requests shall be made.

Accordingly, the Directors of the Company have no interest in the Special Business except in their capacity as shareholders and Directors of the Company.

**"RESOLVED THAT consent & approval of the members of Dewan Cement Limited (the "Company") be and is hereby accorded for transmission of annual audited accounts, notices of general meetings and other information contained therein of the Company to the members for future years commencing from the year ending on June 30, 2018 through CD or DVD or USB instead of transmitting the same in hard copies".**

### 2. To consider, and if thought appropriate, approve and resolve the passing of the following proposed special resolutions in respect of alterations to the Articles of Association of the Company.

#### i). Addition of Clause 81-A of the Articles of Associations of the Company.

The provisions and requirements for e-voting including instrument for appointing proxy as prescribed by regulatory authority from time to time shall be deemed to be incorporated in these Articles, irrespective of the other provisions of these Articles of Association and notwithstanding anything contradictory therein.

**"RESOLVED THAT appointment of non-members as proxy in case of e-voting be and is hereby approved".**

**"FURTHER RESOLVED THAT in connection with the resolution passed above and subject to the necessary approvals to be obtained from regulators and any consequent modifications thereon, the amendments / addition in Articles of Association of the Company which is laid before the members in the Statement under Section 134(3) and forms an integral part of this resolution be and are hereby approved".**

The Directors of the Company are not directly or indirectly interested with the affairs of the Special Business, which nevertheless is intended to streamline the above-said provision of the Articles of Association of the Company with the like provision of the Companies Act, 2017, and also acts and benefits to the business convenience of the Company, and its Board of Directors taken as a whole.

ii). Amendment in Clause 119 of the Articles of Association of the Company.

The following is the special resolution proposed in this regard:

**"RESOLVED THAT the provisions of Clause 119 of the Articles of Association of the Company be and are hereby substituted with the following: "The remuneration of the Directors / Chief Executive Officer of the Company shall from time to time be determined by the Board of Directors of the Company in the Board Meeting."**

Further, for the sake of convenient reference, the following is the Present Vs the Proposed Substitution of Clause 119 of the Articles of Association of the Company:

Present Clause 119 of the Articles of Association of the Company	Proposed substitution of Clause 119 of the Articles of Association of the Company
"The remuneration of whole time working Directors shall be fixed by the Board of Directors subject to approval of shareholders of the Company."	<b>"The remuneration of the Directors / Chief Executive Officer of the Company shall be fixed from time to time be determined by the Board of Directors of the Company in the Board Meeting."</b>

## DIRECTORS' REPORT

The management of your company takes pleasure in presenting you the Thirty eighth Annual Report of the company together with the audited accounts for the financial year ended June 30, 2017. This is the 14th annual report since the management and controlling shares of the company were taken over by Yousuf Dewan Companies.

### OVERVIEW

Cement industry witnessed an overall growth of 3.71% for the financial year 2016 - 2017. Total dispatches were 40.31 million tons which includes 35.65 million tons local and 4.66 million tons exports. In previous financial year dispatches were 38.87 million tons including 33.00 million tons local and 5.87 million tons exports. The increase in the local dispatches was 8.03% and the decline in exports was 20.59%.

### COMPANY'S PERFORMANCE:

The highlights of the financial results are tabulated below:

	2017	2016	
	<b>(Rupees in '000')</b>		
Sales			
- Local - net	11,991,382	11,912,532	
- Export	864,897	966,563	
	<u>12,856,279</u>	<u>12,879,095</u>	
Gross profit	2,534,049	2,646,690	
Net Profit before tax	1,569,588	1,911,834	
Net Profit after tax	1,305,791	1,499,941	
Basic Earnings per share	Rs. 2.71	Rs. 3.11	
Diluted Earnings per share	Rs. 2.71	Rs. 3.10	
			%
<b>Dispatches</b>	<b>Qty in Tons 2017</b>	<b>Qty in tons 2016</b>	<b>Increase/ (Decrease)</b>
Local Dispatches - Cement	1,859,825	1,816,083	2.41
Local Dispatches - Clinker	--	4,984	(100.00)
Local Dispatches - GGBS	47,827	1,168	3,994.77
Export Dispatches	177,642	185,256	(4.11)

Despite increase in local sales volume by 5%, our sales revenue witnessed only an increase of 0.7%. Mainly the effect of 5% excise duty changed to fixed duty of Rs. 1,000 per ton negatively impacted the net local sales revenue considerably. Our export sales followed the industrial trend and registered a decline. Overall the Company's revenue reduced by 0.2% compared to last year. On the other hand the increased clinker and cement production contributed towards increased cost of production by 1%. That could have been much higher but our capex towards Waste Heat Recovery helped us in reduced electricity cost. Both these factors diluted our gross profit by a margin of 4% compared to last year.

## **FUTURE OUTLOOK**

Infrastructure development has been tangibly beneficial to the cement sector.

Lower inflation and interest rates, stability in coal prices has provided conducive economic environment. Despite political instability macroeconomic picture of the country remained steady.

Capacity utilization has reached 87%, initiating expansions by cement plants all over Pakistan. CPEC (China Pakistan Economic Corridor) has fortified its roots plus there will be an increase in government spending due to election year 2018. Hence double digit growth will continue in the local market.

Lackluster demand of cement is expected in Export due to devaluation of currency in export markets.

## **ONGOING LITIGATIONS**

As far as creditors mentioned in the financial statements are concerned, a number of recovery suits have been instituted by Banks / Financial Institutions. These suits are being successfully defended by our Counsels. Further the cases are not being persuade by the banks as restructuring is under process. The counsels have submitted their observations / opinion in respect of litigation being handled by them and all of them are of the view that these suits can be successfully defended.

## **OBSERVATIONS IN THE AUDITORS' REPORT**

The auditors have qualified their report on the following basis, which are duly explained.

### **Advance for Pre-IPO Investment:**

The auditors do not concur with the management assertion regarding the classification of advance for Pre-IPO investment amounting to Rs. 3,110 million as long term liability.

The management is of the view that since IPO was not closed by the arrangers so TFC's could not be issued. We have offered them revised terms of restructuring and are very much hopeful that it will be closed in near future. It is pertinent to mention here that almost 27% of the loan was restructured and timely payment are being made as committed.

### **Provision for markup:**

The Company has not made provision of markup amounting to Rs. 356.439 million on its markup bearing liability.

The management has approached its bankers / financial institutions for restructuring of its long-term obligations. The management is confident that the Company's restructuring proposals given by the management will be accepted by the financial institutions / bankers. Therefore the Company has not made any provision for markup as the markup will not be paid.

### **Going Concern Assumption:**

The auditors have added an emphasis of matter paragraph on the company's ability to continue as a going concern. However, the management is of the view that the Company's restructuring proposals will be accepted by the financial institutions / bankers and preparation of the financial statement on going concern assumption is justified.

## STATEMENT OF CORPORATE GOVERNANCE AND FINANCIAL REPORTING FRAMEWORK

We are pleased to report that your Company is fully compliant to the provisions of the Code of Corporate Governance as incorporated in the listing regulations of Pakistan stock exchange.

- a) The annexed financial statements prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flow and changes in equity;
- b) Proper books of accounts of the company have been maintained;
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable prudent judgment;
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements except for the departures disclosed in financial statements;
- e) The system of internal control is sound in design and is effectively implemented and monitored. The process of review will continue and any weaknesses in control will be removed;
- f) The doubts about the company's ability to continue as a going concern and its mitigating factors are disclosed in note 2 to the financial statements;
- 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 last six years is summarized and annexed;
- i) There are no outstanding taxes and levies other than those disclosed in the annexed financial statements;
- j) The pattern of shareholding of the Company as at June 30, 2017 is annexed;
- k) The value of investment of provident fund based on their respective latest accounts is Rs. 148.287 million.

### **DIVIDEND**

The Board is not in a position to recommend dividend for the period under review.

### **TRADING IN COMPANY SHARES**

None of the Directors, CFO, Company Secretary, their spouses and minor children have traded in the shares of the Company during the year other than that has already been disclosed in the pattern of shareholding.

### **BOARD MEETING**

During the year eight meetings of the Board of Directors were held, Directors' attendance in these meeting is as under:

<b>Name of Directors</b>	<b>No. of meetings Attended</b>
Dewan M. Yousuf Farooqui	7
Dewan Abdul Rehman Farooqui	-
Mr. Haroon Iqbal	7
Syed Muhammad Anwar	8
Mr. Aziz-ul-Haque	8
Mr. Ghazanfar Baber Siddiqui	8
Mr. Ishtiaq Ahmed	7
Mr. Waseem-ul-Haque Ansari	8

A casual vacancy occurring on the board on August 19, 2016 was filled by the Directors on August 30, 2016.

#### **AUDIT COMMITTEE MEETING**

During the year four meetings of the audit committee were held, members' attendance in these meeting is as under:

<b>Name of Members</b>	<b>No. of meetings Attended</b>
Mr. Aziz-ul-Haque	4
Mr. Ishtiaq Ahmed	4
Mr. Ghazanfar Baber Siddiqui	4

#### **HUMAN RESOURCES & REMUNERATION COMMITTEE MEETING**

During the year one meeting of the HR Committee was held, Members' attendance in this meeting is as under:

<b>Name of Members</b>	<b>No. of meetings Attended</b>
Mr. Aziz-ul-Haque	1
Syed Muhammad Anwar	1
Mr. Ishtiaq Ahmed	1

#### **AUDITORS APPOINTMENT**

The present auditors M/s. Faruq Ali & Co., Chartered Accountants, retire and being eligible, have offered their services for re-appointment as auditors for the ensuing year ending June 30, 2018.

The audit committee and the Board of Directors have recommended appointment of M/s. Faruq Ali & Co., Chartered Accountants as auditors of the company for the coming year.

#### **VOTE OF THANKS**

The Board would like to place on record its gratitude to its valuable shareholders, Federal and Provincial government functionaries, banks, development financial institutions, and customers for their cooperation, continued support and patronage.

The Board also expresses its thanks to the executives, staff members and workers of the company and wishes to place on record its appreciation for the efforts they are making in turning around the company.

**CONCLUSION**

In conclusion, we bow, beg and pray to Almighty Allah, Rahman-o-Rahim, in the name of our beloved prophet, Muhammad, Peace be upon him for continued showering of His Blessings, Guidance, Strength, Health and Prosperity to us, our company, Country and Nation; and pray to Almighty Allah to bestow peace, harmony, brotherhood and unity in true Islamic spirit to whole of Muslim Ummah, amen, Summa-Ameen.

On behalf of the Board of Directors



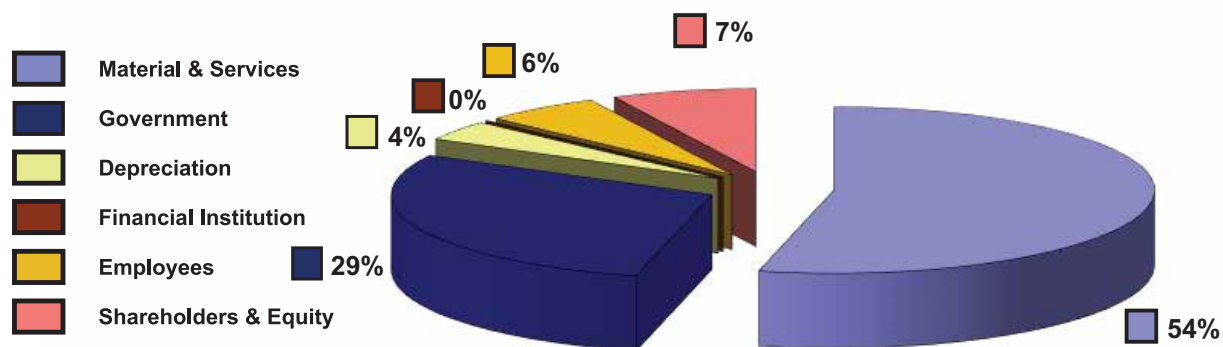
**Syed Muhammad Anwar**  
Chief Executive Officer

Dated: September 29, 2017  
Place: Karachi

## KEY OPERATING AND FINANCIAL STATISTICS FOR LAST SIX YEARS

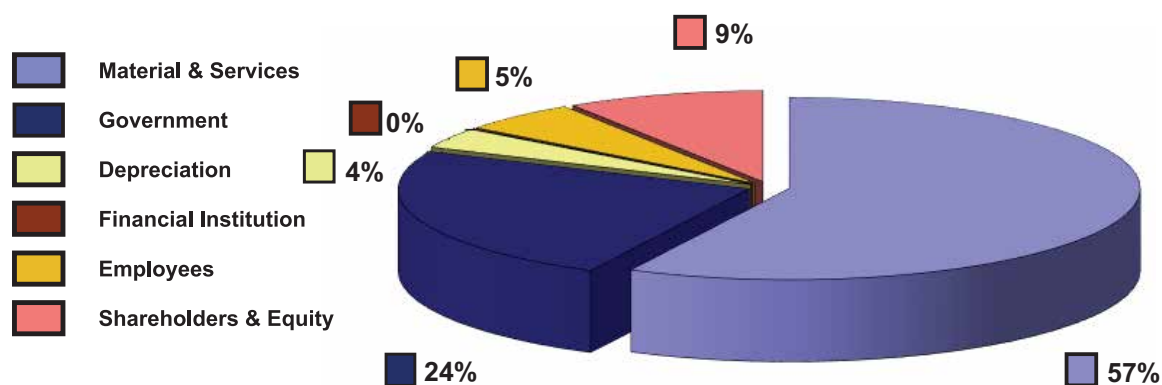
Particulars	2017	2016	2015	2014	2013	2012
	------(Tons. in thousands)-----					
<b>QUANTITATIVE DATA</b>						
Clinker Production	1,913	1,854	1,561	1,478	1,467	1,247
Cement Production	2,035	2,000	1,713	1,529	1,416	1,300
Cement Despatch	2,037	2,006	1,710	1,546	1,453	1,291
GGBS	48	1	--	--	--	--
	------(Rs. in million)-----					
<b>ASSETS EMPLOYED</b>						
Fixed Assets	27,017	22,121	21,292	20,654	19,448	19,503
Long term advances & deferred costs	124	120	110	105	46	46
Current Assets	3,126	3,194	3,237	2,611	2,103	1,493
<b>Total Assets Employed</b>	<b>30,267</b>	<b>25,435</b>	<b>24,639</b>	<b>23,370</b>	<b>21,597</b>	<b>21,042</b>
<b>FINANCED BY</b>						
Shareholder equity	9,838	8,420	6,808	5,041	4,543	4,030
Surplus on revaluation of fixed assets	6,540	4,703	4,836	4,731	3,709	3,837
Redeemable Capital	3,110	3,160	3,460	3,460	3,560	3,850
Long term loan & long term liabilities/Deposits	2,446	2,308	2,492	2,411	2,438	1,198
Deferred liabilities	2,971	2,073	1,702	2,027	1,775	1,667
Current liabilities	5,362	4,771	5,341	5,700	5,572	6,460
<b>Total Funds Invested</b>	<b>30,267</b>	<b>25,435</b>	<b>24,639</b>	<b>23,370</b>	<b>21,597</b>	<b>21,042</b>
<b>TURNOVER &amp; PROFIT</b>						
Turnover (Net)	12,856	12,879	11,245	9,963	8,658	7,047
Operating Profit / (Loss)	1,467	1,636	756	437	425	430
Profit / (Loss) Before Taxation	1,570	1,912	732	483	486	424
Profit / (Loss) After Taxation	1,306	1,500	710	437	450	383
Accumulated Profit / (Loss)	4,367	2,949	1,338	521	23	(491)

**WEALTH GENERATED AND DISTRIBUTED DURING  
2016-2017**



Total Revenue Rs. 17,931.471 million

**WEALTH GENERATED AND DISTRIBUTED DURING  
2015-2016**



Total Revenue Rs.16,427.905 million

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

The statement is being presented to comply with the Code of Corporate Governance ("CCG") contained in the Listing Regulation No 5.19.23 of the Rule Book of Pakistan Stock Exchange Limited ("PSX") for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

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

Category	Names
Independent Directors	Mr. Aziz-ul-Haque
Executive Directors	Dewan Muhammad Yousuf Farooqui Syed Muhammad Anwar Mr. Haroon Iqbal
Non-Executive Directors	Mr. Waseem-ul-Haque Ansari Mr. Ghazanfar Babar Siddiqui Mr. Ishtiaq Ahmad

2. Six Directors have confirmed that they are not serving as director in more than seven listed Companies including this Company, however, one directors are serving as director in more than seven listed Yousuf Dewan Companies.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurring on the board on 19 August 2016 was filled by the directors on 30 August 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 over by the Chairman and, in his absence, by the director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. In accordance with the criteria specified on clause (xi) of CCG, one director is exempted from the requirement of directors' training program and five of the Directors are qualified under the Directors Training Program.
10. There was no change in the position of CFO, Company Secretary and Head of Internal Audit during the year.
11. The Directors report for this has prepared in compliance with the requirement of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The director, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of CCG.
15. The board has formed an Audit Committee. It comprises of three members of whom one is an independent director, who is also the chairman and others are non-executive directors.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed Human Resource and Remuneration Committee. It comprises of three members, of whom one is executive, and others are non-executive directors, and the chairman of the committee is an independent director.
18. The board has set up an effective internal audit function. The staffs are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation Accountants (IFAC) guidelines on code of ethics are 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 exchange(s).
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all the other material principles enshrined in the CCG have been complied with.

On behalf of the Board of Directors



**Syed Muhammad Anwar**  
Chief Executive Officer

Dated: September 29, 2017  
Place: Karachi



C-88 Ground Floor, KDA Scheme No.1, Telephone : (021 34301966)  
 Main Karsaz Road Opp. Maritime : (021 34301967)  
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## REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF 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 ('the Board') of Dewan Cement Limited ('the Company') for the year ended 30 June 2017 to comply with the requirements of Rule 5.19 of the Rule Book of the Pakistan Stock Exchange Limited where the Company is listed.

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

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

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

Following instances of non-compliance with the requirements of the Code were observed which are not stated in the Statement of Compliance:

- a) The board includes one independent director, whereas in our view he does not meet the criteria of independence on account of his cross directorship in other associated companies;
- b) Chairman of the Company has not been elected from non-executive directors;
- c) The Chairman of the audit committee is not an independent director due to the reason referred in paragraph (a) above;
- d) Executive directors are more than one third of the elected directors, including the Chief Executive.

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

Further, we highlight that one of the director of the Company is serving as a director in more than seven listed companies as reflected in the note 2 in the Statement of Compliance.

**Dated: September 29, 2017**

**KARACHI:**

Engagement partner: Fasih-uz-Zaman

  
CHARTERED ACCOUNTANTS



C-88 Ground Floor, KDA Scheme No.1,  
Main Karsaz Road Opp. Maritime  
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## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of DEWAN CEMENT LIMITED ('the Company') as at 30 June 2017 and the related profit and loss account, statement of comprehensive income, statement of cash flows 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 purpose 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 repealed 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 above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) The Company has classified 'advances for investment in term finance certificates' amounting to Rs.3,110 million (refer note 19 to the financial statements) as long term liability for the reason mentioned in said note. We do not concur with the management's assertion regarding its classification as long-term liability. In our opinion the entire liability should be classified as current liability as per terms of agreement with the investors.
- b) The Company has not made provision of markup for the year amounting to Rs.356.439 million (up to 30 June 2016: Rs.3,953.670 million) due to the reason mentioned in note 33.1 to the financial statements. In our opinion, since the Company admitted the liability in the standstill agreements executed with lenders during the year and for which consent decrees were obtained, the provision of markup should have been made in these financial statements. Had the provision of markup been made in the financial statements, the profit after taxation would have been lower by Rs.356.439 million and markup payable would have been higher and shareholders' equity would have been lower by Rs.4,310.109 million.
- c) In our opinion, proper books of accounts have been kept by the Company as required by the repealed Companies Ordinance, 1984;
- d) in our opinion, except for the matters discussed in paragraph (a) and (b) above:

- i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the repealed 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;
- e) in our opinion and to the best of our information and according to the explanations given to us, except for the matters discussed in paragraph (a) and (b) above, the balance sheet, profit and loss account, statement of cash flows and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of the Profit, comprehensive income, its cash flows and changes in equity for the year then ended; and
- f) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

without further qualifying our opinion, we draw attention of the members to note 2 to the financial statements which indicates that as of 30 June 2017 the Company's current liabilities exceeded its current assets by Rs.2,236.708 million, a consent decree was obtained majority of the lenders on the terms and conditions stipulated in standstill agreement (refer note 26.1 (b)) to the financial statements and certain lenders have gone into litigation for recovery of their liabilities through attachment and sale of the Company's hypothecated / mortgaged properties and some of the lenders have also filed winding up petitions (refer note 26.1 (c) to the financial statements. These conditions, along with other matters as set forth in note 2, indicate the existence of material uncertainty which may cast significant doubt about Company's ability to continue as going concern therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The amounts of current liabilities reported in said note do not include the effect of matters discussed in para (a) and (b) above. The going concern assumption used in preparation of these financial statements is dependent on settlement of the liabilities as per standstill agreements and pending litigations.

**Dated: September 29, 2017**  
**Place: Karachi**

Engagement partner: Fasih-uz-Zaman



**CHARTERED ACCOUNTANTS**

**BALANCE SHEET**

AS AT JUNE 30, 2017

**ASSETS**

		2017	2016
	Notes	(Rupees in '000')	
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	27,017,233	22,121,310
Long term deposits	6	109,051	108,471
Long term loans	7	15,601	10,876
		<u>27,141,885</u>	<u>22,240,657</u>
<b>CURRENT ASSETS</b>			
Stores and spare parts	8	1,221,964	1,244,429
Stock in trade	9	697,138	593,925
Trade debts - Unsecured	10	245,463	523,420
Loans and advances - Unsecured	11	146,233	109,720
Trade deposits and short term prepayments	12	11,677	14,521
Other receivables - Considered good	13	160,188	102,784
Short term investments	14	48,234	32,307
Taxation - Net		471,960	370,005
Cash and bank balances	15	122,722	203,001
		<u>3,125,579</u>	<u>3,194,112</u>
		<b><u>30,267,464</u></b>	<b><u>25,434,769</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 500,000,000 (2016: 500,000,000) Ordinary shares of Rs. 10/- each		<u>5,000,000</u>	<u>5,000,000</u>
Issued, subscribed and paid-up share capital	16	4,841,133	4,841,133
Reserves - Net		4,996,791	3,578,723
		<u>9,837,924</u>	<u>8,419,856</u>
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>	17	6,539,968	4,703,354
<b>NON CURRENT LIABILITIES</b>			
Long term financings	18	358,974	475,427
Advances for investment in term finance certificates	19	3,110,000	3,160,000
Long term deposits and payables	20	2,087,294	1,832,512
Deferred tax liability - Net	21	2,971,017	2,072,942
		<u>8,527,285</u>	<u>7,540,881</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	22	1,727,768	1,054,928
Short term borrowings	23	560,875	560,875
Markup payable	24	971,297	978,021
Current and overdue portion of non-current liabilities	25	2,030,270	2,039,497
Sales tax payable		72,077	137,357
		<u>5,362,287</u>	<u>4,770,678</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	26	--	--
		<b><u>30,267,464</u></b>	<b><u>25,434,769</u></b>

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



**Syed Muhammad Anwar**  
Chief Executive Officer



**Haroon Iqbal**  
Director

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

		2017	2016
	Notes	(Rupees in '000')	
Turnover - Net	27	12,856,279	12,879,095
Cost of sales	28	(10,322,230)	(10,232,405)
Gross profit		2,534,049	2,646,690
<b>Operating expenses</b>	29	(261,854)	(301,217)
Distribution cost	30	(684,937)	(546,594)
Administrative expenses	31	(120,128)	(162,800)
Other operating expenses		(1,066,919)	(1,010,611)
Operating profit		1,467,130	1,636,079
Other income	32	128,029	297,432
Finance cost	33	(25,571)	(21,677)
Profit before taxation		1,569,588	1,911,834
Taxation - Net	34	(263,797)	(411,893)
<b>Profit after taxation</b>		<b>1,305,791</b>	<b>1,499,941</b>
Earnings per share - Basic	35.1	2.71	3.11
Earnings per share - Diluted	35.2	2.71	3.10

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



**Syed Muhammad Anwar**  
Chief Executive Officer



**Haroon Iqbal**  
Director

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

	2017	2016
Notes	(Rupees in '000')	
Profit for the year	1,305,791	1,499,941
Revaluation during the year	17 2,626,751	--
Related deferred tax	17 (734,327)	--
	1,892,424	--
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>	--	--
<i>Items that will not be subsequently reclassified to profit or loss:</i>		
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	17 161,544	160,350
Related deferred tax	17 (49,267)	(48,889)
	112,277	111,461
	3,310,492	1,611,402
Component of comprehensive income not reflected in equity	(1,892,424)	--
<b>Total comprehensive income for the year</b>	<b>1,418,068</b>	<b>1,611,402</b>

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



**Syed Muhammad Anwar**  
Chief Executive Officer



**Haroon Iqbal**  
Director

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2017

		2017	2016
	Notes	(Rupees in '000')	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		1,569,588	1,911,834
<b>Adjustments for non-cash and other items:</b>			
Depreciation	5.3	693,907	584,340
Gain on disposal of operating fixed assets	5.4	(1,147)	(91)
Workers' profit participation fund	31	84,296	102,676
Liabilities no longer payable written back	32	(99,500)	(271,779)
Unwinding of discount	33	11,414	13,418
Dividend income	32	(871)	(6,578)
Workers' welfare fund	31	32,032	39,017
Gain on remeasurement of short term investments	32	(15,927)	(8,687)
Finance cost		14,157	8,259
Excise duty recoverable written off	31	--	2,705
Exchange loss		4,853	14,602
Cash inflows before working capital changes		2,292,802	2,389,716
<b>Movement in working capital</b>			
<i>(increase) / decrease in current assets</i>			
Stores and spare parts		22,465	(410,334)
Stock in trade		(103,213)	171,217
Trade debts - Unsecured		277,957	52,249
Loans and advances - Unsecured		(36,513)	176,597
Trade deposits and short term prepayments		2,844	273
Other receivables - Considered good		(57,404)	9,268
		106,136	(730)
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		694,257	(569,232)
Sales tax payable		(65,280)	37,875
		628,977	(531,357)
Cash generated from operations		3,027,915	1,857,629
<b>Payment for:</b>			
Taxes		(145,537)	(216,059)
Workers' profit participation fund	22.2	(108,847)	(41,863)
Workers' welfare fund	22.3	(22,194)	(14,031)
Finance cost		(7,986)	(7,181)
Net cash inflows from operating activities		2,743,351	1,578,495
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures		(2,965,288)	(1,415,181)
Sale proceeds on disposal of operating fixed assets	5.4	3,356	1,141
Net change in long term loans		(4,725)	(9,376)
Dividend received		871	6,578
Net change in long term deposits		(580)	327
Net cash outflows from investing activities		(2,966,366)	(1,416,511)

## DEWAN CEMENT LIMITED

	2017	2016
Notes	(Rupees in '000')	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in long term financings	(127,867)	(121,259)
Payment against advances for investment in term finance certificates	(50,000)	(87,500)
Net change in long term deposits and payables	320,603	(79,104)
Net cash inflows / (outflows) from financing activities	142,736	(287,863)
Net (decrease) in cash and cash equivalents	(80,279)	(125,879)
Cash and cash equivalents at the beginning of the year	203,001	328,880
Cash and cash equivalents at the end of the year	15 <b>122,722</b>	<b>203,001</b>

*The annexed notes form an integral part of these financial statements.*



**Syed Muhammad Anwar**  
Chief Executive Officer



**Haroon Iqbal**  
Director

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

	Issued, subscribed & paid-up share capital	Advance against issue of share capital	RESERVES			Total Equity
			CAPITAL	REVENUE	Total reserves	
			Merger reserve	Un- appropriated profit		
----- <b>(Rupees in '000')</b> -----						
Balance as on 1 July 2015	4,341,133	500,000	629,444	1,337,877	1,967,321	6,808,454
<b>Total comprehensive income for the year</b>						
Profit for the year ended 30 June 2016	--	--	--	1,499,941	1,499,941	1,499,941
Issuance of shares	500,000	(500,000)	--	--	--	--
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	--	111,461	111,461	111,461
	500,000	(500,000)	--	1,611,402	1,611,402	1,611,402
Balance as at 30 June 2016	4,841,133	--	629,444	2,949,279	3,578,723	8,419,856
<b>Total comprehensive income for the year</b>						
Profit for the year ended 30 June 2017	--	--	--	1,305,791	1,305,791	1,305,791
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	--	112,277	112,277	112,277
	--	--	--	1,418,068	1,418,068	1,418,068
<b>Balance as at 30 June 2017</b>	<b>4,841,133</b>	<b>--</b>	<b>629,444</b>	<b>4,367,347</b>	<b>4,996,791</b>	<b>9,837,924</b>

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



**Syed Muhammad Anwar**  
Chief Executive Officer



**Haroon Iqbal**  
Director

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

### **1 STATUS AND NATURE OF BUSINESS**

Dewan Cement Limited (the Company / DCL) was incorporated in Pakistan as a public limited company in March, 1980. Its shares are quoted in the Pakistan Stock Exchange. The registered office of the Company is situated at 7th Floor, Block A, Finance and Trade Centre, Shahrah-e-Faisal, Karachi.

The principal activity of the Company is manufacturing and selling of cement. The Company has two production facilities at Deh Dhand, Dhabeji Karachi, Sindh and Kamilpur Hattar Industrial Estate, district Khyber Pakhtunkhwa.

### **2 GOING CONCERN ASSUMPTION**

The financial statements for the year ended 30 June 2017 reflect as of that date Company's current liabilities exceeded its current assets by Rs.2,236.708 million (2016: Rs.1,576.566 million). The Company's short-term borrowing facilities have expired and not been renewed and the Company has been unable to ensure scheduled payments of long term borrowings due to the liquidity problems. Following course, majority of the lenders had gone into litigation for repayment of liabilities through attachment and sale of Company's hypothecated / mortgaged properties and certain lenders had also filed winding up petitions as more fully explained in note 26.1(b). These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The negotiations with strategic investor are in advanced stage and upon finalization of the same, the Company will be able to discharge its admitted liability in as stand still agreements as more fully explained in note 26.1(b). Furthermore, the Company's has increased over the period of years, its cash flows are positive and expected growth in the economy are positively linked to the Company's growth. Accordingly, these financial statements have been prepared on a going concern basis.

### **3 BASIS OF PREPARATION**

#### **3.1 Statement of compliance**

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular number 17 of 2017 dated 20 July 2017 communicated Commission's decision that the companies whose financial year closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan.

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

### **3.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except that certain fixed assets and certain investments which are carried at fair values.

### **3.3 Standards, interpretations and amendments applicable to financial statements**

#### **3.3.1 New standards, interpretations and amendments**

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except that the Company has adopted the following accounting standards and amendments which became effective for the current year:

IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements, IAS 28 Investments in Associates and Joint Ventures: Applying the Consolidation Exception (Amendment)

IFRS 11 - Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 - Presentation of Financial Statements: Disclosure Initiative (Amendment)

IAS 16 - Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 - Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 - Separate Financial Statements: Equity Method in Separate Financial Statements (Amendment)

The adoption of the above accounting standards did not have any effect on the financial statements.

#### **3.3.2 Annual improvements**

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

IFRS 7 - Financial Instruments: Disclosures - Servicing contracts

IFRS 7 - Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

IAS 19 - Employee Benefits - Discount rate: regional market issue

IAS 34 - Interim Financial Reporting

The adoption of the above amendments, improvements to accounting standards and interpretations does not have any material effect on the financial statements.

### 3.3.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following 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 (annual periods beginning on or after)"
IFRS 2 - Classification and Measurement of Share Based Payment Transactions (Amendments)	1 January 2018
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IAS 7 - Statement of cash flows	1 January 2017
IAS 12 - Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	1 January 2017
IFRS 4 - Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - (Amendments)	1 January 2018
IAS 40 - Investment Property: Transfers of Investment Property (Amendments)	1 January 2018
IFRS 1 and IAS 28 - Annual improvements to IFRSs 2014 - 2016	1 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	1 January 2019

The Company expects that the adoption of the above amendments and interpretation of the standards will not affect 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.

<b>Standard or interpretation</b>	<b>"Effective date (annual periods beginning on or after)"</b>
IFRS 9 - Financial Instruments: Classification and Measurement	1 January 2018
IFRS 14 - Regulatory Deferral Accounts	1 January 2016
IFRS 15 - Revenue from Contracts with Customers	1 January 2018
IFRS 16 - Leases	1 January 2019
IFRS 17 - Insurance Contracts	1 January 2021

### **3.4 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency and have been rounded off to the nearest rupee.

### **3.5 Use of estimates and judgements**

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognised in the financial statements are as follows:

#### **3.5.1 Property, plant and equipment**

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis.

In making the estimates, Company uses the technical resources available with the Company. Any change in the estimates in future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on depreciation charge and impairment.

**3.5.2 Stores and spare parts**

The Company reviews the net realizable value (NRV) of stores and spare parts to assess any diminution in the respective carrying values. Net realizable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

**3.5.3 Stock in trade**

The Company reviews the NRV of stock in trade to assess any diminution in the respective carrying value. NRV is estimated with reference to the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to make the sale.

**3.5.4 Trade debts**

The Company reviews its doubtful trade debts at each reporting date to assess whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

**3.5.5 Income tax**

In making the estimates for income tax currently payable by the Company, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

**3.5.6 Future estimation of export sales**

Provision for deferred tax has been calculated based on an estimate that the future ratio of export sales to total sales will remain at the same level as average of last three years including the current financial year. Any change in the estimate in future years will affect the provision in this regard in those years.

**3.5.7 Contingencies**

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 4.1 Property, plant and equipment

#### 4.1.1 Operating fixed assets

Property, plant and equipment are stated at cost or revalued amounts less accumulated depreciation or accumulated impairment, if any, except capital work-in-progress which is stated at historical cost.

The value of leasehold land is being amortised over the lease period in equal installments. Quarry development cost is amortised over its estimated useful life.

Depreciation on additions is charged from the month in which the asset is available for use, whereas on disposals, no depreciation is charged in the month of disposal. Depreciation on all tangible fixed assets, except plant and machinery, is charged to profit and loss account using the reducing balance method at the rates mentioned in note 5.1 to the financial statements. Depreciation on plant and machinery is charged using units of production method.

For revalued assets, valuations are conducted frequently enough to ensure that the fair value of revalued assets do not differ materially from its carrying amount. Surplus arising on revaluation is credited to surplus on revaluation of fixed assets account. The surplus on revaluation of fixed assets to the extent of incremental depreciation charged on the related assets is transferred to unappropriated profit, net of the related deferred tax.

The carrying values of property, plant and equipment are reviewed for impairment on periodic basis. If any indication exists that the carrying value exceeds the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements which increases the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount of the relevant assets. The are included in the profit and loss account. When revalued assets are sold, the relevant undepreciated surplus is transferred directly by the Company to its unappropriated profit account.

#### 4.1.2 Capital work-in-progress

All expenditure connected with specific assets incurred during development, installation and construction period are carried as capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

#### 4.1.3 Assets subject to finance lease

The Company accounts for fixed assets acquired under finance lease by recording the assets and the related liability at the amounts which are determined on the basis of discounted value of minimum lease payments. Financial charges are allocated to accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged to profit and loss account applying the same basis as for owned assets.

#### 4.2 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 repealed 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 13 January 2003:

- 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
- 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 through other comprehensive income to record realization of surplus to the extent of the incremental depreciation charge for the year.

#### 4.3 Borrowing costs

The Company capitalizes borrowing costs relating to qualifying assets, during the period in which these are acquired and developed for the intended use. Other borrowing costs are charged to profit and loss account.

#### 4.4 Intangible assets

Computer software costs that are directly associated with computer and computer controlled machines which cannot operate without the related specific software, are included in the costs of the respective assets. Software which are not an integral part of the related hardware are classified as intangible assets.

#### **4.5 Investments**

All investments are initially recognised at cost, being the fair value of the consideration given including the transaction costs associated with the investment. After initial recognition these are categorised and accounted for as follows:

##### **At fair value through profit and loss**

These investments are initially recognized at fair value. Subsequent to initial recognition, these are measured at fair value (generally the quoted market price). All realized and unrealized gains and losses arising from changes in fair value of investments are taken to profit and loss account in the period in which such gains and losses arise.

#### **4.6 Stores and spare parts**

These are valued at lower of average cost and net realisable value (NRV). Stores and spare parts in-transit are valued at invoice value plus other charges incurred thereon.

Provision / write off, if required, is made in the accounts for slow moving, obsolete and unusable items to bring their carrying value down to NRV.

#### **4.7 Stock in trade**

These are valued at lower of cost and net realisable value (NRV). Cost is determined as follows:

- Raw and packing material - at average cost
- Work-in-process - at average cost of goods produced
- Finished goods - at average cost of goods produced

NRV is the estimated selling price in the ordinary course of business less the estimated cost of completion and costs necessarily to be incurred to make the sale.

#### **4.8 Trade debts and other receivables**

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortized cost using the effective interest rate method, if applicable, less provision for impairment, if any. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Trade debts and receivables are written off when considered irrecoverable.

#### 4.9 Provisions

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

#### 4.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cheques in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

#### 4.11 Taxation

##### 4.11.1 Current

Provision for current taxation is based on taxable income at the current rates of taxation or based on turnover at the specified rates, whichever is higher, after taking into account tax credits and rebates available.

##### 4.11.2 Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the amounts used for financial reporting purpose and amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets may be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the balance sheet date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement of Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan, if considered material.

#### 4.12 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

#### **4.13 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, excluding discount, commission and sales tax or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent. The Company has concluded that it is acting as a principal in all its revenue arrangements. The following are the specific recognition criteria that must be met before revenue is recognised.

- Sales are recorded on passage of title to the customers which generally coincides with dispatch of goods to customers.
- Dividend income is recognized when right to receive the dividend is established.
- Profit on bank deposits, interest income and other revenues are accounted for on accrual basis.

#### **4.14 Staff retirement benefits**

##### **4.14.1 Provident fund**

The Company operates separate defined contributory provident funds for all its employees who are eligible for the plan. Equal contributions are made by the Company and employees to the funds at the rate of 8.33% of basic salary.

##### **4.14.2 Compensated absences**

The Company accounts for compensated absences on the basis of unavailed earned leaves balance of each employee at the end of the year using current salary levels.

#### **4.15 Government grants**

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Government grants related to assets, including non-monetary grants at fair value, are deducted from the cost of respective assets.

#### **4.16 Financial instruments**

The Company recognises financial asset or a financial liability when it becomes a party to the contractual provision of the instrument. Financial assets and liabilities are recognised initially at cost, which respectively is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost, as the case may be.

Financial assets are derecognised when the contractual right to cash flows from the asset expire, or when substantially all the risks and reward of ownership of the financial asset are transferred. Financial liability is derecognised when its contractual obligations are discharged, cancelled or expired.

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of the asset.

#### **4.17 Impairment**

##### **Financial assets**

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that the financial asset is impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on the terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated cash flows discounted at the original effective interest rate. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit and loss account.

##### **Non-financial assets**

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is assessed through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 4.18 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### 4.19 Foreign currency translations

Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation are taken to profit and loss account.

#### 4.20 Sales tax

Revenue, expenses and assets are recognized, net off amount of sales tax except:

- Where sales tax incurred on a purchase of asset or service is not recoverable from the taxation authorities, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- Receivables or payables that are stated with the amount of sales tax included; and
- The net amount of sales tax recoverable from, or payable to, the taxation authorities is included as part of receivables or payables in the balance sheet.

#### 4.21 Related party transactions

All transactions with related parties are priced using the methods prescribed under the repealed Companies Ordinance, 1984 as approved by the Board of Directors of the Company.

5	PROPERTY, PLANT AND EQUIPMENT	Notes	2017	2016
			(Rupees in '000')	
	Operating fixed assets - At cost less accumulated depreciation	5.1	25,878,729	21,169,837
	Assets subject to finance lease	5.2	665	831
	Capital work in progress - At cost	5.5	1,137,839	950,642
			<b>27,017,233</b>	<b>22,121,310</b>

5.1 Operating fixed assets - At cost less accumulated depreciation

	----- 2017 -----										
	COST / REVALUATION				ACCUMULATED DEPRECIATION				Book value as at 30 June 2017	Rate %	
	As at 1 July 2016	Additions / transfer	Revaluation	(Disposal)	As at 30 June 2017	As at 1 July 2016	(On disposal)	For the year			As at 30 June 2017
	----- (Rupees in '000') -----										
Leasehold land	129,480	--	71,385	--	200,865	12,070	--	1,295	13,365	187,500	1
Freehold land	215,455	1,134	186,570	--	403,159	--	--	--	--	403,159	-
Quarry	915	--	--	--	915	915	--	--	915	--	-
Buildings on leasehold land and quarry development	1,118,651	3,675	339,696	--	1,462,022	613,586	--	37,878	651,464	810,558	5 to 10
Buildings and civil works on Freehold land	1,221,441	1,113	199,358	--	1,421,912	776,339	--	10,395	786,734	635,178	5 to 10
Roads	389,273	--	--	--	389,273	92,334	--	14,847	107,181	282,092	5
Plant and machinery	23,153,367	2,632,775	1,829,742	--	27,615,884	3,685,701	--	611,375	4,297,076	23,318,808	UOP
Electric installation	52,506	111,109	--	--	163,615	30,959	--	1,079	32,038	131,577	5
Furniture and fixture	110,567	1,611	--	--	112,178	80,839	--	2,666	83,505	28,673	10 to 20
Equipment	22,007	17,504	--	--	39,511	14,829	--	571	15,400	24,111	10 to 20
Computers	66,428	3,629	--	--	70,057	54,281	--	4,598	58,879	11,178	33
Vehicles	177,516	5,541	--	(5,230)	177,827	125,916	(3,021)	9,037	131,932	45,895	20
	<b>26,657,606</b>	<b>2,778,091</b>	<b>2,626,751</b>	<b>(5,230)</b>	<b>32,057,218</b>	<b>5,487,769</b>	<b>(3,021)</b>	<b>693,741</b>	<b>6,178,489</b>	<b>25,878,729</b>	

	----- 2016 -----									
	COST / REVALUATION				ACCUMULATED DEPRECIATION				Book value as at 30 June 2016	Rate %
	As at 1 July 2015	Additions / transfer	(Disposal)	As at 30 June 2016	As at 1 July 2015	(On disposal)	For the year	As at 30 June 2016		
	----- (Rupees in '000') -----									
Leasehold land	129,480	--	--	129,480	10,775	--	1,295	12,070	117,410	1
Freehold land	214,201	1,254	--	215,455	--	--	--	--	215,455	-
Quarry	915	--	--	915	915	--	--	915	--	-
Buildings on leasehold land and quarry development	1,082,121	36,530	--	1,118,651	574,349	--	39,237	613,586	505,065	5 to 10
Buildings and civil works on Freehold land	1,167,112	54,329	--	1,221,441	733,178	--	43,161	776,339	445,102	5 to 10
Roads	321,202	68,071	--	389,273	80,288	--	12,046	92,334	296,939	5
Plant and machinery	20,256,855	2,896,512	--	23,153,367	3,216,799	--	468,902	3,685,701	19,467,666	UOP
Electric installation	52,046	460	--	52,506	29,883	--	1,076	30,959	21,547	5
Furniture and fixture	104,954	5,613	--	110,567	77,551	--	3,288	80,839	29,728	10 to 20
Equipment	22,007	--	--	22,007	14,310	--	519	14,829	7,178	10 to 20
Computers	59,694	6,734	--	66,428	50,540	--	3,741	54,281	12,147	33
Vehicles	162,895	16,896	(2,275)	177,516	116,272	(1,223)	10,867	125,916	51,600	20
	<b>23,573,482</b>	<b>3,086,399</b>	<b>(2,275)</b>	<b>26,657,606</b>	<b>4,904,860</b>	<b>(1,223)</b>	<b>584,132</b>	<b>5,487,769</b>	<b>21,169,837</b>	

5.1.1 Had there been no revaluation, the net book value of the following items of property, plant and equipment would have been as follows:

	2017	2016
	(Rupees in '000')	
Leasehold land	1,052	1,185
Freehold land	72,385	69,794
Buildings on leasehold land and quarry development	348,152	368,720
Buildings and civil works on freehold land	424,372	432,382
Plant and machinery	15,653,930	13,488,512
	<b>16,499,891</b>	<b>14,360,593</b>

## 5.2 Assets subject to finance lease

Particulars	COST			ACCUMULATED DEPRECIATION			Book value as at 30 June 2017	Rate %
	As at 1 July 2016	Additions	As at 30 June 2017	As at 1 July 2016	For the year	As at 30 June 2017		
----- (Rupees in '000') -----								
Vehicles	7,413	--	7,413	6,582	166	6,748	665	20
<b>2017</b>	<b>7,413</b>	<b>--</b>	<b>7,413</b>	<b>6,582</b>	<b>166</b>	<b>6,748</b>	<b>665</b>	

Particulars	COST			ACCUMULATED DEPRECIATION			Book value as at 30 June 2016	Rate %
	As at 1 July 2015	Additions	As at 30 June 2016	As at 1 July 2015	For the year	As at 30 June 2016		
----- (Rupees in '000') -----								
Vehicles	7,413	--	7,413	6,374	208	6,582	831	20
<b>2016</b>	<b>7,413</b>	<b>--</b>	<b>7,413</b>	<b>6,374</b>	<b>208</b>	<b>6,582</b>	<b>831</b>	

## 5.3 The depreciation charge for the year has been allocated as follows:

		2017	2016
(Rupees in '000')			
Cost of sales	28	682,623	574,660
Distribution cost	29	399	453
Administrative expenses	30	10,885	9,227
		<b>693,907</b>	<b>584,340</b>

## 5.4 Detail of assets disposed off during the year:

Particulars	Cost	Accumulated depreciation	Book Value	Sale proceeds/ disposal value	Gain on disposal	Mode of Disposal	Particulars of Buyer
----- (Rupees in '000') -----							
<b>Vehicles:</b>							
Hyundai Santro	599	492	107	240	133	Company policy	Employee - Habib Ullah
Hyundai Santro	599	492	107	290	183	Company policy	Employee - Muhammad Amin-ul-Haq
Hyundai Santro	599	509	90	280	190	Company policy	Employee - Ansar Ahmed
Hyundai Santro	619	544	75	370	295	Company policy	Employee - Shahzad Zulfiqar Hussain
Suzuki Margalla	398	323	75	165	90	Company policy	Employee - Sammar Iqbal
Corolla Altis	2,378	626	1,752	2,000	248	Insurance claim	Premier Insurance Limited
Motor Cycle	38	35	3	11	8	Company policy	Employee - Naeem Abbasi
<b>30 June 2017</b>	<b>5,230</b>	<b>3,021</b>	<b>2,209</b>	<b>3,356</b>	<b>1,147</b>		
<b>30 June 2016</b>	<b>2,275</b>	<b>1,223</b>	<b>1,052</b>	<b>1,141</b>	<b>91</b>		

## 5.5 Capital work in progress - At cost

	2017	2016
(Rupees in '000')		
<b>Notes</b>		
Opening balance	950,642	2,621,860
Additions during the year	2,756,547	1,384,224
	<u>3,707,189</u>	<u>4,006,084</u>
Capitalized during the year	(2,569,350)	(3,055,442)
<b>5.5.1</b>	<b>1,137,839</b>	<b>950,642</b>
<b>5.5.1 Breakup is as follows:</b>		
<b>Owned</b>		
Plant and machinery	1,122,134	950,642
Civil works on freehold land	15,705	--
	<b>1,137,839</b>	<b>950,642</b>

## DEWAN CEMENT LIMITED

	<b>2017</b>	<b>2016</b>
<b>6 LONG TERM DEPOSITS</b>	<b>(Rupees in '000')</b>	
Electricity deposits	106,800	106,800
Others	2,251	1,671
	<b><u>109,051</u></b>	<b><u>108,47</u></b>

**6.1** This represents return free deposit paid to K-electric.

	<b>2017</b>	<b>2016</b>
<b>7 LONG TERM LOANS</b>	<b>(Rupees in '000')</b>	
	<b>Notes</b>	
Considered good - return free		
Executives	7.1 & 7.2 16,635	11,324
Employees	7.2 427	513
	<u>17,062</u>	<u>11,837</u>
Less: Due within one year, shown under current loans and advances	11 (1,461)	(961)
	<b><u>15,601</u></b>	<b><u>10,876</u></b>

**7.1** Reconciliation of carrying amount of loans to executives:

	Opening Balance	Disbursement	Repayment	Closing Balance
	(Rupees in '000')			
<b>2017</b>	<b>11,324</b>	<b>10,626</b>	<b>(5,315)</b>	<b>16,635</b>
<b>2016</b>	2,600	11,502	(2,778)	11,324

**7.2** Represents interest free unsecured loans to executives and employees for purchase of vehicles and house building purposes. These are repayable in lump sum or by way of monthly installments within a period of 5 years or retirement date whichever is earlier. Maximum aggregate amount due from executives at the end of any month during the year was Rs.20.143 million (2016: Rs.11.837 million).

	<b>2017</b>	<b>2016</b>
<b>8 STORES AND SPARE PARTS</b>	<b>(Rupees in '000')</b>	
	<b>Notes</b>	
Stores and spare parts - In hand	1,096,336	847,183
Stores and spare parts - In transit	131,497	403,115
	<u>1,227,833</u>	<u>1,250,298</u>
Provision for obsolescence and slow moving stocks	(5,869)	(5,869)
	<b><u>1,221,964</u></b>	<b><u>1,244,429</u></b>
<b>9 STOCK IN TRADE</b>		
Raw and packing material	248,524	193,609
Work-in-process	359,820	297,824
Finished goods	88,794	102,492
	<b><u>697,138</u></b>	<b><u>593,925</u></b>

		2017	2016
	Notes	(Rupees in '000')	
<b>10</b>	<b>TRADE DEBTS - Unsecured</b>		
	Considered good	<u>245,463</u>	<u>523,420</u>
	<b>10.1 The ageing of trade debts as at 30 June is as follows:</b>		
	Neither past due nor impaired	<u>245,463</u>	<u>523,420</u>
<b>11</b>	<b>LOANS AND ADVANCES - Unsecured</b>		
	Current portion of loans due from employees - return free	7 1,461	961
	Advances to employees - against expenses - return free	1,613	826
	Suppliers and contractors - return free	<u>143,159</u>	<u>107,933</u>
		<b><u>146,233</u></b>	<b><u>109,720</u></b>
<b>12</b>	<b>TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>		
	<b>Trade deposits - Considered good, return free</b>		
	Short term deposits	544	544
	Margin against bank guarantees	<u>5,970</u>	<u>10,470</u>
		6,514	11,014
	Short term prepayments	<u>5,163</u>	<u>3,507</u>
		<b><u>11,677</u></b>	<b><u>14,521</u></b>
<b>13</b>	<b>OTHER RECEIVABLES - Considered good</b>		
	Sales tax claim	13.1 13,502	13,502
	Export rebate receivable	15,394	14,364
	Refundable input tax	13.2 57,698	--
	Other receivable	13.3 73,594	74,918
		<b><u>160,188</u></b>	<b><u>102,784</u></b>
	<b>13.1</b> Represents claims of sales tax filed before the collector of sales tax and large tax payer unit for the different periods.		
	<b>13.2</b> This represents refundable input tax from M/s Peshawar Electric Supply Company (PESCO).		
	<b>13.3</b> This represent amount paid under protest by the Company on the basis of decision of the Custom Tribunal. However the Company has filed reference before the Honourable High Court against the decision of the Tribunal. In the reference numerous legal issues has been raised on the basis of which the Company anticipate that the order of the Tribunal will be vacated and amount will be refunded.		

**14 SHORT TERM INVESTMENTS**

At fair value through profit and loss

2017	2016		2017	2016	
Number of Share			(Rupees in '000')		
267,805	267,805	Cherat Cement Ltd	47,878	32,022	Cherat Cement Co Ltd
17,717	17,717	BankIslami Pakistan Ltd	236	187	Crescent Investment Bank Ltd
6,930	6,930	Samba Bank Ltd	50	53	Trust Commercial Bank
2,603	2,603	Faysal Bank Ltd	59	34	Royal Bank of Scotland
475	475	Standard Chartered Bank Ltd	11	11	Standard Chartered Bank Ltd
92,500	92,500	Zeal Pak Cement Ltd	--	--	Zeal-Pak Cement Factory Ltd
<b>388,030</b>	<b>388,030</b>		<b>48,234</b>	<b>32,307</b>	

	Notes	2017	2016
		(Rupees in '000')	
<b>15 CASH AND BANK BALANCES</b>			
Cash in hand		1,242	2,623
Cash at banks:			
- Current accounts		120,640	184,650
- Deposit / PLS saving accounts	15.1	840	15,728
		121,480	200,378
		<b>122,722</b>	<b>203,001</b>

**15.1** These represent term deposit accounts and PLS saving accounts with commercial banks carrying profit ranging from 3.5% to 5.6% (2016: 3% to 4.68%) per annum. Deposits have a maturity of less than three months.

**16 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**

2017	2016		2017	2016
Number of Share			(Rupees in '000')	
431,125,000	381,125,000	Ordinary Shares of Rs. 10/- each issued as fully paid in cash	4,311,250	4,311,250
21,250,000	21,250,000	Ordinary Shares of Rs. 10/- each issued as fully paid Bonus shares	212,500	212,500
31,738,343	31,738,343	Ordinary Shares of Rs. 10/- each issued on conversion of loan from sponsors	317,383	317,383
<b>484,113,343</b>	<b>434,113,343</b>		<b>4,841,133</b>	<b>4,841,133</b>

**16.1 Reconciliation of shares**

At the beginning of the year	484,113,343	434,113,343
Ordinary shares issued during the year	--	50,000,000
At the end of the year	<b>484,113,343</b>	<b>484,113,343</b>

**16.2** At reporting date, 131,625,455 shares (2016: 131,625,455 shares) are held by associated companies.

17 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	2017	2016
	(Rupees in '000')	
<b>Gross surplus</b>		
Opening balance	6,390,106	6,550,456
Surplus arising due to revaluation of property, plant and equipment	2,626,751	--
Transfer to unappropriated profit in respect of incremental depreciation charged during the current year	(161,544)	(160,350)
	<u>8,855,313</u>	<u>6,390,106</u>
<b>Deferred tax liability</b>		
Opening balance	(1,686,752)	(1,714,155)
Related deferred tax liability of current revaluation	(734,327)	--
On incremental depreciation for the year	49,267	48,889
Effect of reduction in effective tax rate on account of a portion of the income of the Company being assessed under Final Tax Regime	56,467	(21,486)
	<u>(2,315,345)</u>	<u>(1,686,752)</u>
	<u><b>6,539,968</b></u>	<u><b>4,703,354</b></u>

**17.1** Leasehold land, freehold land, buildings on leasehold land and quarry development, buildings and civil works on freehold land and plant and machinery owned by the Company was revalued at 30 June 2017 by an independent valuer M/s Anderson Consulting (Private) Limited using prevailing market value being the basis of revaluation. The surplus arising from revaluation is Rs.2,626,751 million. The entire closing balance of surplus on revaluation of property, plant and equipment is not available for distribution to shareholders.

	Carrying Amounts	Revalued Amount	Increase in surplus
	----- (Rupees in '000') -----		
Leasehold land	116,115	187,500	71,385
Freehold land	216,590	403,160	186,570
Buildings on leasehold land & quarry development	470,862	810,558	339,696
Buildings and civil works on Freehold land	435,819	635,177	199,358
Plant and machinery	<u>21,489,067</u>	<u>23,318,809</u>	<u>1,829,742</u>
	<u><b>22,728,453</b></u>	<u><b>25,355,204</b></u>	<u><b>2,626,751</b></u>

**17.2** Net effect amounting to Rs.112.277 (2016: Rs.111.461 million) has been transferred to equity.

**18 LONG TERM FINANCING**

		2017	2016
	Notes	(Rupees in '000')	
<b>Long-term loan financial institution - Secured</b>			
Long term loan - I	18.1	93,333	93,333
Long term loan - II	18.2	200,000	200,000
Long term loan - III	18.3	300,000	300,000
Long term loan - IV	18.4	75,000	75,000
Long term loan - V	18.5	500,000	500,000
Long term loan - VI	18.6	350,000	350,000
Long term loan - VII	18.7	92,861	92,861
Long term loan - VIII	18.8	250,000	250,000
Restructured long term financing - I	18.9	343,246	443,246
Restructured long term financing - II	18.10	113,097	129,852
Restructured long term financing - III	18.11	69,444	80,556
		2,386,981	2,514,848
Present value adjustment		(60,259)	(60,259)
		2,326,722	2,454,589
Total interest charged to profit and loss account		21,312	9,898
		2,348,034	2,464,487
Current maturity of long term financing		(127,866)	(127,866)
Overdue portion of long term financing		(1,861,194)	(1,861,194)
	25	(1,989,060)	(1,989,060)
		<b>358,974</b>	<b>475,427</b>

**18.1** Represents loan obtained from a Development Financial Institution (DFI) carrying mark up at the rate of KIBOR plus 2.5% per annum with sales price of Rs.120 million and purchase price of Rs.234.4 million. The loan is repayable in 9 equal semi-annual installments commencing one year after the date of disbursement of loan i.e. April 26, 2006. The loan is secured by way of hypothecation ranking charge over fixed assets to be converted in to first pari passu charge within 90 days from the date of disbursement.

**18.2** Represents loan obtained from a DFI carrying mark up at the rate of KIBOR plus 3.25% per annum with sales price of Rs.200 million and purchase price of Rs.289.375 million. The loan is repayable in 8 equal semi-annual installments starting two years after the date of disbursement of loan i.e. November 1, 2006. The loan is secured by way of ranking charge convertible to a first pari-passu charge within ninety days of the disbursement of the facility over all present and future fixed assets of the Company with a margin of 25 percent.

**18.3** Represents loan obtained from a DFI carrying mark up at the rate of KIBOR plus 4.5% per annum with sales price of Rs.300 million and purchase price of Rs.637.685 million. The loan is repayable in 6 equal semi-annual installments commencing thirty months after the date of disbursement of loan i.e. November 7, 2006. The loan is secured by way of first pari-passu charge over all present and future fixed assets of the Company and corporate guarantees provided by certain group companies.

**18.4** Represents loan obtained from a DFI carrying mark up at the rate of KIBOR plus 3% per annum with sales price of Rs.75 million and purchase price of Rs.117.729 million. The loan is repayable in 8 equal semi-annual installments commencing two years after the date of disbursement of loan i.e. July 28, 2006. The loan is secured by way of hypothecation ranking charge over all present and future fixed assets of the Company with 25% margin to be converted in to first pari-passu charge in favour of the DFI within 120 days from the date of first drawdown of the facility.

- 18.5** Represents loan obtained from a commercial bank carrying mark up at the rate of KIBOR plus 2.5% per annum with sales price of Rs.500 million and purchase price of Rs.975.562 million. The loan is repayable in 10 equal semi-annual installments commencing 30 months after the date of disbursement of loan i.e. October 31, 2006. The loan is secured by creating first pari-passu charge by way of hypothecation over the hypothecated assets in the sum of Rs.666.667 million in favour of the bank and creation of first pari-passu charge by way of mortgage by deposit of title deeds in respect of the mortgaged properties in the sum of Rs. 666.667 million in favour of the bank.
- 18.6** Represents loan obtained from a commercial bank carrying mark up at the rate of KIBOR plus 2.5% per annum with sales price of Rs.500 million and purchase price of Rs.700 million. The loan is repayable in 10 equal semi-annual installments commenced from December 2006. The loan is secured by creating first pari passu hypothecation charge over present and future plant and machinery and creation of first pari passu equitable mortgage charge over all land and building.
- 18.7** Represents loan obtained from a commercial bank carrying mark up at the rate of 3 months KIBOR plus 2% per annum with sales price of Rs.165 million and purchase price of Rs.239.309 million. The loan is repayable in 13 equal quarterly installments beginning one year after the date of restructuring of terms of loan i.e. June 28, 2008. The loan is secured by creating first pari-passu charge by way of hypothecation over the hypothecated assets in the sum of Rs.240 million in favour of the bank. Initially a ranking charge is created which will be upgraded to first pari passu charge with in 120 days of draw down.
- 18.8** Represents loan obtained from a commercial bank carrying mark-up at the rate of 3 months KIBOR plus 2% per annum with sales price of Rs.250 million and purchase price of Rs.353.136 million. The loan is repayable in eight equal quarterly installments commencing from the fifth quarter from date of disbursement. The financing is secured by ranking hypothecation charge and equitable mortgage over fixed assets of the company valuing 333.33 million with 25% margin. The charge was to be converted into first pari passu within 180 days from date of disbursement.
- 18.9** A settlement has been reached on 18 October 2012 with a lender by way of compromise agreement executed between the Company and bank, and consequently a compromise decree has been passed by Honourable High Court. The entire principle amounts of demand finance, export re-finance, advance against TFCs and liability against letter of credits aggregating Rs.843.246 million are now repayable in 33 equal installments of Rs.25 million each and last installment of Rs.18.246 million. The settlement of mark-up will be subject to the over all restructuring proposal offered to other lenders.

The loan is secured against joint pari-passu charge in the sum of Rs.426.667 million and Rs.186.66 million over present and future fixed assets of the Company and ranking charges of Rs.345 million and Rs.134 million over present and future current assets of the Company.

**18.10** Advance for investment in term finance certificates from a lender has been restructured for which a compromise agreement has been executed dated 15 January 2013 thereby the liability has been acknowledged at principal outstanding amount of Rs.150 million which was repayable in 35 equal installments of Rs.4.160 million each and last installment of Rs.4.4 million commencing after grace period of one year. The liability is secured by first pari passu charge over plant and machinery and land and buildings.

A supplemental compromise agreement has been executed dated 9 May 2016 thereby the liability has been further rescheduled at principal outstanding amount of Rs.150 million (Rs.20.148 million has been paid at the time of signing of supplemental compromise agreement) and Rs.129.852 was repayable in 31 equal quarterly installments of Rs.4.189 million each commencing from 30 July 2016. The other terms and conditions will remain same as per the master agreement dated 15 January 2013.

**18.11** Advance for investment in term finance certificates from a lender has been restructured for which a compromise agreement has been executed dated 13 September 2013 thereby the liability has been acknowledged at principal outstanding amount of Rs.100 million which is now repayable in 36 equal quarterly installments of Rs.2.777 million each commencing after grace period of one year. The liability is secured by first pari passu charge over plant and machinery and land and buildings.

**18.12** The loans disclosed in 18.10 and 18.11 is interest free and have been measured at amortized cost in accordance with International Accounting Standard 39, Financial Instruments: Recognition and Measurement, and have been discounted using the weighted average interest rate ranging from 7% to 8% per annum.

**18.13** The lenders listed in 18.1 to 18.8 are in litigation with the Company as more fully explained in note 26.1(b) to the financial statements.

**2017**                      **2016**

**Notes (Rupees in '000')**

**19 ADVANCES FOR INVESTMENT IN TERM FINANCE CERTIFICATES**

Advance for investment in term finance certificates - Secured	19.1	<b><u>3,110,000</u></b>	<b><u>3,160,000</u></b>
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**19.1** It represents private placement (Pre-IPO) investment of Rs.3,110 million received as advanced against issue of rated, listed and secured term finance certificates out of total issue of Rs.5,000 million for a tenure of six years. The Company was required to complete the public offering on or before 270 days of signing of the respective agreements. i.e. 5 October 2008. The Company was unable to complete the requisite formalities of public offering due to the factors beyond its control (Force Majure) i.e. global recession and unforeseen shut down of stock exchanges. Following course, certain investors have filed suits and winding up petitions in Hon'able High Court of Sindh as more fully explained in note 26.1(b) and note 26.1(c) to the financial statements.

The principal terms and conditions for the proposed issue of rated, listed and secured Term Finance Certificates (TFCs) were as follows:

- a) The tenor was six years inclusive of a grace period of 18 months.
- b) Profit payments payable semi-annually in arrears on the outstanding principal amount and calculated on a 365-days year basis. The first profit payment will fall due six months from the issue date and subsequently every six months thereafter.
- c) Carries a floating rate of return of KIBOR plus 2 percent per annum.
- d) Will be redeemed in nine equal semi annual installments starting from the twenty-fourth month of the issue.
- e) Secured by first pari passu charge over plant and machinery and land and buildings.

**19.2** During the year under consideration, a settlement has been reached and agreement has been executed with a lender for liability to the extent of Rs.50 million. The liability has been settled at principal amount of Rs.50 million which have been paid. The related suit has been withdrawn by the lender and the related accrued mark-up has been written back to other income.

20	LONG TERM DEPOSITS AND PAYABLES	Notes	2017	2016
			(Rupees in '000')	
	Security deposits - interest free		1,894,032	1,572,784
	Retention money		4,262	71,268
	Provision in respect of supplier's credit	20.1	189,000	188,460
			<b>2,087,294</b>	<b>1,832,512</b>

**20.1** Represents bills payable in respect of plant and machinery imported. In respect of such liability, in prior years, a memorandum of understanding was signed alongwith a repayment plan. However, in view of certain disputes, this amount is still appearing as payable. The matter is currently under litigation and the amount that would actually be payable and its timing are now considered to be uncertain. In view of litigation and dispute in respect of amount involved, as well as, the expected time that litigation would entail, the management is confident that this provision is not payable within the next twelve months and has, accordingly, been included in non-current liabilities.

21	DEFERRED TAX LIABILITY - Net	Notes	2017	2016
			(Rupees in '000')	
	Deferred taxation comprises temporary difference relating to:			
	Accelerated tax depreciation		3,460,380	3,120,079
	Surplus on revaluation of fixed assets		2,584,808	1,899,748
	Provisions and others		(36,597)	(50,205)
			6,008,591	4,969,622
	Effect of reduction in effective tax rate on account of transfer of income of the company being assessed under Final Tax Regime		(626,389)	(557,183)
			5,382,202	4,412,439
	Accumulated tax losses and available tax credits		(2,411,185)	(2,339,497)
			<b>2,971,017</b>	<b>2,072,942</b>

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<b>22 TRADE AND OTHER PAYABLES</b>	<b>Notes</b>	<b>2017</b>	<b>2016</b>
		<b>(Rupees in '000')</b>	
Creditors	22.1	1,141,222	570,785
Accrued liabilities		225,360	185,669
Advance from customers		37,760	18,297
Custom duty payable		22,848	22,848
Creditors for capital expenditure		2,824	18,569
Excise duty and royalty payable		131,095	64,069
Workers' Profits Participation Fund	22.2	84,296	102,676
Workers' Welfare Fund	22.3	37,941	45,831
Dividend payable		12,927	12,927
Tax deducted at source		26,960	6,251
Unpaid and unclaimed dividend		1,780	1,780
Others		2,755	5,226
		<b><u>1,727,768</u></b>	<b><u>1,054,928</u></b>

**22.1** This includes an amount of Rs.54.289 million (2016: Rs.54.289 million) representing overdue letters of credit which carry mark-up at the rate of 1 month KIBOR + 2% per annum (2016: 1 month KIBOR + 2% per annum).

<b>22.2 Workers' profits participation fund</b>	<b>Notes</b>	<b>2017</b>	<b>2016</b>
		<b>(Rupees in '000')</b>	
Opening balance		102,676	40,785
Provision for the year	31	84,296	102,676
Interest on fund utilised in the Company's business	33	6,171	1,078
		<u>193,143</u>	<u>144,539</u>
Payments made during the year		(108,847)	(41,863)
		<b><u>84,296</u></b>	<b><u>102,676</u></b>
<b>22.3 Workers' welfare fund</b>			
Opening balance		45,831	20,845
Provision for the year	31	32,032	39,017
		<u>77,863</u>	<u>59,862</u>
Liability written back		(17,728)	--
Payments made during the year (adjustment against tax refundable)		(22,194)	(14,031)
		<b><u>37,941</u></b>	<b><u>45,831</u></b>

**23 SHORT TERM BORROWINGS**

**From financial institutions:**

Running finance	23.1	189,875	189,875
Export refinance	23.2	121,000	121,000
Bridge finance - from syndicate	23.3	250,000	250,000
		<b><u>560,875</u></b>	<b><u>560,875</u></b>

**23.1** Represents utilized portion of facility of Rs.200 million (2016: Rs.200 million). The running finance carries mark up at 6 months KIBOR plus 3% (2016: 6 months KIBOR plus 3%) per annum, payable quarterly in arrears. The facility is secured by way of first pari passu charge of Rs.234 million on the Company's stocks / book debts. This facility was valid upto 30 June 2009. The facility has expired and not been renewed by the bank.

**23.2** The export refinance carries mark up at 7.5% per annum, payable quarterly. The facility is secured by way of pari passu charge of Rs. 237 million on stocks and book debts of the Company. These financing arrangement has expired and not been renewed by the bank.

**23.3** The syndicated finance facility was obtained from two banks having share of Rs.150 million and Rs.100 million respectively. The syndicated loan carries mark up at 6 months KIBOR plus 2% per annum payable after 6 months. The facility is secured by way of first pari passu of Rs. 333.33 million on the Company's fixed assets. The facility was valid upto 12 September 2008 and has not been renewed by the banks.

**23.4** The Company is in litigations with all of the above lenders as more fully explained in note 26.1 (b) to the financial statements.

24	MARKUP PAYABLE	Notes	2017	2016
			(Rupees in '000')	
	Markup payable on:			
	- advances for investment in term finance certificates		398,488	405,212
	- debentures - Term Finance Certificates		178,636	178,636
	- long term financings		342,519	342,519
	- short term borrowings		51,654	51,654
			<b>971,297</b>	<b>978,021</b>
<b>25</b>	<b>CURRENT AND OVERDUE PORTION OF NON-CURRENT LIABILITIES</b>			
	Long term financings	18	1,989,060	1,989,060
	Liabilities against assets subject to finance lease	25.1	41,210	41,210
	Term Finance Certificates (Old TFCs - Series B)		--	9,227
			<b>2,030,270</b>	<b>2,039,497</b>

**25.1** The Company has entered into lease agreements with certain leasing companies for lease of vehicles and machinery. Total lease rentals due under various lease agreements aggregate Rs.41.210 million (2016: Rs.41.210 million) payable in monthly/quarterly installments latest by January 2012. Overdue rental payments are subject to an additional charge upto 3% per month. Taxes, repairs, replacement and insurance costs are to be borne by the lessee. In case of termination of agreement, the lessee has to pay the entire rent for unexpired period. Financing rates ranging from 17.76% to 20.57% per annum have been used as discounting factor. Purchase options can be exercised by the lessee, paying 10% of the leased amount.

## 26 CONTINGENCIES AND COMMITMENTS

### 26.1 Contingencies

(a) The Company is a party to legal proceedings pending in various courts and agencies in which it appears as defendant and plaintiff aggregating to Rs.271.625 million, the outcome of which cannot be established at this stage. The management, based on the strength of its cases and the advice of its lawyers, believes that no additional liability will arise out of these proceedings; hence no provision has been made in these financial statements.

- (b) In respect of liabilities towards banks / financial institutions disclosed in note 18, 19, 23 and 24 to the financial statements, lender banks / financial institutions have filed suits in Honorable High Court of Sindh at Karachi for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties. During the year under consideration, out of these banks / financial institutions, certain lenders have entered into standstill agreements with the Company for an aggregate liability of Rs.6,078.45 million sought by lenders in the suits filed by them and it was agreed that DCL would settle all the liabilities at principle amount of Rs.4,751.87 million through disposal of its certain assets. Hence joint applications were filed in Honorable High Court to obtain consent decrees for the terms and conditions stipulated in standstill agreement. The Company entered into non-binding agreement for sale of its assets, but the sale could not be finalized, however, the Company is still looking for a buyer for disposal of its North plant. The lenders filed for execution of consent decrees. The Company obtained stay against the said executions. At present negotiations with a strategic investor are in advanced stage and expected to finalize soon, consequent to which the Company would be able to settle the liabilities through investment rather than sale of assets.
- (c) Out of the lenders the disclosed in note 18, 19, 20.1, 22.1, 24 and 25 to the financial statements, some did not become signatory of the settlement agreement referred in note (a) above & continue to pursue their suits filed in Honourable High Court of Sindh at Karachi for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties. The aggregate suits amount in respect of these is Rs.1,033 million, out of total suits amount certain banks / financial institutions having suits to the extent of Rs.532.045 million have also filed winding up petitions u/s 305 of the Companies Ordinance, 1984. Since the Company is in dispute with banks / financial institutions therefore the estimated financial effect of litigations is not being disclosed, as it may have adverse effect on Company's position in the suits.

The default of the Company is attributable to the Arrangers of the proposed Term Finance Certificates [TFCs] as they took the Company towards engineered default. The Company withdrew the foreign currency Convertible Bond issue which was completed with regard to the investors and approvals from SECP and SBP were also in place in all respect; and converted this into local TFCs under the firm commitment of major banks of the Company that it would be closed within a few weeks. Unfortunately, the TFC issue has so far not been closed.

The management has disputed the claim and is strongly contesting the case. The management has filed counter claims alleging that the banks claims are highly exaggerated as they have charged mark-up on mark-up and other levies higher than the rate of mark-up agreed and other charges in violation of State Bank of Pakistan rules and all other applicable laws of Pakistan. The management is hopeful that the decision will be in favor of the Company and the base less suits shall be rejected by the concerned courts. Since all the cases are pending before Honorable Courts therefore the ultimate outcome cannot be established at this stage.



(d) On 27 August 2009, The Competition Commission of Pakistan imposed a penalty of Rs.6,312 million on the cement industry including a penalty of Rs.345 million on the Company. The Company has filed a petition against the order in the Honourable Lahore High Court on legal and factual grounds. Further, the Competition Ordinance, 2007 will require reconsideration and approval of National Assembly in line with the judgment of Honourable Supreme Court of Pakistan dated 31 July 2009. In view of above, management is hopeful that there will be no adverse outcome for the Company. Accordingly, no liability has been accounted for in the books of the Company.

(e) On 3 January 2008, the Company filed a refund claim for the period from 17 June 1994 to 18 April 1999, amounting to Rs.608.015 million before Collector of Sales Tax and Federal Excise (the department) in view of Supreme Court judgment regarding the value of goods for the purpose of imposition of excise duty, under section 4(2) of the Central Excise Act, 1944 (the "1944 Act"). In the Supreme Court judgment it has been categorically held that no excise duty could be added to the retail price for levying excise duty under section 4(2) of the 1944 Act.

The department in similar cases had filed petition for review of the judgment of the Supreme Court of Pakistan. Our refund application was returned with the comments that since the cases are sub judiced in review, the decision on refund will be taken after fate of review petitions. On 20 January 2009, these petitions were dismissed by the Honourable Supreme Court of Pakistan. The Company then immediately approached the Department for processing of refund. After a lapse of years we then approached the Islamabad High court and on 30th June 2016 the honourable high court asked the FBR to hear us and the date be given for hearing. We were then called by the Accountant Chief FBR and decision is awaited. As a matter of prudence the Company has not accounted for the above refund in the books of account of the Company.

(f) During the year June 2015, the Company filed a suit in High Court of Sindh at Karachi against orders passed by Deputy Commission Inland Revenue wherein the department unlawfully demanded extra sales tax and excise duty amounting to Rs.1,599.932 million on alleged suppressed sales. The said demand has been created by comparing the cost of fuel and power with the other cement companies, thereby determined the figures of sales based on additional power consumption. The Company has also filed an appeal before appellate tribunal against these orders. The honourable High court ordered remand back for rehearing at the collector appeals level. In our rehearing the collector Appeals decided the case in our favour. The Department has moved to the Tribunal against the decision of the C.I.P. As the case is pending and on the basis of the decision by Collector Apples the management is hopeful that the case will be decided in favour of the Company as the same is based on hypothetical assumptions, hence no provision is made in these financial statements.

(g) Guarantees issued by commercial banks on behalf of the Company amounting to Rs.105.525 million (2016: Rs.105.525 millions).

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- (h) A Constitutional Petition was filed by the Company against the Customs Department to recover a sum of Rs.56 million representing the sale proceeds of certain goods of the Company auctioned by Customs Department and adjusted against unlawful demand / claim of Rs.89 million. The said Petition is pending and is at the stage of arguments and Company expects the same will be decided in its favour and the amount will be refunded.

	2017	2016
<b>27 TURNOVER - Net</b>	<b>Notes</b>	<b>(Rupees in '000')</b>
Turnover - Local	17,066,573	15,461,342
Less: Federal excise duty	(1,859,825)	(791,219)
Sales tax	(2,953,979)	(2,632,520)
Sales incentives	(261,388)	(125,071)
	(5,075,192)	(3,548,810)
	11,991,381	11,912,532
Turnover - Export	864,898	966,563
	<b>12,856,279</b>	<b>12,879,095</b>
<b>28 COST OF SALES</b>		
Opening stock	193,609	120,104
Purchases during the year	1,604,504	1,246,938
Raw and packing materials available for consumption	1,798,113	1,367,042
Closing stock	9 (248,524)	(193,609)
Raw and packing materials consumed	1,549,589	1,173,433
<b>Manufacturing expenses</b>		
Fuel and power	6,417,954	6,052,303
Salaries, wages and benefits	28.1 739,942	582,332
Stores and spares consumed	610,595	540,646
Depreciation	5.3 682,623	574,660
Repairs and maintenance	166,074	626,896
Handling charges	58,834	304,969
Transportation charges	43,005	38,002
Security charges	27,816	16,457
Insurance expenses	25,843	29,527
Vehicle running expense	11,757	11,112
Printing and stationery	5,433	4,871
Consultancy charges	4,545	5,508
Laboratory chemicals and quality control	2,515	3,417
Communication charges	2,427	2,435
Rates and taxes	2,169	1,528
Travelling and conveyance	1,310	4,792
Others	18,097	14,795
	8,820,939	8,814,250
Manufacturing cost	10,370,528	9,987,683
Work in process - Opening	297,824	536,938
Work in process - Closing	9 (359,820)	(297,824)
	(61,996)	239,114
Cost of goods manufactured	10,308,532	10,226,797
Finished goods - Opening	102,492	108,100
Finished goods - Closing	9 (88,794)	(102,492)
	13,698	5,608
	<b>10,322,230</b>	<b>10,232,405</b>

**28.1** This includes Rs.17.195 million (2016: Rs.13.387 million) in respect of the Company's contribution for provident funds and Rs.3.138 million (2016: Rs.3.071 million) recognised against contribution to Employees Old Age Benefits Institution (EOBI).

		2017	2016
	Notes	(Rupees in '000')	
<b>29</b>	<b>DISTRIBUTION COST</b>		
Export expenses	29.1	111,533	206,367
Salaries, allowances and benefits	29.2	54,593	38,002
Repairs and maintenance		41,440	23,477
Rent, rates and taxes		5,490	6,312
Fee and subscription		10,859	2,789
Insurance expenses		3,783	458
Traveling and conveyance		9,712	7,756
Advertisement expenses		8,371	2,986
Communication charges		1,956	1,298
Depreciation	5.3	399	453
Others		13,718	11,319
		<b>261,854</b>	<b>301,217</b>

**29.1** Export expenses represent freight and handling charges and commission on export of cement during the year. The export expenses are net off with export rebates of Rs.5.569 million (2016: Rs.5.808 million).

**29.2** These include Rs.1.907 million (2016: Rs.1.399 million) in respect of the Company's contribution for provident funds and Rs.0.234 million (2016: Rs.0.212 million) recognized against contribution to EOBI.

		2017	2016
	Notes	(Rupees in '000')	
<b>30</b>	<b>ADMINISTRATIVE EXPENSES</b>		
Salaries, allowances and benefits	30.1	172,515	172,005
Repairs and maintenance		207,431	164,355
Legal and professional charges		73,713	37,906
Travelling, conveyance and cartage		57,651	39,692
Fee and subscription		28,946	23,737
Vehicle running expenses		25,733	16,798
Rent, rates and taxes		22,428	17,210
Utilities		20,547	16,459
Security service charges		16,117	14,462
Insurance expenses		14,192	11,345
Entertainment expenses		12,610	9,557
Communication charges		12,466	9,802
Depreciation	5.3	10,885	9,227
Printing and stationery		6,682	8,234
Newspaper and periodicals		71	100
Other expenses		2,950	1,105
		<b>684,937</b>	<b>546,594</b>

**30.1** This includes Rs.7.411 million (2016: Rs.5.429 million) in respect of the Company's contribution for provident funds and Rs.0.363 million (2016: Rs. 0.280 million) recognized against contribution to EOBI.

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	Notes	2017 (Rupees in '000')	2016
<b>31 OTHER OPERATING EXPENSES</b>			
Workers' profit participation fund	22.2	84,296	102,676
Workers' welfare fund	22.3	32,032	39,017
Auditor's remuneration	31.1	3,800	3,800
Excise duty recoverable written off		--	2,705
Exchange loss		--	14,602
		<b><u>120,128</u></b>	<b><u>162,800</u></b>
<b>31.1 Auditor's remuneration</b>			
Audit fee		2,600	2,600
Review of half-yearly interim condensed financial statements		900	900
Review of Code of Corporate Governance		300	300
		<b><u>3,800</u></b>	<b><u>3,800</u></b>
<b>32 OTHER INCOME</b>			
<b>Income from financial assets</b>			
Profit on bank deposits		3,941	5,365
Gain on remeasurement of short term investments		15,927	8,687
Exchange gain		4,853	--
Dividend income		871	6,578
<b>Income from non financial assets</b>			
Liabilities no longer payable written back		99,500	271,779
Gain on disposal of operating fixed assets	5.4	1,147	91
Scrap sales		1,790	4,932
		<b><u>128,029</u></b>	<b><u>297,432</u></b>
<b>33 FINANCE COST</b>			
Unwinding of discount		11,414	13,418
Interest on workers' profits participation fund	22.2	6,171	1,078
Commission on bank guarantees		1,583	1,678
Bank charges		6,403	5,503
		<b><u>25,571</u></b>	<b><u>21,677</u></b>

**33.1** Company has not made the provision of mark-up for the year amounting to Rs.356.439 million (Up to 30 June 2016: Rs.3,953.670 million) keeping in view that the admitted liability will be reduced to the principle amounts on account of settlement of liabilities in accordance with the standstill agreements with lenders executed during the year. Had the provision been made the profit for the year would have been lower by Rs.356.439 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.4,310.109 million. The said non-provisioning is a departure from the requirements of IAS-23 'Borrowing Costs'.

<b>34 TAXATION - Net</b>	<b>2017</b>	<b>2016</b>
	<b>(Rupees in '000')</b>	
Current		
- for the year	10,104	61,412
- for prior years	33,478	1,023
	<u>43,582</u>	<u>62,435</u>
Deferred tax	220,215	349,458
Total tax charge	<u><b>263,797</b></u>	<u><b>411,893</b></u>

#### **34.1 Relationship between tax expense and accounting profit**

Numerical reconciliation between the average tax rate and the applicable tax rate has not been given as the Company is subject to the provisions of minimum tax under Section 113 of the Income Tax Ordinance, 2001 ('Ordinance') and alternate corporate tax under section 113 C of the Ordinance.

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

The Company is in process of filing a Constitutional Petition (CP) before the Sindh High Court (SHC), challenging the vires of Section 5A of the Income Tax ordinance, 2001, and the management is hopeful for the stay against newly amended section 5A as it has also been granted in same other cases.

In case the CP is rejected by the SHC or the decision is not in favor of the Company, the Company will either be required to declare dividend to the extent of 40% of after tax profits or it will be liable to pay additional tax at the rate of 7.5% of the accounting profit before tax of the Company for the financial year ended 30 June 2017. As at the balance sheet date, no charge has been recorded by the Company in this respect.

**34.3** The assessments of the Company deemed to have been finalized upto and including tax year 2016.

<b>35 EARNING PER SHARE - Basic and Diluted</b>	<b>2017</b>	<b>2016</b>
	<b>(Rupees in '000')</b>	
<b>35.1 Earnings per share - Basic</b>		
Profit after taxation attributable to ordinary shareholders	<u>1,305,791</u>	<u>1,499,941</u>
	<b>-- (Number of shares '000) --</b>	
Weighted average number of ordinary shares outstanding		
Opening shares	482,196	434,113
Ordinary shares issued during the year	--	48,083
	<u>482,196</u>	<u>482,196</u>
Closing shares	<u>482,196</u>	<u>482,196</u>
Earnings per share - Basic	<u><b>2.71</b></u>	<u><b>3.11</b></u>
	(Rupees)	

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	2017	2016
<b>35.2 Earnings per share - Diluted</b>	----- (Rupees in '000') -----	
Profit after taxation attributable to ordinary shareholders	1,305,791	1,499,941
Diluted effect - Net of tax	--	--
	<u>1,305,791</u>	<u>1,499,941</u>
	-- (Number of shares '000) --	
Weighted average number of ordinary share outstanding during the year	482,196	482,196
Diluted effect	--	1,917
	<u>482,196</u>	<u>484,113</u>
Earnings per share - Diluted (Rupees)	<u>2.71</u>	<u>3.10</u>

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

	Chief Executive		Directors		Executives		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	----- (Rupees in '000') -----							
Remuneration	7,223	4,062	45,561	17,722	166,828	105,009	219,612	126,793
House rent	3,251	1,828	20,502	7,975	75,073	47,254	98,826	57,057
LFA	301	169	286	255	6,951	4,375	7,538	4,799
Medical	602	339	571	509	13,902	8,751	15,075	9,599
Retirement benefits	602	338	571	509	13,897	8,747	15,070	9,594
Utilities	722	406	4,556	1,772	16,683	10,501	21,961	12,679
Others	4	4	7	7	725	487	736	498
	<u>12,705</u>	<u>7,146</u>	<u>72,054</u>	<u>28,749</u>	<u>294,059</u>	<u>185,124</u>	<u>378,818</u>	<u>221,019</u>
Number of persons	1	1	2	2	140	108	143	111

The directors and certain executives are also provided with free use of Company owned and maintained cars and other benefits in accordance with their entitlements as per rules of the Company.

### 37 RELATED PARTY DISCLOSURES

Related parties comprise related group companies, associate, directors and executives and staff provident fund. The Company in the normal course of business carries out transactions with various related parties. Material transactions and balances with related parties are given below:

	2017	2016
<b>Employee benefit fund</b>	(Rupees in '000')	
Company's and employees contributions during the year	53,026	40,429

## 38 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

### **Risk management framework**

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

The Company's objective in managing risk is the creation and protection of shareholders value. 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 risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

### **38.1 Credit risk**

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

#### **Exposure to credit risk**

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

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	2017		2016	
	"Financial assets"	"Maximum exposure"	"Financial assets"	"Maximum exposure"
	----- (Rupees) -----		----- (Rupees) -----	
Long term loans	15,601	15,601	10,876	10,876
Long term deposit	109,051	109,051	108,471	108,471
Trade debts	245,463	245,463	523,420	523,420
Loans and advances	146,233	146,233	109,720	109,720
Trade deposits	6,514	6,514	11,014	11,014
Other receivable	73,594	73,594	74,918	74,918
Short term investments	48,234	48,234	32,307	32,307
Cash and bank balances (excluding cash in hand)	121,480	121,480	200,378	200,378
	<b><u>766,170</u></b>	<b><u>766,170</u></b>	<b><u>1,071,104</u></b>	<b><u>1,071,104</u></b>

The Company manages credit risk of receivables through the monitoring of credit exposures and continuous assessment of credit worthiness of its customers.

The management believes that no provision is required during the year. Further credit risk in respect of trade debts is mitigated by the security deposits amounting to Rs.1,894.032 million (2016: Rs.1,572.784 million). The credit quality of the Company's receivable can be assessed with their past performance.

### Cash and cash equivalents

The cash and cash equivalents are held with banks, which are rated as follows:

Name of Bank	Rating Agency	Rating	
		Short term	Long term
Habib Bank Limited	JCR-VIS	A-1+	AAA
United Bank Limited	JCR-VIS	A-1+	AAA
Allied Bank Limited	PACRA	A1+	AA+
BankIslami Pakistan Limited	PARA	A1	A+
Bank Alfalah Limited	PACRA	A1+	AA
National Bank of Pakistan	JCR-VIS	A-1+	AAA
The Bank of Punjab	PACRA	A1+	AA
Faysal Bank Limited	PACRA	A1+	AA
Meezan Bank Limited	JCR-VIS	A-1+	AA
MCB Bank Limited	PACRA	A1+	AAA

### 38.2 Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. At present the Company is facing liquidity problems and have been unable to make timely repayment of its liabilities resulting in overdues, further, the short term finance facilities have expired and not been renewed by the lenders.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments.

	Carrying Amounts	Contractual Cash flows	Six months or less	Six to twelve months	One to two years	Two to five years	More than five years
-----Rupees in '000'-----							
<b>2017</b>							
<b>Non-derivative financial liabilities</b>							
Long term financings	2,348,034	2,386,982	1,925,128	63,933	127,866	226,845	43,210
Term finance certificates and advances	3,110,000	3,110,000	--	--	3,110,000	--	--
Short term borrowings	560,875	585,145	585,145	--	--	--	--
Lease liabilities	41,210	41,210	41,210	--	--	--	--
Long term deposits and payables	2,087,294	2,087,294	--	--	--	2,087,294	--
Trade and other payables	1,727,768	1,727,768	1,727,768	--	--	--	--
Mark up payable	971,297	971,297	971,297	--	--	--	--
	<b>10,846,478</b>	<b>10,909,696</b>	<b>5,250,548</b>	<b>63,933</b>	<b>3,237,866</b>	<b>2,314,139</b>	<b>43,210</b>
-----Rupees in '000'-----							
<b>2016</b>							
<b>Non-derivative financial liabilities</b>							
Long term financings	2,464,487	2,514,849	1,925,128	63,933	127,866	326,845	71,077
Term finance certificates and advances	3,169,227	3,169,227	--	--	3,169,227	--	--
Short term borrowings	560,875	585,145	585,145	--	--	--	--
Lease liabilities	41,210	41,210	41,210	--	--	--	--
Long term deposits and payables	1,832,512	1,832,512	--	--	--	1,832,512	--
Trade and other payables	1,054,928	1,054,928	1,054,928	--	--	--	--
Mark up payable	978,021	978,021	978,021	--	--	--	--
	<b>10,101,260</b>	<b>10,175,892</b>	<b>4,584,432</b>	<b>63,933</b>	<b>3,297,093</b>	<b>2,159,357</b>	<b>71,077</b>

### 38.3 Market risk

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

#### 38.3.1 Currency risk

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

The Company is exposed to foreign currency risk on purchases that are denominated in a currency other than Pak Rupees (PKR). As the Company exports its products, accordingly it is exposed to currency risk, primarily with respect to trade debts denominated in US Dollars (USD).

## DEWAN CEMENT LIMITED

	2017		2016	
	Rupee	US Dollar	Rupee	US Dollar
<b>Assets / (liabilities)</b>	------(in '000')-----			
Supplier credit	(189,000)	(1,800)	(188,460)	(1,800)
Advances from customers	(37,760)	(360)	(18,297)	(175)
	<b><u>(226,760)</u></b>	<b><u>(2,160)</u></b>	<b><u>(206,757)</u></b>	<b><u>(1,975)</u></b>

The following significant exchange rate applied during the year:

	Average rate		Balance sheet date	
	2017	2016	2017	2016
US Dollar	<b><u>103.54</u></b>	<b><u>103.64</u></b>	<b><u>105.00</u></b>	<b><u>104.70</u></b>

### Sensitivity analysis

At reporting date, if PKR had strengthened by 5% against the US Dollar with all other variables held constant profit for the year would have been lower / higher by the amounts shown below, mainly as a result of foreign exchange difference on translation of foreign currency liabilities.

	2017		2016	
	Gross exposure	Net of tax exposure	Gross exposure	Net of tax exposure
	------(in '000')-----			
Supplier credit	(9,450)	(6,521)	(9,423)	(6,502)
Advances from customers	(1,888)	(1,303)	(915)	(631)
	<b><u>(11,338)</u></b>	<b><u>(7,824)</u></b>	<b><u>(10,338)</u></b>	<b><u>(7,133)</u></b>

The 5% weakening of the PKR against US Dollar would have had an equal but opposite impact on the profit for the year on the basis that all other variables remain constant.

### 38.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	2017	2016
	(Rupees in '000')	
<b>Variable rate instruments</b>		
<b>Financial assets</b>		
Cash at bank - Saving accounts	<b><u>840</u></b>	<b><u>15,728</u></b>

	2017	2016
	<b>(Rupees in '000')</b>	
<b>Financial liabilities</b>		
Advances for investment in term finance certificates	3,110,000	3,160,000
Long term financings	2,386,981	2,514,848
Liabilities against assets subject to finance lease	41,210	41,210
Short term borrowings	560,875	560,875
	<b><u>6,099,066</u></b>	<b><u>6,276,933</u></b>

#### **Fair value sensitivity analysis for fixed rate instruments:**

The impact of change in fair value due to a change in interest rate is not considered to be material to these financial statements.

#### **Cash flow sensitivity analysis for variable rate instruments:**

Since the Company has not made provision of mark-up on its borrowings on account of restructuring proposal offered to lenders, therefore sensitivity analysis cannot be given.

### **38.4 Capital risk management**

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, trade and other payables, less cash and bank balances and investments. Capital signifies equity as shown in the balance sheet plus net debt.

### **38.5 Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operation behaviour. Operational risks arise from all the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its objectives of becoming a profitable organisation, producing high quality cement and generating returns for investors.

Primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors.

### 38.6 Fair value of financial assets and liabilities

The carrying amounts of financial assets and financial liabilities approximate their fair value as assets and liabilities are either short term or are repriced frequently. The fair value is determined on the basis of non observable market data. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms' length transaction.

#### Fair value hierarchy

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

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

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

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

	Level 1	Level 2	Level 3
	------(Rupees in '000)-----		
<b>2017</b>			
<b>Short term investments</b>			
At fair value through profit and loss	<b>48,234</b>	--	--
<b>2016</b>			
<b>Short term investments</b>			
At fair value through profit and loss	<b>32,307</b>	--	--

39 CAPACITY - Clinker	2017	2016
	---- ( In Metric Tonnes) ----	
<b>Annual installed capacity</b>		
- South unit (Line I)	900,000	900,000
- South unit (Line II)	960,000	960,000
- North unit (Line I)	540,000	540,000
- North unit (Line II)	540,000	540,000
	<b>2,940,000</b>	<b>2,940,000</b>
<b>Actual production for the year</b>		
- South unit (Line I)	481,453	390,642
- South unit (Line II)	662,523	738,706
- North unit (Line I)	408,685	357,144
- North unit (Line II)	360,415	367,100
	<b>1,913,076</b>	<b>1,853,592</b>

The under utilization of capacity was due to maintenance of plant and downfall in demand of cement.

#### 40 PROVIDENT FUND RELATED DISCLOSURES

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

	2017 Un-audited	2016 Audited
	(Rupees in '000')	
Size of the fund - Total assets	223,961	198,760
Percentage of investments made	88.01%	87.36%
Fair value of investments	<b>197,118</b>	<b>173,629</b>

**40.1** The cost of above investments amounted to Rs.148.827 million (2016: Rs.127.287 million).

**40.2** "The break-up of fair value of investments is:"

	2017 (Percentage)	2016	2017 (Rupees in '000')	2016 (Rupees in '000')
Defence saving certificates	28.55%	30.46%	56,276	52,891
Special saving certificates	46.68%	53.99%	92,024	93,743
Saving account	24.77%	15.55%	48,818	26,995
	<b>100%</b>	<b>100%</b>	<b>197,118</b>	<b>173,629</b>

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

#### 41 NUMBER OF EMPLOYEES

	2017	2016
	Number	
Number of employees at June 30		
Regular	765	745
Contractual	1,025	728
Average number of employees during the year		
Regular	752	713
Contractual	1,027	692

#### 42 OPERATING SEGMENTS

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

**42.1** Revenue from sales of cement represents 100% of the gross sales of the Company.

**42.2** 4.82% (2016: 5.88%) of the gross sales of the Company are made to customers located outside Pakistan.

**42.3** All non-current assets of the Company at 30 June 2017 are located in Pakistan.

**42.4** Revenues of Rs.1,420.268 million and Rs.1,950.788 million are derived from two customers.

**43 CORRESPONDING FIGURES**

The corresponding figures have been reclassified, restated and rearranged wherever necessary to facilitate comparison, however there were no significant reclassification.

**44 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorised for issue on **September 29, 2017** by the Board of Directors of the Company.

**45 GENERAL**

Figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.



**Syed Muhammad Anwar**  
Chief Executive Officer



**Haroon Iqbal**  
Director

## Pattern of Shareholding under Regulation 37(xx)(i) of the Code of Corporate Governance As at June 30, 2017

Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1. Associated Companies	8	131,625,455	27.19%
2. NIT and ICP	7	468,456	0.10%
3. Directors, CEO, their Spouses & Minor Children	10	190,204,606	39.29%
4. Executives	-	-	0.00%
5. Public Sector Companies & Corporations	104	21,482,660	4.44%
6. Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	49	6,890,207	1.42%
7. Individuals	9,032	133,441,959	27.56%
<b>TOTAL</b>	<b>9,210</b>	<b>484,113,343</b>	<b>100.00%</b>

### DETAILS OF CATAGORIES OF SHAREHOLDERS

Names	Number of Shareholders	Number of Shares held	% of Shareholding
<b>1. Associated Companies</b>			
1.1 Dewan Motors (Pvt.) Limited	3	18,125,000	3.74%
1.2 Dewan Mushtaq Motors Company (Pvt) Ltd.	2	18,125,000	3.74%
1.3 Dewan Development (Private) Limited	1	30,000,000	6.20%
1.4 Dewan Farooque Motors (Private) Limited	2	65,375,455	13.50%
	<b>8</b>	<b>131,625,455</b>	<b>27.19%</b>
<b>2. NIT and ICP</b>			
2.1 INVESTMENT CORPORATION OF PAKISTAN	2	2,150	0.00%
2.2 IDBP (ICP UNIT)	1	1,000	0.00%
2.3 National Bank of Pakistan	1	2,695	0.00%
2.4 National Bank Of Pakistan Employees Pension Fund	1	438,813	0.09%
2.5 National Bank Of Pakistan Emp Benevolent Fund Trust	1	15,398	0.00%
2.6 National Bank of Pakistan, Trustee Deptt.	1	8,400	0.00%
	<b>7</b>	<b>468,456</b>	<b>0.10%</b>
<b>3. Directors, CEO, their Spouses &amp; Minor Children</b>			
<b>Directors and CEO</b>			
3.1 Dewan Muhammad Yousuf Farooqui	3	190,000,606	39.25%
3.2 Dewan Abdul Rehman Farooqui	1	1,375	0.00%
3.3 Mr. Haroon Iqbal	1	1,375	0.00%
3.4 Mr. Aziz-ul-Haque	1	1,375	0.00%
3.5 Syed Muhammad Anwar	1	1,375	0.00%
3.6 Mr. Ghazanfar Babar Siddiqi	1	500	0.00%
3.7 Mr. Ishiaq Ahmad	1	500	0.00%
	<b>9</b>	<b>190,007,106</b>	<b>39.25%</b>
<b>Spouses of Directors and CEO</b>			
3.8 Mrs. Heena Yousuf	1	197,500	0.04%

## DEWAN CEMENT LIMITED

### SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY

Names	Number of Shareholders	Number of Shares held	% of Shareholding
1 Dewan Development (Private) Limited	1	30,000,000	6.20%
2 Dewan Farooque Motors Limited	2	65,375,455	13.50%
3 Dewan Muhammad Yousuf Farooqui	3	190,000,606	39.25%

### DETAILS OF TRADING IN THE SHARES OF THE COMPANY BY DIRECTORS, CEO, CFO, COMPANY SECRETARY, THEIR SPOUSES AND MINOR CHILDREN

Name	Date of conversion of loan	No. of Shares
------	----------------------------	---------------

**THE COMPANIES ORDINANCE, 1984**  
(Section 236(1) and 464)  
**PATTERN OF SHAREHOLDING**

**FORM 34**

1. Incorporation Number **0007605**

2. Name of the Company **DEWAN CEMENT LIMITED**

3. Pattern of holding of the shares held by the Shareholders as at **3** **0** **0** **6** **2** **0** **1** **7**

4. Number of Shareholders	Shareholdings				Total Shares held
738	1	-	100	Shares	35,967
2061	101	-	500	Shares	848,254
1419	501	-	1,000	Shares	1,361,646
2816	1,001	-	5,000	Shares	8,202,277
856	5,001	-	10,000	Shares	7,111,976
544	10,001	-	20,000	Shares	8,449,556
262	20,001	-	30,000	Shares	6,716,884
85	30,001	-	40,000	Shares	3,102,252
88	40,001	-	50,000	Shares	4,205,817
42	50,001	-	60,000	Shares	2,354,750
23	60,001	-	70,000	Shares	1,509,000
28	70,001	-	80,000	Shares	2,119,675
12	80,001	-	90,000	Shares	1,050,650
49	90,001	-	100,000	Shares	4,831,125
22	100,001	-	120,000	Shares	2,414,803
11	120,001	-	140,000	Shares	1,434,000
24	140,001	-	160,000	Shares	3,661,945
5	160,001	-	180,000	Shares	862,000
20	180,001	-	200,000	Shares	3,958,000
6	200,001	-	220,000	Shares	1,244,545
3	220,001	-	240,000	Shares	675,679
7	240,001	-	260,000	Shares	1,750,000
7	260,001	-	280,000	Shares	1,917,000
7	280,001	-	300,000	Shares	2,096,000
2	300,001	-	320,000	Shares	622,250
2	320,001	-	340,000	Shares	648,000
3	340,001	-	360,000	Shares	1,044,000
4	360,001	-	400,000	Shares	1,583,000
2	400,001	-	420,000	Shares	816,500
2	420,001	-	440,000	Shares	863,313
3	440,001	-	460,000	Shares	1,363,000
1	460,001	-	480,000	Shares	464,000
5	480,001	-	500,000	Shares	2,500,000
1	500,001	-	520,000	Shares	510,000
1	520,001	-	540,000	Shares	535,000
4	540,001	-	560,000	Shares	2,206,000
1	560,001	-	580,000	Shares	575,000
1	580,001	-	660,000	Shares	658,626
2	660,001	-	680,000	Shares	1,337,500
1	680,001	-	700,000	Shares	692,963
1	700,001	-	720,000	Shares	712,000
2	720,001	-	760,000	Shares	1,501,050

## DEWAN CEMENT LIMITED

Number of Shareholders	Shareholdings				Total Shares held
1	760,001	-	800,000	Shares	800,000
1	800,001	-	850,000	Shares	850,000
1	850,001	-	880,000	Shares	851,500
1	880,001	-	900,000	Shares	900,000
1	900,001	-	960,000	Shares	955,000
1	960,001	-	980,000	Shares	976,000
2	980,001	-	1,000,000	Shares	2,000,000
4	1,000,001	-	1,100,000	Shares	4,307,956
1	1,100,001	-	1,200,000	Shares	1,109,000
1	1,200,001	-	1,300,000	Shares	1,300,000
2	1,300,001	-	1,500,000	Shares	2,865,000
1	1,500,001	-	1,600,000	Shares	1,550,000
1	1,600,001	-	1,800,000	Shares	1,732,500
1	1,800,001	-	1,900,000	Shares	1,880,000
1	1,900,001	-	2,200,000	Shares	2,133,000
1	2,200,001	-	2,500,000	Shares	2,459,000
1	2,500,001	-	2,900,000	Shares	2,880,139
1	2,900,001	-	3,000,000	Shares	3,000,000
3	3,000,001	-	3,400,000	Shares	10,000,000
1	3,400,001	-	5,000,000	Shares	3,457,000
1	5,000,001	-	6,000,000	Shares	6,000,000
1	6,000,001	-	10,000,000	Shares	10,000,000
1	10,000,001	-	12,000,000	Shares	11,738,343
1	12,000,001	-	17,000,000	Shares	16,322,744
1	17,000,001	-	18,500,000	Shares	18,124,734
1	18,500,001	-	20,000,000	Shares	18,879,428
1	20,000,001	-	30,000,000	Shares	30,000,000
1	30,000,001	-	70,000,000	Shares	65,374,818
1	70,000,001	-	80,000,000	Shares	75,978,008
1	80,000,001	-	100,000,000	Shares	95,143,170
<b>9210</b>	<b>TOTAL</b>				<b>484,113,343</b>

5. Categories of Shareholders	Shares held	Percentage
5.1 Directors, Chief Executive Officer, their spouses and minor children	190,204,606	39.29%
5.2 Associated Companies, undertakings and related parties	131,625,455	27.19%
5.3 NIT and ICP	468,456	0.10%
5.4 Banks, Development Financial Institutions, Non-Banking Finance Companies	4,738,592	0.98%
5.5 Insurance Companies	725,000	0.15%
5.6 Modarabas and Mutual Funds	1,426,615	0.29%
5.7 Shareholders holding 5%	285,376,061	58.95%
5.8 <u>General Public</u>		
a. Local	133,264,019	27.53%
b. Foreign	177,940	0.04%
5.9 Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	21,482,660	4.44%

**FORM OF PROXY**

I/We-----of----- being member(s) of Dewan Cement Limited and holder of-----Ordinary Shares as per Share Register Folio No.----- and/or CDS Participant I.D. No. -----and Sub Account No.----- hereby appoint-----of----- or failing him/her-----of-----as my proxy to vote for me and on my behalf at the 38<sup>th</sup> Annual General Meeting of the company to be held on Thursday, October 30, 2017 at 04:00 p.m. and / or any adjournment there of.

Signed this-----day of-----2017

1. Signature:-----  
 Witness:-----  
 Name:-----  
 Address:-----  
 -----  
 C.N.I.C. No:-----  
 Passport No.:-----



The Signature should agree with the specimen registered with the company

2. Signautre:-----  
 Witness:-----  
 Name:-----  
 Address:-----  
 -----  
 C.N.I.C. /Passport No.:-----

**NOTES:**  
 A member of the Company entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company, duly completed at our shares registrar transfer agent BMF Consultants Pakistan (Pvt.) Ltd. Anum Estate, Room No. 310 & 311, 3<sup>rd</sup> Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, Adjacent to Baloch Colony Bridge, Karachi, Pakistan. not less than 48 hours before the meeting. CDC account holders will further have the following guidelines as laid down by the Securities & Exchange Commission of Pakistan.

- a. For Attending Meeting:
  - i. In case of individual, the account holder of sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (CNIC) or original passport at the time or attending the meeting.
  - ii. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.
- b. For Appointing Proxies.
  - i. In case of individual, the account holder of sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
  - ii. Two persons, whose names, addresses and CNIC numbers shall be mentioned on the form to witness the proxy.
  - iii. Attested copies of CNIC or passport of the beneficial owners and proxy shall be furnished with the proxy form.
  - iv. The proxy shall produce his/her original CNIC or original passport at the time of meeting.
  - v. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) alongwith the proxy form of the Company.

نتیجہ:

ہم آخر میں اللہ تعالیٰ رحمن و رحیم سے دعا کرتے ہیں اور حضرت محمد ﷺ سے فضل و کرم کی دعا مانگتے ہیں کہ ہماری کمپنی، ہمارے ملک کو ترقی و طاقت عطا کرے، ہم اللہ تعالیٰ سے یہ بھی دعا کرتے ہیں کہ وہ تمام مسلم ائمہ کے مابین صحیح اسلامی جذبہ، اخوت اور بھائی چارگی پیدا کرے۔ آمین ثناء آمین۔

بورڈ آف ڈائریکٹرز کی جانب سے



سید محمد انوار

چیف ایگزیکٹو آفیسر

کراچی؛

مورخہ: 29 ستمبر 2017ء



### آڈٹ کمیٹی کی میٹنگ:

دوران سال آڈٹ کمیٹی کی چار میٹنگز منعقد ہو چکی ہیں، ان میٹنگز میں درج ذیل ممبران نے شرکت کی ہے:

ممبران کے نام:	میٹنگز میں شرکت کرنے کی تعداد:
جناب عزیز الحق	4
جناب اشتیاق احمد	4
جناب غضنفر بابر صدیقی	4

ہیومن ریسورسز اور اجرت کے بارے میں کمیٹی میٹنگ:

دوران سال ایچ آر کمیٹی کی صرف ایک میٹنگ منعقد کی گئی، اس میٹنگ میں درج ذیل ممبران نے شرکت کی:-

ممبران کے نام:	میٹنگز میں شرکت کرنے کی تعداد:
جناب عزیز الحق	1
سید محمد انوار	1
اشتیاق احمد	1

### آڈٹرز کی تقرری:

موجودہ آڈٹرز میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس ریٹائر ہو رہے ہیں انہوں نے 30 جون 2018ء کو ختم ہونے والے سال کیلئے بطور آڈٹرز دوبارہ تقرری کیلئے اپنی خدمات کی پیشکش کی۔

آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کو آنے والے سال کیلئے کمپنی کے آڈٹرز کے طور پر تقرری کی سفارش کی ہے۔

### اظہار تشکر:

بورڈ اپنے محترم شیئر ہولڈرز و فاقی اور صوبائی حکومت میں کام کرنے والوں، بینکس، ڈیولپمنٹ فنانشل انسٹی ٹیوشن اور کسٹمرز کا ان کی جانب سے مستقل تعاون اور سپورٹ پر شکریہ ادا کرنا چاہتے ہیں۔

بورڈ اپنے ایگزیکٹو اسٹاف ممبرز اور کمپنی کے ورکرز کا بھی شکریہ ادا کرنا چاہتے ہیں اور ان کی کوششوں کے لئے یہ تحسین آمیز کلمات ریکارڈ پر رکھنا چاہتے ہیں۔

(ش) ٹیکسز، ڈیوٹیز اور دیگر چارجز کے اکاؤنٹ پر کوئی ادائیگی واجب الادا نہیں ہے جو کہ مالیاتی سال سے متعلق ہے۔

(ص) کمپنی کے شیئر ہولڈنگ کا طریقہ کار 30 جون 2017ء منسلک ہے۔

(ض) پروویڈنٹ فنڈ کی سرمایہ کاری کی ویلیو کا انحصار ان کے متعلقہ اکاؤنٹس مبلغ 148.287 ملین پر ہے۔

ڈویڈنڈ:

بورڈ اس پوزیشن میں نہیں ہے کہ وہ زیر جائزہ مدت کے لئے ڈویڈنڈ کی سفارش کرے۔

کمپنی شیئرز میں تجارت:

کوئی بھی ڈائریکٹرز، سی ایف او، کمپنی سیکریٹری، ان کی بیگمات و بچے سال کے دوران کمپنی کے شیئرز میں کوئی تجارت نہیں کرتے ہیں جس کا انکشاف شیئر ہولڈنگ کے طریقہ کار میں پہلے ہی درج کر دیا گیا ہے۔

بورڈ کی میٹنگ:

دوران سال بورڈ آف ڈائریکٹرز کی آٹھ میٹنگز منعقد ہو چکی ہیں، ان میٹنگز میں درج ذیل ڈائریکٹرز نے شرکت کی ہے:

ڈائریکٹرز کے نام: میٹنگز میں شرکت کرنے کی تعداد:

7	دیوان محمد یوسف فاروقی
-	دیوان عبدالرحمان فاروقی
7	جناب ہارون اقبال
8	سید محمد انور
8	جناب عزیز الحق
8	جناب غضنفر بار صدیقی
7	جناب اشتیاق احمد
8	جناب وسیم الحق انصاری

19 اگست 2016ء کو بورڈ میں ہونے والی اتفاق آسامی کو ڈائریکٹرز نے 30 اگست 2016ء میں پوری کر دی۔



انتظامیہ کی رائے کے مطابق آئی پی او کو منتظمین نے بند نہیں کیا تھا لہذا آئی ایف سی جاری نہیں کی جاسکی۔ ہم نے انہیں دوبارہ ترمیم کیلئے نظر ثانی کی پیشکش کی تھی اور پوری امید ہے کہ یہ مستقبل قریب میں حل ہو جائے گا۔ یہاں یہ بھی تحریر کرنا ضروری ہے کہ تقریباً 27% قرضہ جات پر نظر ثانی کی جا چکی ہے۔

مارک اپ کیلئے قواعد:

کمپنی نے مارک اپ مبلغ 356.489 ملین روپے کا حساب درج نہیں کیا جو کہ اس کے سودی قرضہ جات پر لگانا ضروری تھا۔

انتظامیہ نے طویل مدتی قرضہ جات کے سلسلے میں اپنے بینکرز/مالیاتی اداروں سے رابطہ قائم کیا ہے اور انتظامیہ کو یقین ہے کہ کمپنی کی یہ تجاویز جو کہ انتظامیہ نے دی ہے اسے مالیاتی ادارے/بینکرز منظور کر لیں گے۔ لہذا کمپنی نے مارک اپ درج نہیں کیا ہے کیونکہ مارک اپ کی ادائیگی نہیں کی جائے گی۔

مفروضہ سے متعلق امور:

آڈیٹرز نے کمپنی کی کاروباری صلاحیت کے متعلق تشویش پر پیرا گراف کا اضافہ کیا ہے۔ انتظامیہ کی رائے کے مطابق کمپنی کی تجاویز کو مالیاتی ادارے/بینکر قبول کر لینے اور اس کی بنیاد پر مالیاتی حسابات تیار کئے گئے ہیں۔

نظم و ضبط کا اسٹیٹمنٹ اور مالیاتی رپورٹنگ کا فریم ورک:

ہم رپورٹ دینا چاہتے ہیں کہ آپ کی کمپنی مکمل طور پر نظم و ضبط پر عمل پیرا ہے جو کہ پاکستان اسٹاک ایکسچینج کی لسٹ میں شامل ہے۔

(الف) کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے کاروباری نتائج، نقد رقم کی ترسیل اور حصص میں رد و بدل کی شفاف عکاسی کرتے ہیں۔

(ب) کمپنی کے کھاتے مناسب طریقہ سے تیار کئے جاتے ہیں۔

(ج) مناسب محاسبی پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ محاسبی کے اندازے ماہرانہ اور محتاط فیصلوں پر مبنی ہوتے ہیں۔

(د) مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات، جو کہ پاکستان میں نافذ العمل ہیں، ان کی پیروی کی گئی ہے۔

(ه) اندرونی کنٹرول کے نظام منظم ہیں اور اس کی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔ اس کے پراسس کا جائزہ مستقل رہے گا اور کنٹرول میں کسی بھی کمزوری کو دور کر دیا جائے گا۔

(و) آنے والے سالوں میں کمپنی کے کاروباری تسلسل پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں جیسا کہ مالیاتی حسابات کے نوٹ نمبر 3 میں تفصیل درج کی گئی ہے۔

(ز) نظم و ضبط کے حوالے سے کوئی بھی مواد قانون کے خلاف نہیں ہے جس کی تفصیلات لسٹ میں دی گئی ہے۔

(س) گزشتہ چھ سالوں کے لئے کمپنی کے اہم آپریٹنگ اور مالیاتی تفصیلات منسلک ہیں۔

مقامی فروختگی کے حجم میں 5 فیصد اضافہ کے باوجود کمپنی کی فروختگی میں صرف 0.7 فیصد اضافہ ہوا جس کی وجہ سے 5 فیصد ایکسٹرنل ڈیولپمنٹ کا بڑھ کر ایک ہزار روپے فی ٹن مقرر کیا جاتا ہے۔ جس کی وجہ سے مقامی فروختگی میں نمایاں حد تک کمی آئی۔ ہماری برآمدات بھی صنعتی رجحان کی طرح رہی جو کہ کمی کی طرف جاتی ہوئی نظر آئی۔ پچھلے سال کی نسبت کمپنی کی فروختگی 0.2 فیصد کم رہی۔ کلنٹر اور سمیٹ کی پہلے سے زیادہ پیداوار، پیداواری قیمت میں 1 فیصد اضافے کا سبب بنی جو کہ اس سے بھی زیادہ ہو سکتی تھی لیکن ہماری ویسٹ ہیٹ ریکوری میں کمی کی وجہ سے بجلی کی قیمت میں کمی کا سبب بنی۔ ان دونوں عوامل کی وجہ سے کمپنی کا خام منافع پچھلے سال کی نسبت 4 فیصد کم رہا۔

### مستقل کا نظریہ:

سیمنٹ سیکٹر میں انفراسٹرکچر کی ترقی بے حد فائدہ مند ہے۔

کم افراط زر اور منافع کے ریٹس، کونسلے کی قیمتوں میں استحکام نے اقتصادی ماحول فراہم کیا ہے جبکہ سیاسی صورتحال کے تحت میکرو اکنامک مستقل طور پر مستحکم ہے۔

پیداواری صلاحیت کے حوالے سے استعمال کا تناسب %87 تک پہنچ چکا ہے جس میں پورے پاکستان میں اضافی سیمنٹ پلانٹس کی شروعات ہو رہی ہے۔ سی پی ای سی (چائنا پاکستان اقتصادی راہداری) نے اپنی جڑیں مضبوط کی ہیں اور الیکشن کے سال 2018ء کے سبب گورنمنٹ کے اخراجات میں اضافہ ہوگا، اسی لئے مقامی مارکیٹ میں ڈبل ڈیکٹس کی پیداوار مستقل رہے گی۔

سیمنٹ کے لیگل سٹریٹجی کے حوالے سے برآمدات متوقع ہے جو کہ ایکسپورٹ مارکیٹ میں کرنسی کی دوبارہ ویلیویشن کی وجہ سے ہے۔ برآمدات کی طلب میں کمی متوقع ہے جس کی وجہ سے کرنسی کی قدر میں کمی ہے۔

### جاری مقدمہ سازی:

جہاں تک مالیاتی حسابات میں قرض دہندگان کے متعلق سوال ہے تو اس سلسلے میں وصولی کیلئے کئی مقدمے پینکس / مالیاتی اداروں نے دائر کئے ہوئے ہیں اور ان مقدموں کا دفاع وکلاء حضرات کا میا بی سے کر رہے ہیں مزید یہ کہ پینکس ان کیسز پر جو کہ زیر سماعت ہیں توجہ نہیں دے رہے ہیں۔ وکلاء نے ان مقدمات کے سلسلے میں اپنی رائے داخل کی ہے اس کا جائزہ لیا جا رہا ہے تاکہ ان مقدمات کا کامیابی سے دفاع کیا جاسکے۔

### آڈیٹرز رپورٹ کا جائزہ:

آڈیٹرز نے درج ذیل بنیاد پر اپنی رپورٹ مکمل کی ہے جس کی وضاحت درج ذیل ہے:

### پری آئی پی او انویسٹمنٹ کے لئے ایڈوانس:

آڈیٹرز انتظامیہ کے ساتھ پری آئی پی او انویسٹمنٹ کیلئے ایڈوانس کی درجہ بندی مبلغ 3,110 ملین روپے بطور طویل مدتی قرضہ جات پر متفق نہیں ہیں۔



کمپنی کے ڈائریکٹرز خصوصی امور میں بالواسطہ یا بلاواسطہ کوئی دلچسپی نہیں رکھتے جو باجوہ یکہ کمپنی کے آرٹیکلز آف ایسوسی ایشن کے مذکورہ بالا پروویژن کمپنیز ایکٹ ۲۰۱۷ کی پروویژن کی طرح مستحکم کرنے اور کمپنی کے کاروبار کی سہولت کے مفاد میں کام کرنے کے خواہشمند ہیں اور بورڈ آف ڈائریکٹرز مجموعی طور پر کام کر رہے ہیں۔

کمپنی کے آرٹیکلز آف ایسوسی ایشن کی کلاز 119 میں ترمیم  
 ”قرار پایا کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن کی کلاز 119 کی مجوزہ تبدیلی حسب ذیل ہے:

کمپنی کے آرٹیکلز آف ایسوسی ایشن کی کلاز 119 میں مجوزہ تبدیلی	کمپنی کے آرٹیکلز آف ایسوسی ایشن کی حالیہ کلاز 119
”کمپنی کے ڈائریکٹرز/چیف ایگزیکٹو آفیسرز کا مشاہیرہ کمپنی کا بورڈ آف ڈائریکٹرز وقتاً فوقتاً بورڈ کے اجلاس میں طے کریگا	ڈائریکٹرز کا مشاہیرہ کمپنی اجلاس عام میں وقتاً فوقتاً آرڈیننس کی پروویژن کے مطابق طے کریگی



### کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 134(3) کے تحت گوشوارہ

یہ گوشوارہ دیوان سینٹ لمیٹڈ (کمپنی یا ڈی سی ایل) کے پیر 30 اکتوبر 2017ء کو شام چار بجے دیوان سینٹ لمیٹڈ پلانٹ سائیٹ - دیہہ ڈھنڈو دھانجی ضلع ملیر کراچی پاکستان کے نوٹس ہذا کے ہمراہ ارسال کیا جا رہا ہے اور اجلاس ہذا میں انجام دیئے جانے والے خصوصی امور سے متعلق ٹھوس حقائق پر مبنی ہے۔  
خصوصی امور

#### 1- سالانہ رپورٹس کی بذریعہ ڈی/ڈی وی ڈی/یو ایس بی ترسیل

سیکیورٹیز اینڈ ایکس چینج کمیشن آف پاکستان نے بذریعہ ایس آر 470(1)/2016 مورخہ 31 مئی 2016ء کمپنیوں کو اجلاس عام میں شیئر ہولڈرز کی رائے حاصل کرنے کے بعد سالانہ آڈٹ شدہ اکاؤنٹس، اجلاس عام کے نوٹس اور کمپنی کی دیگر معلومات بذریعہ ڈی/ڈی وی ڈی/یو ایس بی ممبران کو ارسال کرنے کی اجازت دیدی ہے۔ اس سے وقت اور سالانہ رپورٹس کی اشاعت پر آنے والے اخراجات کی بچت ہوگی۔ تاہم کمپنی شیئر ہولڈرز کے طلب کرنے پر ایک ہفتہ کے اندر بلا معاوضہ مذکورہ دستاویزات کی ہارڈ کاپی فراہم کر دیگی۔ شیئر ہولڈرز کی منظوری پر کمپنی ان دستاویزات کی ہارڈ کاپی کیلئے ویب سائٹ پر ایک اسٹینڈرڈ ریگولیشن فارم مع کمپنی سیکریٹری/شیئر رجسٹرار کے ای۔میل ایڈریس جاری کر دیگی جو اس درخواست پر عمل کریں گے۔

کمپنی کے ڈائریکٹرز خصوصی امور میں اپنی حصص یافتہ ہونے اور ڈائریکٹر کے طور پر حیثیت کے علاوہ کوئی دلچسپی نہیں رکھتے۔ ”قرار پایا کہ 30 جون 2018ء کو مکمل ہونے والے سال کیلئے اور آئندہ ممبران کو سالانہ آڈٹ شدہ مالی گوشواروں، اجلاس عام کے نوٹس اور دیگر معلومات و اطلاعات کی اصل کاپی کی بجائے بذریعہ ڈی/ڈی وی ڈی/یو ایس بی ترسیل کیلئے دیوان سینٹ لمیٹڈ (کمپنی) کے ممبران کی رائے اور منظوری حاصل کی جائے۔“

#### 2- کمپنی کے آرٹیکلز آف ایسوسی ایشن میں تبدیلی کے ضمن میں مندرجہ ذیل مجوزہ خصوصی قرارداد پر غور و خوض اور موزوں پانے پر منظوری اور قرارداد پاس کرنا۔

##### (i) کمپنی کے آرٹیکلز آف ایسوسی ایشن کی کلاز 119 کا اضافہ

ای وونگ کی ضروریات اور شقوق بشمول ریگولیشن اتھارٹی کی جانب سے وقتاً فوقتاً پروکسی کی تقرری کی دستاویز کو ان آرٹیکلز میں شامل کیا جائیگا جو آرٹیکلز آف ایسوسی ایشن کے دیگر پروویژنز کے علاوہ اور کسی کی تردید کے بغیر ہوں گے۔

”مزید قرار پایا کہ ای وونگ کی صورت میں غیر ممبرز کی بطور پروکسی تقرری کی منظوری دی جاتی ہے“

##### (ii) ”مزید قرار پایا کہ مندرجہ بالا پاس کردہ قرارداد کے سلسلہ میں اور ریگولیشن سے ضروری منظوری کے بعد اور اسی طرح کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم/اضافہ اور تبدیلی کیلئے دفعہ 134(3) کے تحت ممبران کو پیش گوشوارہ اور فارم

قرارداد ہذا کے جزو ہونے کی منظوری دی جاتی ہے۔“

ب- برائے پروکسی کی تقرری:

- (i) انفرادی اکاؤنٹ ہولڈر یا سب/اکاؤنٹ ہولڈر اور/یا جس فرد کی سیکورٹیز گروپ اکاؤنٹ اور میں ہو اور ان تک رجسٹریشن تفصیلات تو امد کے مطابق اپ لوڈ ڈھوں اس کو پروکسی فارم حسب بالا جمع کرانا ہوگا۔
- (ii) پروکسی فارم پر دو افراد کی گواہی ہونی چاہئے جن کے نام پتے اور قومی شناختی کارڈ نمبر فارم میں درج ہوں۔
- (iii) سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پروکسی فارم کے ہمراہ منسلک ہونی چاہئے۔
- (iv) پروکسی کو اجلاس کے موقع پر اصل سی این آئی سی یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ اکائی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد شخص کے دستخط کا نمونہ پروکسی فارم کے ہمراہ پیش کرنا ہوگا۔

6- قومی شناختی کارڈ کی کاپی فراہم نہ کرنے والے شیئر ہولڈرز کو نوٹس

جن ممبران نے ابھی تک قومی شناختی کارڈ کی فوٹو کاپیاں کمپنی کو پیش نہیں کی ہیں ان سے دوبارہ درخواست ہے کہ جلد از جلد داخل کرادیں تاکہ سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان کے ایس آر او نمبر 83(1)2012 مورخہ 5 جولائی 2012ء کی تعمیل میں ڈیویڈنڈ وارنٹس پر اندراج کیا جاسکے۔ لسٹڈ کمپنیوں کیلئے لازمی ہے کہ رجسٹرڈ حصص یافتگان یا مختار نمائندوں کو سی این آئی سی نمبر ڈیویڈنڈ وارنٹس پر درج کیا جائے۔ لہذا بلا تاخیر سی این آئی سی کی تصدیق شدہ کاپی ہمارے شیئر رجسٹرار کو فراہم کرنے کی ہدایت کی جاتی ہے۔

6- مینڈیٹ برائے ای-ڈیویڈنڈ

نقد منافع منقسمہ کی ادائیگی کے عمل کو زیادہ موثر بنانے کی غرض سے ای-ڈیویڈنڈ طریقہ کار کا آغاز کیا گیا ہے جس کے ذریعے شیئر ہولڈرز کو بلا کسی تاخیر کے اپنے متعلقہ بینک اکاؤنٹس میں منافع منقسمہ کی رقم الیکٹرونک جمع کردہ مل جائے گی۔ اس طرح منافع منقسمہ جات متعلقہ بینک اکاؤنٹ میں فوراً کریڈٹ کر دیئے جائیں گے اور منافع منقسمہ کے وارنٹس کی ڈاک میں گمشدگی، بلا تقسیم واپس آ جانے یا غلط پتے پر ڈیویڈنڈ وغیرہ ہونے کے امکانات نہیں ہوں گے۔ سیکورٹی اینڈ ایکس چینج کمیشن آف پاکستان (SECP) نے بذریعہ نوٹس نمبر 8(4)SM/CDC 2008 مورخہ 05 اپریل 2013ء تمام لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ ای-ڈیویڈنڈ طریقہ کار کا اختیار کریں اس بنا پر کہ شیئرز ہولڈرز کیلئے یہ سود مند رہے گا۔ مندرجہ بالا کے پیش نظر آج سے گزارش کی جاتی ہے کہ آپ ڈیویڈنڈ مینڈیٹ فارم پر شدہ اور دستخط شدہ ہونے پر فراہم کرتے ہوئے ای-ڈیویڈنڈ کے حق میں ایک ڈیویڈنڈ مینڈیٹ فراہم کریں۔

7- مالی گوشواروں وغیرہ کی الیکٹرونک ترسیل

سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان (ایس ای سی پی) نے بذریعہ 787(1)2014 مورخہ 8 ستمبر 2014ء کمپنیوں کو سالانہ جائزہ اجلاس کے نوٹس کے ہمراہ آڈٹ شدہ مالیاتی گوشوارے بذریعہ ای-میل اپنے ممبران کو ارسال کرنے کی اجازت دیدی ہے۔ لہذا ممبران سے درخواست ہے کہ آڈٹ شدہ مالی گوشواروں اور نوٹس کو بذریعہ ای-میل وصولی کیلئے اپنی رائے اور ای میل ایڈریس فراہم کریں۔ اس سہولت سے استفادہ کیلئے اسٹیٹڈ ریکورڈنگ فارم کمپنی کی ویب سائٹ <http://www.yousufdewan.com./DCL/index.html> پر دستیاب ہیں۔



”قرار پایا کہ ڈائریکٹر ہارون اقبال یا کمپنی سیکریٹری محمد حنیف جرمین کو قرارداد ہذا پر عملدرآمد کیلئے تمام اقدامات کارروائیاں اور قانونی دستاویزات کی تیاری اور اتفاقی اور ضروری امور انجام دینے کا اختیار دیا جاتا ہے۔“  
کمپنیز ایکٹ 2017ء کی دفعہ 134(3) کے تحت خصوصی امور سے متعلق گوشوارہ نوٹس ہذا کے ہمراہ ممبران کو ارسال کیا جا رہا ہے جو اس کا جزو قرار پایا ہے۔

بحکم بورڈ

محمد حنیف جرمین  
کمپنی سیکریٹری

کراچی - 01 اکتوبر 2017ء

نوٹس:

- 1- کمپنی کی منتقلی حصص کی کتب 23 اکتوبر تا 30 اکتوبر 2017ء (دونوں دن شامل) بند رہے گی۔
- 2- ممبران سے درخواست ہے کہ پتہ میں کسی قسم کی تبدیلی سے فوری طور پر ہمارے شیئرز رجسٹرار ٹرانسفر ایجنٹ بی ایم ایف کنسلٹنٹس پاکستان (پرائیویٹ) لمیٹڈ انعم اسٹیٹ بلڈنگ، کمرہ نمبر 310 اور 311 تھرڈ فلور 49- دارالامان سوسائٹی مین شاہراہ فیصل متصل بلوچ کالونی پل - کراچی پاکستان کو مطلع کریں۔
- 3- اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کے لئے دوسرے ممبر کو اپنا پروکسی مقرر کر سکتا ہے۔ تاہم پروکسی کی تقرری کی دستاویز اجلاس ہذا کے انعقاد سے کم از کم اڑتالیس گھنٹے قبل کمپنی کو مندرجہ بالا پتہ پر مل جانی چاہیے۔
- 4- سی ڈی سی اکاؤنٹ ہولڈروں کو مزید برآں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر I مورخہ 20 جنوری 2000ء میں درج مندرجہ ذیل ہدایات پر عمل کرنا ہوگا۔

الف- برائے اجلاس میں شرکت

- (i) انفرادی اکاؤنٹ ہولڈر یا سب/اکاؤنٹ ہولڈر اور/یا اس فرد کو جس کی سیکورٹیز گروپ اکاؤنٹ میں ہو اور ان کی رجسٹریشن تفصیلات قواعد کے مطابق اپ لوڈ ہوں اس کو اجلاس میں شرکت کے موقع پر اپنی شناخت کے موقع پر اپنا اصل کمپیوٹرائیزڈ قومی شناختی کارڈ (سی این آئی سی) کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (ii) کارپوریٹ اکائی کی صورت میں اجلاس کے موقع پر بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی معہ نامزد فرد کے دستخط کا نمونہ پیش کرنا ہوگا۔

## سالانہ اجلاس عام

مطلع کیا جاتا ہے کہ دیوان سینٹ لمیٹڈ (ڈی سی ایل یا کمپنی) کا اڑتیسواں سالانہ اجلاس عام پیر 30 اکتوبر 2017ء کو شام چار بجے دیوان سینٹ لمیٹڈ۔ فیکٹری سائٹ واقع دیہہ ڈھنڈو-دھانجی-ضلع ملیر کراچی پاکستان میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائیگا۔ اجلاس کا آغاز تلاوت کلام پاک سے ہوگا۔

### عمومی امور

- 1- کمپنی کے سالانہ اجلاس عام منعقدہ پیر 30 جنوری 2017ء کی کارروائی کی توثیق۔
- 2- 30 جون 2017ء کو مکمل ہونے والے سال کے لئے آڈٹ شدہ سالانہ مالی گوشواروں مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔
- 3- آئندہ سال کے لئے کمپنی کے آڈیٹرز کی تقرری اور ان کے مشاہیرہ کا تعین۔
- 4- چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

### خصوصی امور:

- 1- کمپنی کے آرٹیکلز آف ایسوسی ایشن میں دفعہ 134(3) کے تحت گوشوارہ میں درج تفصیلات کے مطابق ترمیم/اضافہ پر غور و خوض اور موزوں پانے پر منظوری۔
- 2- سالانہ آڈٹ شدہ اکاؤنٹس کی کسی منظور شدہ ذریعہ سے منتقلی اور ای۔ ووٹنگ کی صورت میں کسی غیر ممبر کی بطور پروکسی تقرری کیلئے شیئر ہولڈرز کی رائے کے حصول کے ضمن میں مندرجہ ذیل خصوصی قرارداد ترمیم بلا ترمیم پاس کرنا۔
- 3- کمپنی کے آرٹیکلز آف ایسوسی ایشن میں دفعہ 134(3) کے تحت گوشوارہ میں درج تفصیلات کے مطابق ترمیم/اضافہ پر غور و خوض اور موزوں پانے پر منظوری۔
- سالانہ آڈٹ شدہ اکاؤنٹس کی کسی منظور شدہ ذریعہ سے منتقلی اور ای۔ ووٹنگ کی صورت میں کسی غیر ممبر کی بطور پروکسی تقرری کیلئے شیئر ہولڈرز کی رائے کے حصول کے ضمن میں مندرجہ ذیل خصوصی قرارداد ترمیم بلا ترمیم پاس کرنا۔
- ایس آر او 470(1) مورخہ 31 مئی 2016ء جاری کردہ سکیورٹیز اینڈ ایکسچینج آف پاکستان کے تحت سالانہ آڈٹ شدہ مالی گوشواروں، اجلاس عام کے نوٹسز اور دیگر معلومات و اطلاعات کی بذریعہ ڈی یا ڈی وی ڈی یا یو ایس بی ترسیل کیلئے شیئر ہولڈرز کی منظوری حاصل کرنے کیلئے مندرجہ ذیل قرارداد ترمیم بلا ترمیم پاس کرنا۔
- ”قرار پایا کہ 30 جون 2018ء کو مکمل ہونے والے سال کیلئے اور آئندہ ممبران کو سالانہ آڈٹ شدہ مالی گوشواروں، اجلاس عام کے نوٹسز اور دیگر معلومات و اطلاعات کی اصل کاپی کی بجائے بذریعہ ڈی یا ڈی وی ڈی یا یو ایس بی ترسیل کیلئے دیوان سینٹ لمیٹڈ (کمپنی) کے ممبران کی رائے اور منظوری حاصل کی جائے۔“
- ”مزید قرار پایا کہ ای ووٹنگ کی صورت میں غیر ممبر کی بطور پروکسی تقرری کی منظوری دی جاتی ہے“
- ”مزید قرار پایا کہ مندرجہ بالا پاس کردہ قرارداد کے سلسلہ میں اور ریگولیشن سے ضروری منظوری کے بعد اور اسی طرح کمپنی کے آرٹیکلز اور ایسوسی ایشن میں ترمیم/اضافہ اور تبدیلی کیلئے دفعہ 134(3) کے تحت ممبران کو پیش گوشوارہ اور فارم قرارداد ہذا کے جزو ہونے کی منظوری دی جاتی ہے۔“



## پراکسی فارم

میں / ہم \_\_\_\_\_ کی جانب سے \_\_\_\_\_ بحیثیت دیوان سینٹ کے ممبران اور \_\_\_\_\_ عام حصص یافتہ فی حصص اندراج فولیو نمبر \_\_\_\_\_ اور  
ایا CDS شراکاء آئی ڈی نمبر \_\_\_\_\_ اور سب اکاؤنٹ نمبر \_\_\_\_\_ اپنی طرف سے \_\_\_\_\_ کو بطور پراکسی نامزد کرتے ہیں۔ یہ میری / ہماری جانب سے  
بیر مورخہ 30، اکتوبر 2017ء، دوپہر 4:00 بجے منعقدہ کمپنی کی 38 ویں سالانہ عمومی میٹنگ میں ووٹ دینے کے مجاز ہیں۔

دستخط برائے \_\_\_\_\_ بتاریخ \_\_\_\_\_ 2017ء

_____	دستخط	۱۔
_____	گواہ	۲۔
_____	نام	
_____	پتہ	
_____	شناختی کارڈ نمبر	
_____	پاسپورٹ نمبر	

### نوٹس

کمپنی کا ممبر میٹنگ میں حاضر ہونے اور ووٹ دینے کا اختیار کسی دوسرے کو بطور پراکسی دے سکتا ہے۔ مکمل ہر ہونے پراکسی فارم میٹنگ کے شروع ہونے سے 48 گھنٹے پہلے تک ہمارے  
شیئر ٹرانسفر ایجنٹ بی ایم ایف کنسلٹنٹس پاکستان پرائیویٹ لمیٹڈ کو ذیل درج پتے پر موصول ہو جانے چاہیں۔ انعام اسٹیٹ روم نمبر 310، 311، تیسری منزل، دارالامان سوسائٹی، شاہراہ  
فیصل زرد بلوچ کالونی ٹیل۔

CDC اکاؤنٹ ہولڈرز کے لئے سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی روشنی میں درج ذیل ہدایات پر عمل کرنا ضروری ہے۔

### a۔ میٹنگ میں حاضری کے لئے

i کسی ایک فرد کے معاملے میں اکاؤنٹ ہولڈر اپنی شناخت ثابت کرنے کے لئے اپنے ہمراہ قومی شناختی کارڈ یا قومی پاسپورٹ لائیں گے۔  
ii میٹنگ میں کارپوریٹ کی نمائندگی کے معاملے میں اپنے ہمراہ بورڈ آف ڈائریکٹرز کی جانب سے دی گئی پاور آف اٹارنی لائیں گے جس میں نامزد کردہ شخص کے حق میں تمام  
بورڈ کے ممبران کے دستخط ہونگے۔

- پراکسی کی نامزدگی کے لئے:

i کسی ایک فرد کے معاملے میں میٹنگ میں شرکت کے لئے اکاؤنٹ ہولڈر اور سب اکاؤنٹ ہولڈر اور وہ شخص جس کے حصص گروپ اکاؤنٹ میں موجود ہیں اپنے ہمراہ  
پراکسی فارم لیکر آئیں گے۔

ii کسی دو اشخاص کے معاملے میں فارم پر دونوں کے قومی شناختی کارڈ نمبر اور ایڈریس پراکسی فارم پر موجود ہونے چاہیں۔

iii نامزد کردہ پراکسی اور اصل شیئر ہولڈر کے شناختی کارڈ کی تصدیق شدہ نقول لازمی ساتھ ہونی چاہیں

iv نامزد کردہ پراکسی میٹنگ میں شمولیت کے وقت اپنے ہمراہ اصل شناختی کارڈ / پاسپورٹ لیکر آئیں گے۔

v میٹنگ میں کارپوریٹ کی نمائندگی کے معاملے میں اپنے ہمراہ بورڈ آف ڈائریکٹرز کی جانب سے دی گئی پاور آف اٹارنی لائیں گے جس میں نامزد کردہ پراکسی شخص کے حق









میں تمام بورڈ کے ممبران کے دستخط ہونگے اور پراکسی فارم بھی لازمی ہے۔









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