BESTWAY
BESTWAY CEMENT

BUILDING ON STRENGTH

BESTWAY CEMENT LIMITED

ANNUAL REPORT | 2018

BESTWAY CEMENT LIMITED

Building on Strength

BESTWAY CEMENT

HARDEST
FASTEST
STRONGEST
BEST

Bestway Cement with its consistently superior quality remains the undisputed number one choice of Pakistan.

BUILDING ON STRENGTH

CONTENTS

COMPANY INFORMATION

Board of Directors

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

Audit Committee
Mr. Mohammed Younus Sheikh
Mr. Dawood Pervez
Ms. Najma Naheed Pirzada

Human Resource & Remuneration Committee
Mr. Muhammad Irian A. Sheikh
Mr. Mohammed Younus Sheikh
Mr. Dawood Pervez

Company Secretary
Ms. Sehar Husain

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

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

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

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

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

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

Statutory Auditors
KPMG Taseer Hadi & Co. Chartered Accountants

Legal Advisor
Syed Hassan All Raza,
Advocate High Court

Shares Department
THK Associates (Pvt.) Limited, 1st Floor, 40-C,
Block-6, P.E.C.H.S., Karachi-75400
Tel: +92 (0) 21 111 000 322
Fax: +92 (0) 21 3416827

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 25th Annual General Meeting of Bestway Cement Limited (the Company) will be held at Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad at 11:00 a.m. on Monday, September 24, 2018 to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of Annual General Meeting held on September 28, 2017.

2. To receive, consider and adopt the Annual Audited Financial Statements for the year ended June 30, 2018 together with the Directors' and Auditors' Reports thereon.

3. To approve and declare final cash dividend of 30% in addition to 90% interim dividends already paid for the year ended June 30, 2018, as recommended by the Board of Directors.

4. To appoint auditors of the Company and fix their remuneration for the year ending June 30, 2019. The present auditors M/s KPMG Taseer Hadi & Co. retire and being eligible, offer themselves for reappointment.

5. Any other business with the permission of the chair.

By Order of the Board

September 03, 2018
Islamabad

Sehar Husain
Company Secretary

NOTES

1. The share transfer books of the Company will remain closed from 18-09-2018 to 24-09-2018 (both days inclusive). No transfer will be accepted for registration during this period. Transfers received in order at M/s THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400 upto the close of business on 17-09-2018 will be treated in time to attend the Annual General Meeting and for other entitlements.
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote instead of him/her. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting.

For CDC Account Holders/Corporate Entities:

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

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

VISION

To produce **high quality** cement at the **lowest cost.**

MISSION

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

ENVIRONMENT EXCELLENCE AWARD 2018

CORPORATE SOCIAL RESPONSIBILITY AWARD 2018

PRODUCT PORTFOLIO


BESTWAY CEMENT
BUILDING ON STRENGTH
BESTWAY
BESTWAY
BESTWAY CEMENT LIMITED
PAKCEM
LION

CHAIRMAN'S REVIEW

A YEAR OF SUCCESS

Leading By Example

2017-18 Highlights

On behalf of the Board of Directors, it gives me immense pleasure to place before you the financial statements of Bestway Cement Limited for the year ended 30 June 2018.

Due to the relentless efforts of our management team, Bestway continues to maintain its position as the largest cement manufacturer and market leader in Pakistan. Significant investments have been made in long-term growth drivers including infrastructure and human capital development. We have not only consolidated our leadership position, but the management team led by the Chief Executive has successfully completed work on the brownfield cement plant with a capacity of 6,000 tonnes of clinker per day at Farooqia site ahead of schedule in record time. The plant commenced commercial operations in June 2018. This is only one of numerous initiatives which allow your Company to lead by example.

We are proud to announce our results for the year, reporting a higher turnover despite challenging market and economic dynamics. The Company has reported a gross turnover of Rs. 77.1 billion in the year ended 30 June 2017 compared to Rs. 71.4 billion during last year, an increase of 8%. However, gross profit for the year declined by 16% to Rs. 19 billion. Despite higher volumetric sales in the year, gross margins were adversely impacted by increasing energy costs.

Under the guidance of our Chief executive, we continue to be forerunners in the cement industry focused on minimising environmental externalities and contributing to the country's power generation capacity. After pioneering the use of Waste Heat Recovery Power Plant (WHRPP) at our Chakwal plant in 2009, the Company has since then set up WHRPPs at all its sites. Soon as the new line was set up at Farooqia, WHRPP of 9 MWs capacity is also being established. The project is expected to be fully operational in the third quarter of 2018-19. The project will not only generate power but also reduce emission of waste gases and positively impact the environment.

Your company is on its way to becoming the leader in water conservation as Bestway will be the first in the country to employ the Air Cooled Condenser Systems instead of the conventional water cooled systems. Your Company is also the only ones to start rain harvesting through construction of big rain harvesting reservoirs in order to reduce dependence on underground water. In doing so, your Company will be able to reduce the stress on ever depleting water resources of our country.

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

Sustainability

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

During the year under review the company through its charitable trust, Bestway Foundation, has provided financial assistance of more than Rs. 94.9 million to various educational and health institutions along with supporting indigents of the local community by way of monthly stipends.

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

Governance

Strong governance and transparent reporting are critical to retaining various stakeholders' trust and the long-term creation of value. Our firm commitment to corporate governance best practices enables us in achieving that goal and in managing our risks and opportunities effectively. Accordingly in 2017-18, the Company continued to conduct its operations with integrity and responsibility. Transparency in Bestway's operations has been an area of steady focus and continuous review over the years. All efforts are made to ensure adherence to strict internal standards of conduct as well as prescribed industry regulations.

Outlook

With the changing political landscape and despite facing macroeconomic challenges, Pakistan's economic growth is expected to continue to benefit the cement industry. We are well positioned in the sector to grow with domestic industry demand owing to an increase in infrastructure development including projects like CPEC. However, the upcoming capacity expansions in the industry in the coming years are expected to make it more challenging for existing players to maintain their market shares as well as further weaken pricing power.

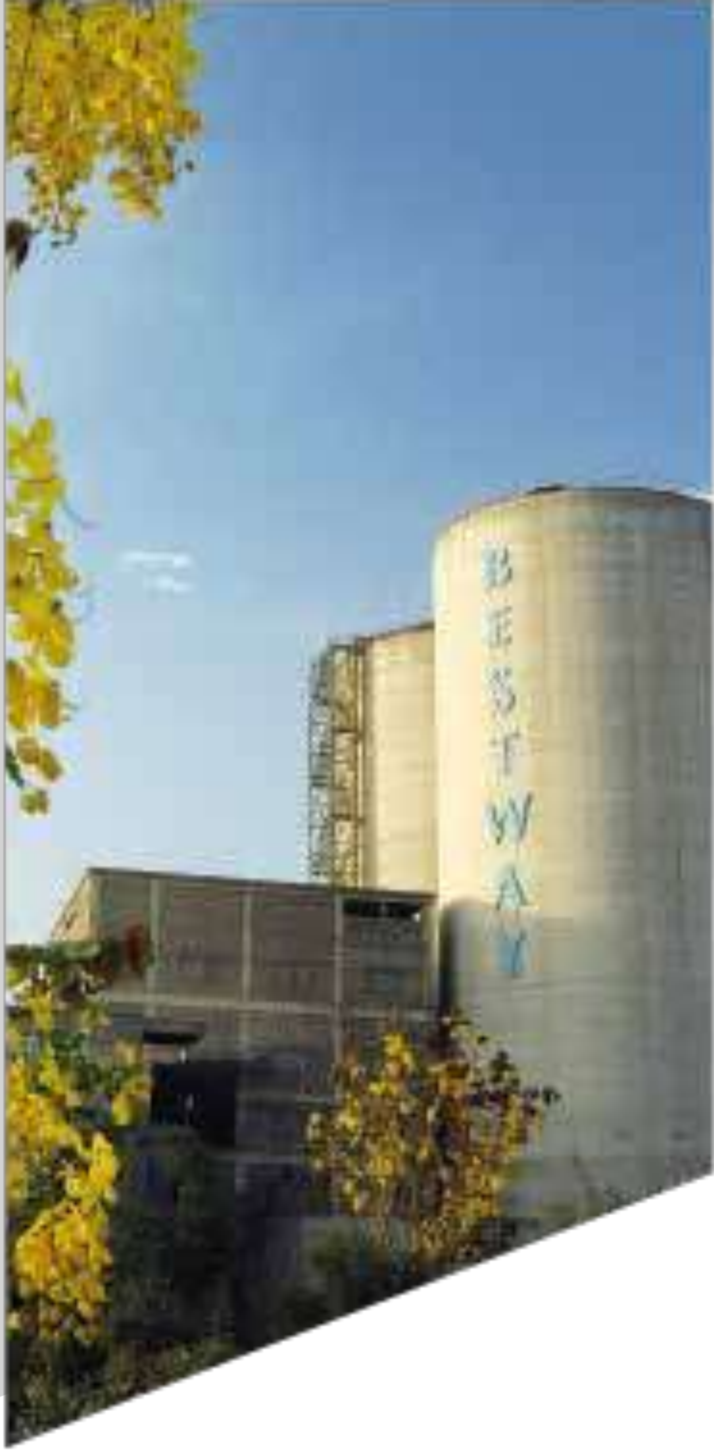
Whilst there are still many challenges ahead including rising inflation, devaluation of the Rupee and increasing international fuel prices, we will strive to drive margin improvement in our business together with delivering value product, consistent with our past achievements.

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

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

Sir Mohammed Anwar Pervez, OBE H Pk
Chairman

DIRECTORS' REPORT



The Board of Directors take pleasure in presenting their report together with audited financial statements for the year ended 30 June 2018 and the Auditors' Report thereon.

Overview of the Economy

According to Economic Survey of Pakistan, GDP growth for the fiscal year ended 30 June 2018 was recorded at 5.8% (2017: 5.3%) and inflation stood at 3.9% (2017: 4.1%). Large scale manufacturing sector recorded a growth of 6.1% (2017: 5.1%) while construction activity in the country remained positive with a growth of 9.0% (2017: 9.0%) primarily driven by the government's focus on infrastructural development. However, depleting foreign exchange reserves and weakening Rupee remained a significant challenge to economic growth.

Industry Overview

On-going infrastructure development and growth in construction activity in general positively benefited the cement sector which resulted in domestic dispatches to grow by 15% from 35.7 million tonnes to 41.1 million tonnes. Exports dispatches grew by 2% from 4.66 million tonnes to 4.75 million tonnes. Overall, cement dispatches by the industry increased by 14% from 40.3 million tonnes to 45.9 million tonnes during the year.

Clinker sales of 0.7 million tonnes were also made during the year compared with 1.8 million in the last year. Overall, dispatches by the industry including clinker registered a growth of 10% during the year.

Declining consistently over the quarters, gross margins have been adversely impacted owing to persistent upward pressure on input costs including rising fuel and energy prices. Sudden currency devaluation coupled with weak pricing power reflecting industry expansion has further decreased margins

Production and Sales Review

	Year ended 30 June 2018	Year ended 30 June 2017	Increase/ (Decrease)	Percentage
	Tonnes	Tonnes	Tonnes	%
Clinker production	8,076,992	8,083,322	6,330	0%
Cement production	8,562,539	7,571,505	991,034	13%
Cement and Xtreme Bond sales	8,590,403	7,478,456	1,111,947	15%
Clinker sales	405,993	850,641	(444,648)	(52%)

Your Company's despatches of cement grew by 15%, marginally higher than the industry growth of 14% during the year. In addition, Bestway's sale of clinker accounted for 60% of clinker sales by the industry as a whole. Despite fierce competition, Bestway successfully retained its share of the market in the North Zone and its position as the largest cement producer and the market leader in the country.

Your Company has also been among the top 100 exporters of Pakistan for the current year dispatching a total of 1.0 million tonnes bringing export proceeds amounting to USD 48 million

Operating Highlights

The Company recorded gross turnover of Rs. 77.1 billion in the year ended 30 June 2018, 8% higher compared to Rs. 71.4 billion during the last year. However, net turnover for the year grew by just 2% from Rs. 51.6 billion to Rs. 52.9 billion. This was primarily due to lower selling prices and higher excise duty and sales tax.

Gross profit for the year declined by 16% to Rs. 19 billion. Despite higher volumetric sales in the year, gross margins were adversely impacted by increasing energy costs.

Financial charges stood at Rs. 0.6 billion for the year against Rs. 0.8 billion for the last year.

Profit before tax amounted to Rs. 15 billion, 20% lower as compared to Rs. 18.7 billion for the year ended 30 June 2017. Profit after taxation also declined by 1% from Rs. 13.3 Billion to Rs. 13.1 billion.

Earnings per share of the Company for the year ended 30 June 2018 were reported at Rs. 22.07 against Rs. 22.29 from last year.

Statement of Financial Position

Total Equity of the Company grew to Rs. 53.3 billion compared to Rs. 47.8 billion for the year ended 30 June 2018.

Your Company continued to discharge its repayment obligations on all types of loans on a timely basis. The Company's long term loan as at 30 June 2018 stood at Rs. 5.5 billion compared to Rs. 10 billion for last year as Rs. 4.5 billion was reclassified as current. There were no long term loan payments due during the year as your Company had already prepaid the current year's installment.

Net current liabilities on 30 June 2018 are reported at negative Rs. 7.2 billion (2017: Net assets Rs. 2 billion) predominantly due to part of the long term debt becoming current and increase in underlying short term borrowings to finance your Company's expansion plans. The Company chose to utilise short term loans for the expansion project in anticipation of surplus cash flows post completion of the project.

Other Investments

United Bank Limited

Your Company's investment in United Bank Limited continues to yield strong returns for the Company. The Bank's profit before tax for the year ended 31 December 2017 stood at Rs. 41.1 billion against Rs. 47.2 billion for last year which represents a decrease of 13%. Profitability during the year was impacted by a one-off accrual of Rs. 8.4 billion with respect to past service pension benefits.

We are delighted to inform you that the bank paid out a cash dividend of 130% for its year ended 31 December 2017 thus providing a return of Rs. 1.2 billion on your investment.

UBL Insurers Limited

Following your Company's investment in UBL Insurers Limited in May 2017, the Company has yielded stable returns during the year. UBL Insurers Limited reported profit before tax for the year ended 31 December 2017 of Rs. 247.4 million against Rs. 196.3 million for last year which represents an increase of 26%.

Contribution to the National Exchequer

Bestway Cement is among the largest taxpayers in the country. During the year under review, your Company's contribution to the exchequer amounted to more than Rs. 26.4 billion on account of income tax, sales tax and excise duty. In addition, your Company pays large amounts in the form of various indirect taxes to the federal, provincial and local governments.

Capacity Expansion

Work on the brownfield cement plant with a capacity of 6,000 tonnes of clinker per day at Farooqia site has been completed ahead of schedule within fifteen months, which is record time to date. The plant commenced commercial operations in June 2018 and is contributing towards fulfilling growing demand for cement, allowing your Company to maintain its position as the market leader amidst capacity expansions by its competitors.

Plants' Performance

Your Company's management follows an elaborate plan of preventative maintenance, which it has adopted right from the beginning. This proactive approach ensures efficient and stable operations with minimum disruptions. Our well-knit team of dedicated managers, engineers, technicians and other members of management and administrative staff play a key role in the successful implementation of this plan.

During the year under review, all our cement plants and the waste heat recovery plants operated satisfactorily. Your Company achieved average capacity utilisation of 98% during the year.

Return to Shareholders

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

Alternative Energy and CPP Initiatives

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

Soon as the new line was set up at Farooqia, the WHRPP is being established. The project is expected to be fully operational in the third quarter of 2018-19. The project will not only generate power, but also reduce emission of waste gases and positively impact the environment.

This is an important step in energy conservation for your Company, making it a forerunner in adopting WHR technology at all its operations. These projects serve to significantly reduce the Company's dependence on external source of electricity thus helping in reduction of production costs, improving operational efficiency and protecting the environment. During the year under review, your Company met 29% (2017: 23%) of its energy requirement through WHRPP.

Your Company is on its way to becoming the leader in water conservation as Bestway will be the first ones in the country to employ the Air Cooled Condenser Systems instead of the conventional water cooled systems. Your Company will take lead in initiating rain harvesting through construction of big rain harvesting reservoirs in order to reduce dependence on underground water. In doing so your Company will be able to reduce the stress on ever depleting water resources of our country.

Quality Assurance

Bestway Cement is a company driven by efficiency and quality consciousness. With strict quality control procedures in place, the Company has deployed high quality control equipment at the plants. Bestway's laboratories are equipped with state-of-the-art x-ray fluorescent analyser and diffractometer and were the first in Pakistan to introduce the technology. By virtue of this equipment, the Company has been able to consistently produce better quality cement than is currently available in the country. Recently, our laboratories at Farooqia plant have attained ISO 17025 certification making Bestway only the 2nd cement producer in Pakistan to have achieved this milestone. Our laboratories at the other 3 plants are also in process of securing this certification.

Marketing

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

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

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

Training and Development

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

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

During the year under review, your Company employed 348 trainee engineers, management trainees and apprentices. Trainee engineers undergo intensive training in electrical, mechanical and mining departments, while management trainees are inducted in marketing, finance, personnel and administration where they are carefully trained to become effective managers in the future. Apprentices are employed in various technical departments at all the factories. While some of those trainees and apprentices are retained in the Company, others move on to other industries where they successfully build upon the foundation provided to them at Bestway Cement through the training imparted to them for the advancement of their careers and contributing towards the development of the country.

Health and Safety

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

Initiatives including training on health and safety, safety meetings, incident reporting, safety audits, safety champions, good housekeeping and hygiene controls are actively and consistently pursued to instill safe behaviour in all personnel.

Your Company has strived to make industrial operations safer, and has established numerous directives and standards to increase awareness among both employees and contractors. These advisories are to be strictly adhered to across the organisation and shared with external stakeholders as best practices.

Environment

Bestway Cement reputes itself as a responsible corporate citizen and gives highest priority to protecting and creating a healthier environment for not only its own employees, but also for our surrounding communities. The wellbeing of the social environment in which Bestway operates is considered an integral part of the Company's success. Our plants are ISO 14001:2004 Environmental Management System (EMS) certified.

The Company ensures that its plants continue to comply with established environmental quality standards at all times. Our plants not only meet the stringent environmental quality standards prescribed by the relevant Environmental Protection Agency (EPA) of Pakistan but also voluntary adherence to the more stringent international emission standards. In addition to having a robust environmental control mechanism in place to ensure cleaner environment, Bestway also conducts regular review of its production facilities through an independent expert and monthly monitoring of emissions are conducted by third party consultants to ensure that we are in compliance with regulatory requirements and internal targets. Furthermore, active collaboration with the EPAs is continuing in lieu of celebrating World Environment across all Bestway Plants attended by relevant EPA reps.

Bestway regularly participates in various environment uplift programmes including tree plantation drives and quarry rehabilitation initiatives. This year, an Olive Orchard has been developed around the Kallar Kahar plant view point as Quarry Rehabilitation Project, which is a unique large scale initiative by your Company, where about 2,400 olive plants have been planted. Moreover, at quarry for Hattar plant, a view point has been converted into a worth seeing picturesque place which is open for visitors.

You would be delighted to learn that for the ninth year running Bestway Cement is the only company amongst its competitors in the cement sector to be awarded the revered Environment Excellence Award by the National Forum for Environment and Health for effective implementation of environmental friendly policies and practices at all four plants.

Bestway Cement ardently supports WWF Pakistan. Earlier this year, your Company has been praised for its efforts in reducing the carbon footprint while working towards conservation and protection of environment. It is one of the only 42 companies in Pakistan which has been certified as a Green Office by WWF Pakistan.

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

Corporate Social Responsibility

Bestway invests in its operations for long term and appreciates that it has a special responsibility towards the local communities. The Company takes pride in its proactive development and welfare of the under-privileged through activities such as improving access to health services, education, vocational trainings, environmental conservation programmes, and helping create jobs and local employment. Your Company conducts its corporate social responsibility activities mainly through its charitable trust, Bestway Foundation.

Education

Keeping up with the aim of enabling less privileged for quality education, Bestway inaugurated a primary school in the vicinity of Farooqia, District Taxila, in April 2018. The school started with a reasonable number of students and a well-versant faculty. However, a custom-built campus for the school is being planned and the building is expected to be available during 2019-20.

On a similar initiate is a large purpose-built and well-equipped school in the village Tatral of District Chakwal. The Bestway Foundation School, which was completed in 2016 at a cost of Rs. 67 million, can accommodate more than 360 students. Currently more than 180 students are being provided quality education at token fee rates.

Bestway also imparts free college education exclusively to Girls through Farah Pervez Degree College in Gujar Khan. The project consisting of numerous classrooms, laboratories, facilities for extracurricular activities and accommodation for the residence of the faculty members, was entirely funded by your Company and became operational in 2011 at a cost of Rs. 30 million.

In addition to its own established educational institutions, Bestway also supports numerous government schools in deprived rural areas in and around its local communities.

Bestway also imparts free college education exclusively to Girls through Farah Pervez Degree College in Gujar Khan. The project consisting of numerous classrooms, laboratories, facilities for extracurricular activities and accommodation for the residence of the faculty members, was entirely funded by your Company and became operational in 2011 at a cost of Rs. 30 million.

In addition to its own established educational institutions, Bestway also supports numerous government schools in deprived rural areas in and around its local communities.

National & International Scholarships

300 national and international scholarships annually are provided to a large number of talented students. These scholarships are aimed at those students who need financial assistance in order to continue with their education.

Bestway also offers 12 fully funded scholarships every year for deserving and talented Pakistani students in the Oxford University, University of Bradford and University of Kent in the UK.

Promoting Philanthropy

During the year, your Company has set aside funds amounting to Rs. 132 million for Bestway Foundation for numerous educational,

health and charitable establishments, which include several renowned institutions of the country such as University of Engineering and Technology sub-campus at Chakwal which has received a donation of Rs. 25 million for its construction.

Some of the beneficiaries over the past few years include Institute of Business Administration Karachi, Ghulam Ishaq Khan Institute Swabi, Lahore University of Management Sciences, Sahara for Life Trust Mianwali, Zindagi Trust, Sindh Institute of Urology and Transplantation, Abdul Sattar Edhi Foundation, Shaukat Khanum Memorial Trust, MASKAN Institute Swat, Nisar Fatima Girls School, Shalimar Hospital, Akhpal Kor Foundation, Muhammad Gulistan Khan Foundation, Layton Rahmatullah Benevolent Trust, National Society for Mentally and Emotionally Handicapped Children, Forman Christian College University, Family Educational Services Foundation, Northern University Peshawar, The Citizens Foundation, Zamung Kor, KPSS Secondary School Saigolabad Chakwal, Sultana Foundation, Care Foundation, Kaghan Memorial Trust, Al Mustafa Trust, Thathi Welfare Foundation, Zia ul Aloom Trust and various other organizations.

Financial Assistance

In addition to pursuing its core objective of improving education, your Company also provides financial assistance to 252 widows and indigents of the local community in the form of monthly stipends.

Health

In the areas of basic health, free medical facilities are provided to thousands of patients in the local community through all four dispensaries located at Bestway's factory premises.

Job Creation for Local Community

Your Company has introduced hundreds of jobs for skilled and unskilled local individuals in and around its factory premises. In Chakwal District alone to date, Bestway has employed more than a thousand locals at the plants. Many more employment opportunities have been created in the upstream and downstream activities. Employment generation not only improves the buying power of the local population but also gives them a fair opportunity to improve their standard of living.

Apprenticeship & Trainings

Bestway employed 545 trainee engineers, management trainees, apprentices and internees over the period, who undergo intensive training in their respective field. While some of those trainees and apprentices are retained in the Company, others move on to other industries where they successfully build upon the foundation provided to them at Bestway Cement through the training imparted to them for the advancement of their careers and contributing towards the development of the country.

Disaster Management & Rehabilitation

Your Company contributes generously towards disaster management and in aiding the efforts of relief, rehabilitation and reconstruction in aftermath of the earthquake and devastation caused by floods or any other projects of community development.

Community Development

Bestway installed a tube well in October 2005 in village Tatral for water supply scheme, with a capacity of 2,000 gallons per hour for providing safe and clean water to the residents of village Tatral. This is still in operation satisfactorily and no water scarcity has been observed. Your company has recently also contributed Rs. 3.5 Million for installation of another tube well near Katas by TMA where initial water was found at 53 feet and bore was completed up to 150 feet as sufficient water was available. The tube well has been in operation since August 2017 and contributing about 9,000 gallons per hour water for Choa Saidan Shah

Further to the CSR initiative, the recent notable contributions towards social and communal uplift made by Bestway include cleaning, maintenance and uplifting of Katas Raj Pond, cleaning of channels for flash floods in Choa Saiden Shah to prevent overflows, maintenance and uplifting of street lights of the local area, installation of water supply system, donation of cement bags for multiple construction projects in local vicinities including building of mosques and schools, donating vehicles to educational institutions, and several other societal elevation projects.

Katas Raj Case

The Honourable Supreme Court of Pakistan took suomoto notice of water shortage and environmental pollution in the Kahoon Valley as well as depletion of water reserves at Katas Raj Pond allegedly due to the presence of nearby cement factories in the locality. Your company's management is of the considered view that its plants in the area are not exceeding the permissible limits for groundwater extraction and usage granted by Environment Protection Agency and no direct nexus has been established between the Company's operations in the region and depletion of the water reserve at Katas Raj Pond.

Bestway has already brought to the notice of the Honourable Supreme Court that the Company is not the only beneficiary of groundwater in the area nor is it the largest extractor. Increase in local population over the years has resulted in excessive demand for underground water which is a major user of the groundwater. As per Bestway's latest information, a total of 303 tube wells and pumps are functional/active in Kahoon Valley with only 15 owned by Bestway. Data of past 10 years demonstrates that consumption by Bestway has remained constant while consumption by other stakeholders, which remains unchecked and unregulated, increased by more than 127% and continues to grow. In the absence of a proper water supply scheme in the area local inhabitants have installed a large number of tube wells and water pumps to meet their domestic and livelihood requirements, further adversely impacting the water levels of the area. Additionally, groundwater withdrawal by the farming community has also increased over the years due to a change in the underlying nature of agriculture, resulting in farmers possibly being the largest extractors. Multiple periods of low rainfall as well as coal mining activities in the area are making the area susceptible to water rupturing from the underground capillaries. Therefore the cement industry in the area should not be held solely responsible for the water shortage in the area.

Your Company is also fully compliant with all the prescribed limits regarding emissions. M/s Hagler Bailly, an international consultant, was engaged by Bestway for conducting an emissions study both at Chakwal and Kallar Kahar sites. Your Company is pleased to report that all test results were reported to be in compliance with Pakistan standards & International Finance Corporation (World Bank) Standards. The reports have been submitted to the Honourable Court as part of its compliance with the Court's Orders.

The Company is complying with all orders issued by the Honourable Supreme Court to date including the final directions to cement manufacturers to implement alternative sources of water within a defined time frame of six months from the date of the order. Your Company intends to meet its industrial water requirements from a combination of water channeling and conservation strategies as follows:

i. A Reverse Osmosis Plant has been installed and commissioned at a cost of Rs. 11 Million; approximately 17.47m^3/hr (419.28 m^3/day) water is being conserved resulting in closure of one tube well with effect from 15 May 2018 as verbally committed to the Honourable Supreme Court.
ii. Contract for procurement and installation of air cooled condensers has been finalized with a well renowned Chinese company.
iii. Run-off water from untapped stream/nullah has been identified whereby Bestway will lay a pipeline to bring the overflow of this surface water to its plants. This is water which otherwise overflows and given the nature of the terrain, becomes brackish and waste.
iv. Excavation and construction of rain harvesting ponds and water storage tanks has commenced as an additional measure for water storage.

The Company is confident that it will meet its commitment to the Honourable Court of reducing its reliance on groundwater extraction to zero without incurring any additional liabilities.

Holding Company

The Company is a wholly owned subsidiary of Bestway (Holdings) Limited, a company incorporated under the laws of United Kingdom. Bestway (Holdings) Limited, U.K. is a wholly owned subsidiary of Bestway Group Limited therefore, all subsidiaries and associated undertakings of the ultimate parent company are related parties of the Company.

Board of directors

As per Company policy, non-executive directors including independent directors are not paid any remuneration and are only paid meeting fees which is approved by the Board of Directors. The Board consists of two female and six male directors.

Future Outlook

Pakistan's economic growth is expected to continue to benefit the cement industry. Following the third successful democratic transition, despite facing macroeconomic challenges including a growing current account deficit, political stability is expected to further harbour a thriving business environment, which will subsequently support on-going construction activity nationally.

Domestic demand is therefore likely to project stable growth driven by infrastructure development, including projects like CPEC coupled with a growing economy. However, encouraged by growing demand for cement, many cement producers have embarked upon capacity expansions which are expected to make it more challenging for existing players to maintain market share. This is likely to weaken pricing power.

Cement exports are expected to remain under pressure as fuel and input costs continue to increase. Non-tariff barriers further make it challenging for local manufacturers to expand on the export front. However, export realisations may benefit from continued currency devaluation.

The recent depreciation of the Rupee against the Dollar, recovery in international coal and oil prices and interest rate hikes are likely to continue. As Pakistan continues to suffer from current account deficit, gradual weakening of the Rupee coupled with upward pressure on input costs are expected to further suppress margins. Increasing energy prices are even more detrimental for the cement sector as imported coal and power constitute a substantial part of cost of cement production.

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

The Directors are pleased to state that:

- The financial statements prepared by the management of the Company fairly present its state of affairs, the results of its operations, cash flows and changes in equity.
- The Company has maintained proper books of account.
- Appropriate accounting policies have been adopted and consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored. The system itself is also subject to continuous review for enhancement wherever and whenever necessary.
- There are no doubts about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Key financial data for the last six years is given in subsequent pages.
- Outstanding taxes, duties and charges have been disclosed in the financial statements.
- A statement of the pattern of shareholding in the Company as at 30 June 2018 is in subsequent pages.
- The Company maintained a provident fund scheme for its eligible employees. The value of investments by the fund was Rs. 134 million as on 30 June 2018 (un-audited).
- Attendance by each director in the 4 Board Meetings held during the year was as follows:

	No. of meetings attended
Sir Mohammed Anwar Pervez	2
Mr. Zameer Mohammed Choudrey	4
Mr. Muhammad Irfan Anwar Sheikh	4
Mr. Mohammed Younus Sheikh	4
Mr. Dawood Pervez	3
Mr. Haider Zameer Choudrey	4
Ms. Najma Naheed Pirzada	4
Ms. Nazia Nazir	2

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

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

	No. of meetings attended
Mr. Mohammed Younus Sheikh	4
Mr. Dawood Pervez	3
Ms. Najma Naheed Pirzada	4

- Attendance by each director in the 1 HR and Remuneration Committee meetings held during the year was as follows:

	No. of meetings attended
Mr. Muhammad Irfan Anwar Sheikh	1
Mr. Mohammed Younus Sheikh	1
Mr. Dawood Pervez	1

Auditors

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

Acknowledgments

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

Zameer Mohammed Choudrey
Chief Executive

Muhammad Irfan A. Sheikh
Director

Islamabad
17 August 2018

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2017

Name of company: **Bestway Cement Limited**
Year ending: **June 30, 2018**

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are eight (8) as per the following:

    a) Male: Six (6)
    b) Female: Two (2)

2. The composition of board is as follows:

    a) Independent Directors

    i) Ms. Najma Naheed Pirzada
    ii) Ms. Nazia Nazir

b) Other Non-executive Directors

    i) Sir Mohammed Anwar Pervez
    ii) Mr. Mohammed Younus Sheikh
    iii) Mr. Dawood Pervez
    iv) Mr. Haider Zameer Choudrey

c) Executive Directors

    i) Mr. Zameer Mohammed Choudrey
    ii) Mr. Muhammad Irfan Anwar Sheikh

3. The Directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

4. 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.

5. 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.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board has not arranged directors' training program as all the members of Board are already compliance with director's training program except the one Ms. Nazia Nazir who has been appointed during the year and will be enrolled for the directors training program.

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

a) Audit Committee

   i) Mr. Mohammed Younus Sheikh (Chairman)
   ii) Mr. Dawood Pervez
   iii) Ms. Najma Naheed Pirzada

b) HR and Remuneration Committee

   i) Mr. Muhammad Irfan Anwar Sheikh (Chairman)
   ii) Mr. Mohammed Younus Sheikh
   iii) Mr. Dawood Pervez

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

a) Audit Committee (quarterly)

b) HR and Remuneration Committee (yearly)

15. The Board has set up an effective internal audit function.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

Sir Mohammed Anwar Pervez, OBE H Pk

Chairman

REPORT OF THE AUDIT COMMITTEE

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

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

The Audit Committee has concluded its review of the conduct and operations of the Company during the year ended June 30, 2018, and reports that:

- The Audit Committee reviewed and approved the quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board of directors.

- The Company has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the Auditors of the Company.

- Understanding and compliance with Company's code and policies has been affirmed by the management and employees of the Company individually. The Company's Code of Conduct has been disseminated and placed on the Company's website.

- Appropriate accounting policies have been consistently applied. Applicable International Accounting Standards were followed in preparation of financial statements of the Company on a going concern basis, for the financial year ended 30 June, 2018, which present fairly the state of affairs, results of operations, profits, cash flows and changes in equity of the Company for the year under review.

- The Chief Executive Officer and the Chief Financial Officer have endorsed the Financial Statements and Directors' Report. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.

- Proper and adequate accounting records have been maintained by the Company in accordance with the Companies act, 2017. The financial statements comply with the requirements of the Fourth Schedule to the Companies act, 2017 and the external reporting is consistent with the Management processes and adequate for shareholder needs.

- The preparation of Financial Statements is in conformity with International Financial Reporting Standards as applicable in Pakistan and requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments were continually evaluated andare based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances.

- All direct or indirect trading and holdings of Company's shares by Directors & executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholdings. The Annual Secretarial Compliance Certificates are being filed regularly within stipulated time.

- Closed periods were duly determined and the announced by the Company, precluding the directors, the chief executive and executives of the Company from dealing in Company shares, prior to each board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.

Internal Audit

- The internal control framework has been effectively implemented through an independent in-house Internal Audi function established by the Board which is independent of the External Audit function.

- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy.

- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders wealth at all levels within the Company.

- The Internal Audit Department carried out independent audits in accordance with an internal audit plan which was approved by the Board Audit Committee. The Committee has reviewed material Internal Audit findings, taking appropriate action or bringing the matters to the Board's attention where required.

- The Head of Internal Audit has direct access to the Chairman of the Board Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to management and the right to seek information and explanations.

- During the year four Board Audit Committee meetings were held to ensure that the Audit Function effectively performed its assigned task.

- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

External Auditors

- The statutory Auditors of the Company, KPMG Taseer Hadi & Co., Chartered Accountants, have completed their Audit assignment of the "Company's Financial Statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended 30 June, 2018 and shall retire on the conclusion of the 25th Annual General Meeting.

- The Audit Committee has reviewed and discussed Audit observations and Audit Management Letter with the External Auditors.

- The Auditors have been allowed direct access to the Committee and the effectiveness, independence and objectivity of the Auditors has thereby been ensured. The Auditors attended the General Meeting of the Company during the year and have indicated their willingness to continue as Auditors.

- The Audit Committee has recommended the reappointment of KPMG Taseer Hadi & Co., Chartered Accountants, as External Auditors of the Company for the year ending 30 June 2019.

- The Firm has no financial or other relationship of any kind with the Company except that of External Auditors.

17 August 2018
Islamabad

Mohammad Younus Sheikh
Chairman, Board Audit Committee

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Bestway Cement Limited

Review report on the Statement of Compliance in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Bestway Cement Limited for the year ended 30 June 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensued 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 procedures to access and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2018.

KPMG Taseer Hadi & Co

KPMG Taseer Hadi & Co.
Chartered Accountants

Islamabad
17 August 2018

INDEPENDENT AUDITORS' REPORT

To the members of Bestway Cement Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Bestway Cement Limited (the Company), which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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 2018 and of the profit, the other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S. No	Key audit matter	How the matter was addressed in our audit
1	**Goodwill** Refer notes 4.7 and 16.4 to the financial statements. Under the accounting and reporting standards as applicable in Pakistan, the Company is required to annually test the amount of goodwill for impairment. This annual impairment test was significant to our audit because the balance of Rs. 7,062 million as of 30 June 2018 is material to the financial statements. In addition, management's assessment process is complex and highly judgmental and is based on assumptions, specifically capacity utilization and price estimation, which are affected by expected future market or economic conditions.	Our audit procedures to assess the recoverability of goodwill, amongst others, included the following: • Using a valuation expert to assist us in evaluating the assumptions and methodologies used by the Company, in particular those relating to the forecasted revenue growth and profit margins for the relevant cash generating unit; • Evaluating the appropriateness of the assumptions applied to key inputs such as sales volumes and prices, operating costs, inflation and long-term growth rates, which included comparing these inputs with our own assessments based on our knowledge of the client and the industry; • Performing our own sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the currently estimated headroom for the relevant cash generating unit; • Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.

S. No	Key audit matter	How the matter was addressed in our audit
2	**Contingencies** Refer notes 4.5 and 14 to the financial statements. The Company faces a number of threatened and actual legal and regulatory cases. There is a high level of judgement involve in assessing the likelihood of their outcome which effect the level of provisioning and/or disclosures.	Our audit procedures to assess the contingencies, amongst others, included the following: • Evaluating the design and implementation of controls in respect of litigation and regulatory procedures; • Discussing open matters and developments with the Company's in-house legal counsel and read correspondence with external legal counsels, where relevant; • Assessing and challenging management's conclusions through understanding precedents set in similar cases; • Circularising relevant third party legal representatives and follow up discussions, where appropriate, on certain material cases; and • Assessing the appropriateness of the related disclosures in to the Company's financial statements.
3	**Revenue** Refer notes 4.13 and 26 to the financial statements. The Company is engaged in the production and sale of cement. The Company recognized revenue from the sales of cement of Rs. 52,883,667 thousand for the year ended 30 June 2018. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.	Our audit procedures to assess the recognition of revenue, amongst others, included the following: • Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • Comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents; • Comparing a sample of revenue transactions recorded around the year end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; and • Comparing the details of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation.
4	**Capitalization of property, plant and equipment** Refer notes 4.6 and 15 to the financial statements. The Company has made significant capital expenditure of Rs.14,063,486 thousand during the year on expansion of manufacturing facilities. We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on capitalization of borrowing costs and depreciation charge for the year.	Our audit procedures to assess the capitalization of property, plant and equipment. amongst others, included the following: • Understanding the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure and accuracy of its recording in the system; • Testing, on sample basis, the costs incurred on projects with supporting documentation and contracts; • Assessing the nature of costs incurred including borrowing costs for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the accounting policy and applicable accounting standards; and • Inspecting supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 30 June 2018, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

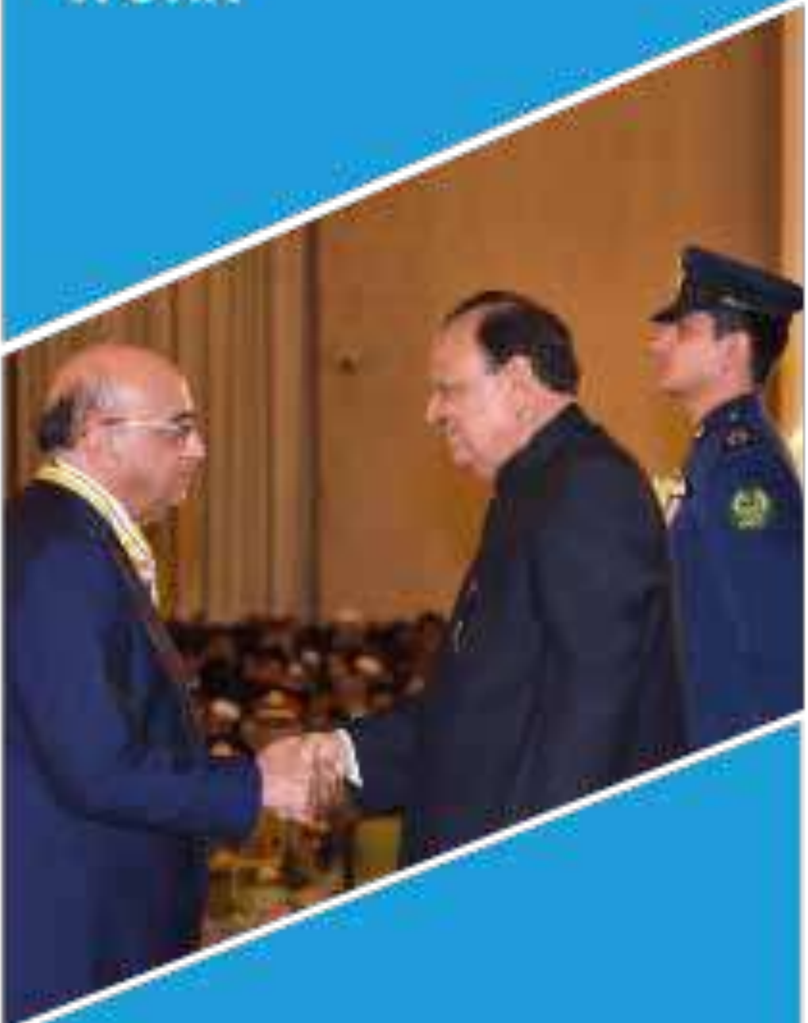
The engagement partner on the audit resulting in this independent auditors' report is Atif Zamurrad Malik.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Islamabad
17 August 2018

BESTWAY GROUP CHIEF EXECUTIVE, ZAMEER CHOUDREY RECEIVES SITARA-E-IMTIAZ FOR PHILANTHROPHIC WORK



Bestway Group Chief Executive, Mr. Zameer Choudrey has been awarded the Sitara-e-Imtiaz (Star of Excellence), conferred on him by the President of Pakistan, on the 23rd of March 2018, in recognition of his contributions to advancing Pakistan through his services and the wide array of philanthropic work. Sitara-e-Imtiaz is one of Pakistan's highest civilian honours for public service. The ceremony was held at the Presidency on Pakistan Day.

Mr. Zameer Choudrey is a Fellow of the Institute of Chartered Accountants in England & Wales. He is an Honorary Doctor of Civil Law from University of Kent.
Mr. Choudrey was appointed Commander of the British Empire (CBE) in the 2016 New Year's Honours list for services to the wholesale industry and philanthropy by Her Majesty the Queen.

He has been responsible for transforming Bestway from a predominantly wholesale business into a diversified global conglomerate. Bestway Group today consists of Pakistan's largest cement manufacturer (Bestway Cement Limited) and Pakistan's 2nd largest private bank (United Bank Limited), UK's 2nd largest independent wholesaler (Bestway Wholesale), the UK's 3rd largest retail pharmacy (Well Pharmacy).

Mr. Zameer Choudrey chair's Bestway Foundation Pakistan and also chair's the UK Advisory Council of the Prince Charles British Asian Trust. He is a founding trustee of Bestway Foundation UK and is a long serving Trustee of Crimestoppers UK and GroceryAid UK.

The philanthropic arm of the group, Bestway Foundation was established in 1987 in the UK and later in 1997 in Pakistan. Certified from the Pakistan Centre for Philanthropy, Bestway Foundation supports many national charities, educational institutions, societies and trusts in Pakistan and abroad, in addition to supporting many natural disaster rehabilitation and relief efforts, providing free medical facilities to more than 35,000 patients in the local communities annually, while valiantly protecting and creating a healthier environment for all.

Since its establishment, over 500 students have been provided scholarships to pursue higher studies abroad primarily in the UK, USA and Canada. The Bestway Foundation Pakistan annually provides 300 scholarships to students across the country. Bestway is also offering 12 fully funded scholarships every year for deserving and talented Pakistani students in the Oxford University, University of Bradford and University of Kent in the UK.

Bestway employs hundreds of trainee engineers, management trainees and apprentices every year, who undergo intensive training in their respective field. Since 1998, Bestway Cement has trained over 2,500 apprentices in order to enhance the skills of the local community.

BESTWAY CEMENT

REDUCE
REUSE
RECYCLE

GO GREEN

WWF-Pakistan Green Office Environmental Management Programme for Bestway Cement Limited (Head Office - Islamabad)

BESTWAY CEMENT LIMITED CERTIFIED AS A GREEN OFFICE BY WWF

WWF's Green Office is an environmental service for offices. With its help, workplaces are able to reduce their burden on the environment, achieve savings and slow down climate change. Green Office is a practical environmental program that is easy to implement. Its aim is to reduce carbon dioxide emissions and offices' ecological footprint.

Bestway Cement Limited enrolled itself in the program during the year 2016 aiming to reduce its carbon footprint by keeping track of its water, paper and electricity consumption along with food wastage. These four KPIs were thoroughly audited by WWF Team in the previous year ensuring fulfillment of criteria of Green Office program.

In January 2018 Bestway Cement was certified as a Green Office, listing itself as the second Cement company in Pakistan to have been awarded the status of a Green Office.

Bestway holds a key position in sustainable solutions for conservation of environment while motivating office staff to act in an ecologically friendly way with regards to everyday tasks, improving conservational awareness and bringing cost savings.

CSR & ORGANIZATIONAL
Activities

TRAINING & DEVELOPMENT

Technical training and team building activities conducted at the plant and head office throughout the year.

TREE PLANTATION

Bestway Cement Limited planted various species of trees at Hattar, Farooqia, Chakwal & Kallar Kahar plants.

PLANT VISITS

NESPAK officials visited Chakwal & Kallar Kahar plants in continuation to the study “Delineation of Negative and Positive Areas in Salt Range Punjab” for setting up of new cement plants in the area.



Journalists visit Chakwal plant to study environmental Impacts and contribution to the society.

Students of various institutes & universities visited plants to gain practical knowledge of cement manufacturing process.



WORLD SAFETY DAY

World Safety Day observed at all plants and importance of safety at work place and at home had been highlighted.

WORLD ENVIRONMENT DAY

World Environment Day observed at all plants in collaboration with environment protection department with the message " Beat Plastic Pollution".



SCHOLARSHIPS

Scholarship cheques distributed among talented students of villages surrounding plant areas.



CHAKWAL CHAMBER OF COMMERCE TRADE EVENT

Participated in Annual Chakwal Chamber of Commerce, stall visited by Ambassador of Nepal.


DISTRIBUTOR, RETAILERS & KEY ACCOUNTS ENGAGEMENTS





IFTAR DINNERS

Iftar dinner arranged for media partners, corporates and all members of Bestway family.




BESTWAY SUPER LEAGUE – BSL 2018

Keeping alive the spirit of sportsmanship, cricket tournaments organized amongst all offices & plants of Bestway.




INDEPENDENCE DAY CELEBRATIONS

Independence celebrated enthusiastically all across the company.





RECORD TIME COMPLETION OF FAROOQIA LINE II - 6000 TPD CEMENT PLANT

MAJOR MILESTONES ACHIEVED

Effective Date of Contract	01st Mar 2017
Load Test of Crusher	29th Mar 2018
Load Test of Raw Mill	05th May 2018
Kiln Light up	24th May 2018
Load Test of Coal Mill	27th May 2018
Kiln Feed	31st May 2018
Load Test of Cement Mill	07th Jun 2018

FINANCIAL STATEMENTS

Bestway Cement Limited

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	2018 (Rupees '000)	2017 (Rupees '000)
EQUITY			
Share capital and reserves			
Share capital	5	**5,962,528**	5,962,528
Capital reserves	6	**6,784,945**	7,227,825
Revenue reserve	7	**40,562,399**	34,578,902
		53,309,872	47,769,255
LIABILITIES			
Non-current liabilities			
Long term financing	8	**3,300,000**	6,000,000
Long term musharaka	9	**2,200,000**	4,000,000
Deferred tax liability - net	10	**9,111,362**	10,089,266
Employee benefit obligations	11	**497,337**	380,872
		15,108,699	20,470,138
Current liabilities			
Trade and other payables	12	**9,602,383**	8,390,642
Mark up accrued		**242,140**	144,788
Short-term borrowings	13	**12,151,583**	4,887,967
Current portion of long term financing	8	**2,700,000**	-
Current portion of long term musharaka	9	**1,800,000**	-
Unclaimed dividend		**55,963**	102,332
		26,552,069	13,525,729
Total liabilities		**41,660,768**	33,995,867
Total equity and liabilities		**94,970,640**	81,765,122
Contingencies and commitments	14		

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE

Bestway Cement Limited

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	2018 (Rupees '000)	2017 (Rupees '000)
ASSETS			
Non-current assets			
Property, plant and equipment	15	**56,085,733**	44,732,200
Intangible assets and goodwill	16	**7,816,902**	9,262,737
Investment property	17	**257,656**	250,214
Long term investments	18	**11,375,186**	11,851,307
Long term deposits		**132,477**	134,689
		75,667,954	66,231,147
Current assets			
Stores, spare parts and loose tools	19	**7,641,242**	6,237,794
Stock in trade	20	**4,358,080**	3,490,716
Trade debts	21	**1,785,728**	1,462,355
Advances	22	**671,366**	1,384,348
Deposits and prepayments	23	**42,169**	83,855
Other receivables	24	**1,776,089**	1,317,800
Advance tax - net		**2,737,748**	1,348,666
Cash and bank balances	25	**290,264**	208,441
		19,302,686	15,533,975
Total assets		**94,970,640**	81,765,122

DIRECTOR & CHIEF FINANCIAL OFFICER

Bestway Cement Limited

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2018

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
Gross turnover	26	**77,119,557**	71,440,848
Less: rebates and discounts		**(2,277,695)**	(1,810,264)
Less: sales tax and excise duty		**(21,958,195)**	(18,007,108)
Revenue		**52,883,667**	51,623,476
Cost of sales	27	**(33,928,169)**	(29,090,753)
Gross profit		**18,955,498**	22,532,723
Other income	28	**169,967**	99,860
Selling and distribution expenses	29	**(1,627,168)**	(1,558,903)
Administrative expenses	30	**(2,063,232)**	(2,404,652)
Other expenses	31	**(1,217,711)**	(1,229,785)
Operating profit		**14,217,354**	17,439,243
Net finance costs	32	**(600,435)**	(830,715)
Share of profit of equity-accounted investees, net of tax	33	**1,347,545**	2,055,638
Profit before tax		**14,964,464**	18,664,166
Income tax expense	34	**(1,806,758)**	(5,371,526)
Profit for the year		**13,157,706**	13,292,640
Earnings per share - basic and diluted (Rupees)	35	**22.07**	22.29

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE | **DIRECTOR & CHIEF FINANCIAL OFFICER**

Bestway Cement Limited

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
Profit for the year		**13,157,706**	13,292,640
Other comprehensive income (OCI):			
Items that will not be reclassified to profit or loss			
Measurement of defined benefit liability	11.1.1	**(25,667)**	(29,495)
Related tax		**6,730**	7,964
		(18,937)	(21,531)
Company's share of equity-accounted investees' OCI			
Re-measurement of defined benefit liability		**(281)**	(9,279)
Related tax		**42**	(220)
		(239)	(9,499)
		(19,176)	(31,030)
Items that are or may be reclassified subsequently to profit or loss			
Company's share of equity-accounted investees' OCI			
Foreign operations - foreign currency translation differences	18.1.1	**481,112**	31,799)
Loss from Window Takaful Operations	18.2.1	**(4)**	-
Available-for-sale financial assets - net change in fair value		**(1,087,046)**	(644,819)
Related tax		**163,058**	57,795
		(442,880)	(618,823)
Other comprehensive income, net of tax		**(462,056)**	(649,853)
Total comprehensive income		**12,695,650**	12,642,787

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR & CHIEF FINANCIAL OFFICER

Bestway Cement Limited

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Attributable to owners of the Company						
	Share capital	Shares issued pursuant to amalgamation	Capital reserves			Revenue reserve	Total equity
			Share premium	Exchange translation reserve	Revaluation reserve	Unappropriated profit	
	(Rupees '000)						
Balance at 01 July 2016	5,793,849	168,679	5,381,821	1,102,338	1,362,489	28,174,199	41,983,375
Total comprehensive income							
Profit for the year	-	-	-	-	-	13,292,640	13,292,640
Other comprehensive income	-	-	-	(31,799)	(587,024)	(31,030)	(649,853)
Total comprehensive income	-	-	-	(31,799)	(587,024)	13,261,610	12,642,787
Transactions with owners of the Company							
Distributions							
Dividend - Final 2016 @ Rs. 2.5 per share	-	-	-	-	-	(1,490,632)	(1,490,632)
Dividends - Interim 2017 @ Rs. 9 per share	-	-	-	-	-	(5,366,275)	(5,366,275)
Total distributions	-	-	-	-	-	(6,856,907)	(6,856,907)
Changes in ownership interests							
Shares issued pursuant to amalgamation	168,679	(168,679)	-	-	-	-	-
Total transactions with owners of the Company	168,679	(168,679)	-	-	-	(6,856,907)	(6,856,907)
Balance at 30 June 2017	5,962,528	-	5,381,821	1,070,539	775,465	34,578,902	47,769,255
Balance at 01 July 2017	**5,962,528**	**-**	**5,381,821**	**1,070,539**	**775,465**	**34,578,902**	**47,769,255**
Total comprehensive income							
Profit for the year	**-**	**-**	**-**	**-**	**-**	**13,157,706**	**13,157,706**
Other comprehensive income	**-**	**-**	**-**	**481,112**	**(923,992)**	**(19,176)**	**(462,056)**
Total comprehensive income	**-**	**-**	**-**	**481,112**	**(923,992)**	**13,138,530**	**12,695,650**
Transactions with owners of the Company							
Distributions							
Dividend - Final 2017 @ Rs. 3 per share	**-**	**-**	**-**	**-**	**-**	**(1,788,758)**	**(1,788,758)**
Dividends - Interim 2018 @ Rs. 9 per share	**-**	**-**	**-**	**-**	**-**	**(5,366,275)**	**(5,366,275)**
Total distributions	**-**	**-**	**-**	**-**	**-**	**(7,155,033)**	**(7,155,033)**
Balance at 30 June 2018	**5,962,528**	**-**	**5,381,821**	**1,551,651**	**(148,527)**	**40,562,399**	**53,309,872**

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR & CHIEF FINANCIAL OFFICER

Bestway Cement Limited

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**14,964,464**	18,664,166
Adjustments for:			
Gain on disposal of property, plant and equipment		**(8,563)**	(27,322)
Depreciation	15.1.5	**2,229,818**	2,035,686
Property, plant and equipment-written off		**-**	422,407
Amortisation	16.5	**1,446,135**	1,760,010
Rental income from investment property	28	**(28,315)**	(27,606)
Profit on deposit accounts	28	**(641)**	(16,792)
Provision for obsolete spare parts	27	**(1,841)**	-
Provision for slow moving stock	27	**(5,420)**	(9,505)
Gain on re-measurement of investment property to fair value	28	**(7,442)**	(5,418)
Net finance costs		**600,435**	830,715
Compensation against court order		**393,189**	-
Share of profit of equity-accounted investment, net of tax	33	**(1,347,545)**	(2,055,638)
Provision for employee retirement benefits		**110,593**	69,029
		3,380,403	2,975,566
		18,344,867	21,639,732
Changes in:			
Stores, spare parts and loose tools		**(1,193,372)**	(182,667)
Stock in trade		**(867,364)**	(2,038,359)
Trade debts		**(323,373)**	(286,546)
Advances		**712,995**	(522,434)
Deposits and prepayments		**41,684**	(22,283)
Other receivables		**(458,293)**	(555,570)
Trade and other payables		**1,168,403**	1,447,559
		(919,320)	(2,160,300)
Cash generated from operating activities		**17,425,547**	19,479,432
Long term deposits - net		**2,212**	(216)
Finance cost paid		**(951,608)**	(932,014)
Employee retirement benefits paid		**(19,795)**	(33,412)
Income tax paid		**(4,417,248)**	(4,829,424)
Net cash from operating activities		**12,039,108**	13,684,366
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(13,349,971)**	(4,153,684)
Acquisition of intangible assets		**(300)**	-
Proceeds from sale of property, plant and equipment		**20,890**	51,484
Acquisition of interest in equity accounted investee		**-**	(106,267)
Rent received from investment property		**27,901**	25,364
Dividend received	18.1.1	**1,217,447**	1,217,447
Profit on deposit accounts received		**641**	16,792
Net cash used in investing activities		**(12,083,392)**	(2,948,864)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		**-**	(3,900,000)
Repayment of long term musharaka		**-**	(2,600,000)
Dividends paid		**(7,137,509)**	(6,856,907)
Net cash used in financing activities		**(7,137,509)**	(13,356,907)
Net decrease in cash and cash equivalents		**(7,181,793)**	(2,621,405)
Cash and cash equivalents at beginning of the year		**(4,679,526)**	(2,058,121)
Cash and cash equivalents at end of the year	36	**(11,861,319)**	(4,679,526)

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR & CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. CORPORATE AND GENERAL INFORMATION

1.1 The Company and its operations

Bestway Cement Limited ("the Company") is a public limited company incorporated in Pakistan on 22 December 1993 under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on 30 May 2017) and its shares are quoted on the Pakistan Stock Exchange Limited since 09 April 2001. The Company is principally engaged in production and sale of cement.

The Company is a subsidiary of Bestway (Holdings) Limited, U.K. (the holding company), which controls 56.41% shares in the Company. Bestway (Holdings) Limited is a wholly owned subsidiary of Bestway Group Limited, U.K. ("the ultimate parent company").

Registered office of the Company is situated at Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad, Pakistan. The Company's cement manufacturing plants are located at Hattar, Farooqia, Chakwal and Kallar Kahar (refer to note 15.1.3 for complete addresses). The Company's sales office is located at House 276, Near Riphah University, Peshawar Road, Rawalpindi, Pakistan. The Company's procurement office is located at UBL Building, Jinnah Avenue, Islamabad, Pakistan. The Company has other regional offices located in Lahore, Peshawar and Multan.

1.2 Summary of significant events and transactions

Significant events and transactions affecting the financial statements are summarised as follows:

- Construction and installation of expansion project at Farooqia plant (Farooqia Line II) having a clinker capacity of 6,000 ton per day. The new line commenced production on 20 June 2018.
- Declared dividends aggregating Rs. 7.16 billion during the year.
- Guarantee of Rs. 1 billion issued in favour of the Honourable Supreme Court of Pakistan as directed under the Human Rights Case No. 25598-G of 2017 (Refer note 14.1.1.1).
- Due to the first time application of financial reporting requirements under the Companies Act, 2017, including disclosure and presentation requirements of the fourth schedule of the Companies Act, 2017, some of the amounts reported for the previous year have been reclassified.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The applicable financial reporting framework for equity-accounted investees also include Banking Companies Ordinance, 1962, Insurance Ordinance, 2001 and underlying Rules and Directives.

2.2 Basis of measurement

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

Item	Measurement basis
Investment property	Fair value
Net defined benefit liability	Present value of the defined benefit obligation determined through actuarial valuation

2.3 Functional and presentation currency

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

2.4 Use of judgements and estimates

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

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

Notes 10 and 34	recognition of deferred tax assets and estimation of income tax provisions
Notes 4.2 and 11	measurement of defined benefit obligation – key actuarial assumptions
Notes 12.4 and 14	recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
Notes 4.6 and 15	useful lives, residual values and depreciation method of property, plant and equipment
Notes 4.7 and 16	useful lives, residual values and amortization method of intangible assets
Note 16.4	impairment test of goodwill: key assumptions underlying recoverable amounts
Note 17	fair value of investment property
Note 4.9	impairment loss of non-financial assets other than inventories
Note 21	provision for doubtful debts

Measurement of fair values

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

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

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

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2018:

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' - effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.

- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures') (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-in vestment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.

- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The Company is currently assessing the impact of the IFRIC 22 on its financial statements, if any.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The Company is currently assessing the impact of the IFRIC 22 on its financial statements, if any.

- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 estab lishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analysing the potential impact of changes required in revenue recognition policies on adoption of the standard.

- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analysing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.

- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contins a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in the process of analysing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements.

- Amendment to IFRS 4 'Insurance Contracts'- Applying IFRS 9 'Financial Instruments' with IFRS 4 (effective for annual periods beginning on or after 1 July 2018). The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 1 July 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. These amendments may impact the Company's equity accounted investee, however a financial impact has not been determined.

- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

  - IFRS 3 'Business Combinations' and IFRS 11 'Joint Arrangement' - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company re-measures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

  - IAS 12 'Income Taxes' - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

  - IAS 23 'Borrowing Costs' - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

  The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company's financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for the changes as indicated below.

- Amendments to IAS 7 'Statement of Cash Flow' became effective during the year. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. Accordingly, these disclosures have been included in the note 36.1 to these financial statements.
- The Companies Act, 2017 specified certain disclosures to be included in the financial statements. The Company has presented the required disclosures in these financial statements and re-presented certain comparatives. However, there was no change in the reported amounts of profit and other comprehensive income and the amounts presented in the statement of financial position due to these re-presentations.

4.1 Business combinations

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

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

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

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

Interests in equity-accounted investees: The Company's interests in equity-accounted investees comprise of interests in associates. Associates are those entities in which the Company has significant influence, but not control over the financial and operating policies.

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

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

4.2 Employee benefits

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

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

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

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

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

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

4.3 Income tax

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

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

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

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

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

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

4.4 Provisions

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

4.5 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.6 Property, Plant and Equipment

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

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

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

Depreciation: Depreciation is calculated to write off the cost of items of property, plant and equipment less their residual values using the reducing balance method, except leasehold land, buildings and plant and machinery which are depreciated on a straight-line basis. Depreciation is recognised in profit or loss. Leased assets are depreciated over the shorter of the leased term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated. Rates of depreciation/estimated useful lives are mentioned in note 15.1.1. Depreciation is charged on prorate basis from the month in which an asset is acquired or capitalised, while no depreciation is charged for the month in which the asset is disposed off. Days in excess of fifteen days are considered as full month for the purpose of calculation of depreciation. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.7 Intangible assets and goodwill

Recognition and measurement

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

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

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

Amortisation: Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Goodwill is not amortised. The estimated useful lives of intangible assets are given in note 16.1. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.8 Investment property

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

4.9 Impairment

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

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

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

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

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

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

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

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

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

4.10 Foreign currency

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

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

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

4.11 Stores, spare parts and loose tools

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

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

4.12 Stock in trade

Stocks of raw materials, work in process and finished goods are valued at the lower of cost and net realizable value. Cost is calculated using the weighted average method and comprises of direct materials, labor and appropriate manufacturing overheads. Net realizable value signifies estimated selling price less estimated cost of completion and estimated cost to sell. The Company reviews the carrying amount of stock in trade on a regular basis and provision is made for obsolescence.

4.13 Revenue

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

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

4.14 Finance income and finance costs

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

4.15 Financial instruments

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

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

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

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

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

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

4.16 Leases

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

Lease assets: Leases of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments.

Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

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

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

4.17 Share capital and dividend

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

4.18 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Short term finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

4.19 Operating profit

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

4.20 Earnings per share

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

4.21 Fair value measurement

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

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

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

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

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

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

5. SHARE CAPITAL

Authorised share capital	2018 (Rupees '000)	2017 (Rupees '000)
700,000,000 (2017: 700,000,000) ordinary shares of Rs. 10 each	**7,000,000**	7,000,000

Issued, subscribed and paid up share capital

2018 Number of shares	2017 Number of shares		2018 (Rupees '000)	2017 (Rupees '000)
514,163,552	514,163,552	Ordinary shares of Rs. 10 each issued for cash	**5,141,636**	5,141,636
64,038,422	64,038,422	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**640,384**	640,384
1,182,944	1,182,944	Ordinary shares of Rs. 10 each issued pursuant to amalgamation of Mustehkam Cement Ltd.	**11,829**	11,829
16,867,865	16,867,865	Ordinary shares of Rs. 10 each issued pursuant to amalgamation of Pakcem Limited	**168,679**	168,679
596,252,783	596,252,783		**5,962,528**	5,962,528

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

5.2 Bestway (Holdings) Limited, U.K. is the holding company controlling 336,362,368 i.e. 56.41% shares in the Company as at 30 June 2018 (2017: 336,362,368 i.e. 56.41%). Bestway (Holdings) Limited is a wholly owned subsidiary of Bestway Group Limited. Directors and associated companies hold 102,104,098 (2017: 92,745,611) and 23,324,913 (2017: 23,324,913) ordinary shares respectively at year end.

5.3 Capital management

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

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)

6. CAPITAL RESERVES

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
Share premium on ordinary shares		**5,381,821**	5,381,821
OCI accumulated in reserves:			
- Exchange translation reserve		**1,551,651**	1,070,539
- Revaluation reserves		**(148,527)**	775,465
	6.1	**1,403,124**	1,846,004
		6,784,945	7,227,825

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

7. REVENUE RESERVE

This represents unappropriated profit and is available for distribution.

8. LONG TERM FINANCING

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
Syndicate term finance facility - secured	8.1	**6,000,000**	6,000,000
Less: Current portion shown under current liabilities		**(2,700,000)**	-
		3,300,000	6,000,000

8.1 This represents the outstanding balance of term finance facility of Rs. 15 billion (2017: Rs. 15 billion) from a syndicate of banks with Allied Bank Limited as the lead bank. This facility is repayable in 10 stepped up semi-annual instalments which started from October 2015. Mark-up is payable on semi annual basis at the rate of 6-month KIBOR plus 0.20% (2017: 6-month KIBOR plus 0.20%) per annum. The facility is secured against all present and future assets excluding land and buildings of the Company for an amount of Rs. 13.33 billion and a mortgage charge created by way of deposit of title deeds.

9. LONG TERM MUSHARAKA

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
Syndicate musharaka facility - secured	9.1	**4,000,000**	4,000,000
Less: Current portion shown under current liabilities		**(1,800,000)**	-
		2,200,000	4,000,000

9.1 This represents the outstanding balance of musharaka facility of Rs. 10 billion (2017: Rs. 10 billion) from a syndicate of banks. This facility is repayable in 10 stepped up semi-annual instalments which started from October 2015. Mark-up is payable on semi annual basis at the rate of 6-month KIBOR plus 0.20% (2017: 6-month KIBOR plus 0.20%) per annum. The facility is secured as explained in note 8.1.

	Note	2018 (Rupees '000)	2017 (Rupees '000)
10. DEFERRED TAX LIABILITY - NET			
Deferred taxation		**9,111,362**	10,089,266
	10.1	**9,111,362**	10,089,266

10.1 Movement in deferred tax balances

2018	**Net balance at 01 July 2017**	**Recognised in profit or loss**	**Recognised in OCI**	**Balance at 30 June 2018 Net**	**Deferred tax assets**	**Deferred tax liabilities**
	(Rupees '000)					
Property, plant and equipment	**8,199,538**	**(410,793)**	**-**	**7,788,745**	**-**	**7,788,745**
Intangible assets	**591,304**	**(419,144)**	**-**	**172,160**	**-**	**172,160**
Available for sale investments	**136,847**	**-**	**(163,058)**	**(26,211)**	**(26,211)**	**-**
Share of profit of associate	**1,176,631**	**19,514**	**-**	**1,196,145**	**-**	**1,196,145**
Other differences related to associates OCI	**8,277**	**-**	**(42)**	**8,235**	**-**	**8,235**
Tax credits	**-**	**-**	**-**	**-**	**-**	**-**
Other temporary differences	**(23,331)**	**2,349**	**(6,730)**	**(27,712)**	**(27,712)**	**-**
Deferred tax (assets) / liabilities	**10,089,266**	**(808,074)**	**(169,830)**	**9,111,362**	**(53,923)**	**9,165,285**
Set-off of tax				**-**	**53,923**	**(53,923)**
Net tax (assets) / liabilities				**9,111,362**	**-**	**9,111,362**

2017	Net balance at 01 July 2016	Recognised in profit or loss	Recognised in OCI	Balance at 30 June 2017 Net	Deferred tax assets	Deferred tax liabilities
	(Rupees '000)					
Property, plant and equipment	8,481,730	(282,192)	-	8,199,538	-	8,199,538
Intangible assets	1,042,429	(451,125)	-	591,304	-	591,304
Available for sale investments	194,642	-	(57,795)	136,847	-	136,847
Share of profit of associate	875,752	300,879	-	1,176,631	-	1,176,631
Other differences related to associates OCI	8,057	-	220	8,277	-	8,277
Tax credits	(1,297,288)	1,297,288	-	-	-	-
Other temporary differences	(18,726)	3,359	(7,964)	(23,331)	(23,331)	-
Deferred tax (assets) / liabilities	9,286,596	868,209	(65,539)	10,089,266	(23,331)	10,112,597
Set-off of tax				-	23,331	(23,331)
Net tax (assets) / liabilities				10,089,266	-	10,089,266

10.1.1 Based on the Company's estimate of future export sales, adjustment of Rs. 0.69 billion (2017: Rs. 0.97 billion) has been made in the taxable temporary differences at the year end.

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
11. EMPLOYEE BENEFIT OBLIGATIONS			
Provision for gratuity	11.1	**468,333**	364,820
Provision for compensated absences	11.2	**29,004**	16,052
		497,337	380,872

11.1 Provision for gratuity

The Company maintains an unfunded gratuity scheme for eligible employees.

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
Present value of defined benefit obligation		**468,333**	364,820
Net defined benefit liability	11.1.1	**468,333**	364,820

11.1.1 Movement in net defined benefit liability

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

	2018 (Rupees '000)	2017 (Rupees '000)
Balance at the beginning of the year	**364,820**	300,150
Included in profit or loss:		
- Current service cost	**69,135**	48,235
- Interest cost	**27,183**	20,352
	96,318	68,587
Included in OCI:		
- Re-measurement loss on defined benefit liability	**25,667**	29,495
Benefits paid	**(18,472)**	(33,412)
Balance at the end of the year	**468,333**	364,820

11.1.2 Actuarial assumptions

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

	2018	2017
Discount rate per annum	**9.00%**	7.75%
Future salary growth rate per annum	**8.00%**	6.75%
Withdrawal rates	**Moderate**	Moderate

The mortality rates are based on State Life Insurance Corporation (SLIC) 2001-05 ultimate mortality rate (2017: SLIC 2001-05 ultimate mortality rate), rated down by one year.

The effective duration of the future cash flows calculated based on yields available on government bonds works out to 7.23 years (2017: 7.35 years).

11.1.3 Sensitivity analysis

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

	2018 Increase	**2018 Decrease**	2017 Increase	2017 Decrease
	-----------(Rupees '000)-----------			
Discount rate (1% movement)	**(30,692)**	**35,637**	(24,747)	28,857
Future salary growth (1% movement)	**37,481**	**(32,767)**	30,294	(26,371)
Future mortality (1 year change)	**708**	**(746)**	97	(98)
Withdrawal rate (10% movement)	**(119)**	**119**	573	(603)

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

11.1.4 Expected maturity profile

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

	2018 (Rupees '000)	2017 (Rupees '000)
Year 1	**127,303**	108,163
Year 2	**27,543**	17,231
Year 3	**52,770**	21,967
Year 4	**24,318**	24,441
Year 5	**17,083**	19,296
Year 6 to Year 10	**182,795**	89,635
Year 11 and beyond	**742,398**	515,593

Expected gratuity expense for the next financial year is Rs. 100.83 million (2017: Rs. 84.61 million).

11.1.5 Risks associated with defined benefit plan

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

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

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

11.1.6 Historical information

	Present value of defined benefit obligation (Rupees '000)	Net liability at the end of the year (Rupees '000)
2018	**468,333**	**468,333**
2017	364,820	364,820
2016	300,150	300,150
2015	236,483	236,483
2014	199,730	199,730

11.2 Provision for compensated absences

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

12. TRADE AND OTHER PAYABLES

	Note	2018 (Rupees '000)	2017 (Rupees '000)
Payable to contractors and suppliers		**3,825,506**	3,452,540
Accrued liabilities		**2,474,367**	2,129,022
Advances from customers		**213,148**	250,670
Security deposits	12.1	**100,647**	81,214
Retention money		**121,952**	33,164
Workers' Profit Participation Fund payable	12.2	**752,931**	1,065,987
Workers' Welfare Fund payable	12.3	**325,587**	627,970
Excise duty payable		**273,910**	136,146
Advance rent of investment property		**5,813**	5,111
Donations payable to Bestway Foundation	30.2	**508,923**	378,442
Payable to employee retirement benefit - provident fund		**1,605**	5,820
Withholding taxes payable		**251,675**	122,941
Other payables	12.4	**746,319**	101,615
		9,602,383	8,390,642

12.1 These represent amounts received as security deposits from dealers and suppliers of the Company, which are utilisable for the purpose of the business in accordance with their agreements.

	2018 (Rupees '000)	2017 (Rupees '000)
12.2 Workers' Profit Participation Fund payable		
Balance at the beginning of the year	**1,065,987**	790,344
Allocation for the year	**713,573**	886,922
Payments to the Fund during the year	**(1,026,630)**	(611,279)
Balance at the end of the year	**752,930**	1,065,987
12.3 Workers' Welfare Fund payable		
Balance at the beginning of the year	**627,970**	285,107
Allocation for the year	**110,949**	342,863
Adjustments claimed against income tax	**(413,332)**	-
Balance at the end of the year	**325,587**	627,970

12.4 These include an amount of Rs. 725.09 million (2017: Rs. 42.48 million), on account of estimated provision recorded up to 30 June 2018, pursuant to the decision of the Honourable Supreme Court of Pakistan against compensation to the land owners for land acquired at Hattar plant.

	2018 (Rupees '000)	2017 (Rupees '000)
13. SHORT-TERM BORROWINGS		
Running finance facilities from banking companies - secured	**12,151,583**	4,887,967
	12,151,583	4,887,967

13.1 These facilities are obtained from various commercial banks with an aggregate limit of Rs. 14.63 billion (2017: Rs. 6.25 billion). The facilities carry mark-up at 3-month KIBOR plus 0.05% and export refinance facility at 2.05% to 2.5% per annum (2017: 3-month KIBOR plus 0.05% to 0.25%, 1-month KIBOR plus 0.05% and Export refinance facility at 2.15% to 3% per annum). These facilities are secured by first pari passu hypothecation charge on all present and future movable assets, current assets and fixed assets excluding land and building for an amount of Rs. 12.92 billion (2017: Rs. 11.64 billion) and ranking hypothecation charge on all present and future movable assets, current assets and fixed assets excluding land and building for an amount of Rs. 9.75 billion (2017: Rs. nil).

13.2 The Company has running finance and other short term borrowing facilities aggregating to Rs. 2.48 billion (2017: Rs. 1.36 billion) which remained un-availed at the year end.

	Note	2018 (Rupees '000)	2017 (Rupees '000)

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 Guarantees and claims

	Note	2018 (Rupees '000)	2017 (Rupees '000)
Letters of guarantee issued by banks on behalf of the Company	14.1.1.1	**3,140,283**	1,782,018
Company's share of guarantees and claims of equity-accounted investee:			
- Letters of guarantee		**2,024,987**	1,124,019
- Performance bonds, bid bonds and warrantees		**12,473,003**	13,500,939
- Claims not acknowledged as debt		**931,846**	914,535

14.1.1.1 These include guarantee of Rs. 1 billion (2017: Rs. nil) issued to the Honourable Supreme Court of Pakistan as directed under the Human Rights Case No. 25598-G of 2017 (in the matter of drying out of the Shri Katas Raj Temple Pond). Subsequent to the year end, enhancement of Rs. 0.4 billion was made in this guarantee amount.

These also include bank guarantees issued in the normal course of business to Sui Northern Gas Pipeline Limited for commercial and industrial use of gas for an amount of Rs. 1.73 billion (2017: Rs. 1.39 billion).

14.1.1.2 As at 30 June 2018, facilities of letters of guarantee amounting to Rs. 3.76 billion (2017: Rs. 2.49 billion) were available to the Company out of which Rs. 0.62 billion (2017: Rs. 0.7 billion) remained unavailed as at year end. Facilities of letters of guarantee are secured by first pari passu charge on present and future assets of the Company.

14.1.2 Litigations

14.1.2.1 In Human Rights Case No.25598-G of 2017 (In the matter of drying out of the Shri Katas Raj Temple Pond), it is being alleged that the presence of cement operators in the Kahoon Valley is resulting in water shortage and environmental pollution in the Valley as well as depletion of water reserves at Katas Raj Pond. Management's assertion is that the Company is operating its cement plants located in Chakwal (and at other locations) within the legal parameters defined by law. The Company is not exceeding the permissible limits for groundwater extraction; no direct nexus has been established between the Company's operations in the region and depletion of the water reserve at Katas Raj Pond. The Company is also fully compliant with all the national limits regarding emissions as well as International Finance Corporation (World Bank) Standards.

On-going legal proceedings do not in any way impede the Company's current business and plant operations nor adversely affect the Company's commitments with all its existing stakeholders. The Company is complying with all orders issued by the Honourable Supreme Court to date including the final directions to cement manufacturers to implement alternative sources of water within a defined time frame of six months from the date of the order (also refer to note 14.1.1.1 and 14.2.1).

The Company intends to meet its industrial water requirements from a combination of water channeling and conservation strategies which include installation of a Reverse Osmosis Plant; air cooled condensers; construction of rain harvesting ponds and water storage tanks; and utilising run-off water from untapped stream/ nullah through laying of a pipeline to bring the overflow of this surface water to its plants. The Company is confident that it will meet its commitment to the Honourable Court of reducing its reliance on groundwater extraction to zero without incurring any additional liabilities.

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

Appeals against the CCP's orders were also filed as an abundant precaution in the Honourable Supreme Court of Pakistan under Section 42 of the Competition Ordinance, 2007.

However, after the enactment of the Competition Act, 2010 in which the Competition Appellate Tribunal ("CAT") had been constituted, the Hounarable Supreme Court of Pakistan vide its Order dated 1 June 2017 sent the above appeals to CAT to decide the same in accordance with law. Accordingly, the appeal is pending before CAT in which a next date of hearing has not been fixed as yet.

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

14.1.2.4 Contingencies relating to sales tax and federal excise duty of the Company are as follows. Sales tax and excise duty contingencies of Pakcem, acquired by the Company, are disclosed in note 14.1.2.5.

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

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

ii) The tax authority conducted audit of sales tax of the Company and consequent to audit proceedings framed Order-in-Original No. 01 of 2015 dated 31 August 2015 [the Order] through which a tax demand of Rs. 230.91 million was raised. Against the said order, the Company filed an appeal before the CIR(A), who upheld the impugned order. Being dissatisfied with the order of the CIR(A), the Company has filed an appeal before the ATIR who vacated the decision of CIR(A) and stated that the Company may prefer another appeal before the CIR(A) for the redressal of grievances against the assessment order, if any. Pursuant to the order of the ATIR, the Company has filed afresh appeal before the CIR(A) and the Company has also filed a reference before the Honourable Islamabad High Court ["IHC"]. After initial hearing, the IHC has admitted the reference and has directed that 'status quo' to be maintained till the next date of hearing.

iii) Based on an audit for the period from July 2009 to June 2010, the tax authority vide Order-in-Original No. 23 of 2013 dated 30 April 2013 [the Order] raised aggregate sales tax demand of Rs. 639.17 million against the Company mainly alleging suppression of production. On appeal by the Company, the CIR(A) vide order dated 25 July 2013, set aside the order in original and directed the tax authority for denovo consideration. The Company has filed an appeal before the ATIR against the order of the CIR(A), which is pending adjudication.

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

i) For the tax period January 2007 to December 2007, the tax authority raised sales tax/federal excise duty demand of Rs. 690 million, vide Order-in-Original No.19 of 2011 dated 25 October 2011 [the Order] . Pakcem filed an appeal against the said order before the CIR(A). The CIR(A) endorsed the view of the tax authority, but reduced the demand to Rs. 489 million. Pakcem filed an appeal before the Appellate Tribunal Inland Revenue [the ATIR] against the order of the CIR(A) and ATIR, vide its order dated 30 March 2012, set aside the orders of the CIR(A) and directed the tax authority for denovo consideration. Pakcem then filed an appeal before the honourable Islamabad High Court against the order of the ATIR. In the meanwhile as directed by the ATIR, the tax authority vide its re-assessment order dated 31 October 2012 again raised a demand of Rs. 489 million. Pakcem filed an appeal before the CIR(A) against the aforementioned order of the tax authority. The CIR(A) vide its order dated 20 December 2012 remanded back the order of the tax authority for re-assessment. Pakcem has also filed an appeal before the ATIR, against the order of the CIR (A), which is pending a decision. Further, as directed by the CIR(A), the matter is also pending for adjudication with the tax authority. To date no order has been passed.

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

Pending the outcome of the matters as discussed in notes from 14.1.2.4 to 14.1.2.6, no provision has been made in these financial statements as management is confident that the matters will ultimately be decided in the favour of the Company.

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
14.2 Commitments			
Outstanding letters of credit including capital expenditure	14.2.1	**1,471,310**	6,030,930
Capital expenditure		**294,596**	1,291,370
Rentals for use of land		**126,887**	128,508
Company's share of commitments of equity-accounted investee:			
- Outstanding letters of credit		**17,349,159**	15,906,938
- Forward foreign exchange contracts - purchases		**22,066,226**	18,575,383
- Forward foreign exchange contracts - sales		**18,489,514**	18,273,619
- Derivatives		**304,549**	654,761
- Capital expenditure		**151,300**	108,004

14.2.1 This includes letters of credit pertaining to the contracts signed for air cooled condensers as an alternative water source in compliance with the order of the Hounarable Supreme Court of Pakistan. In the prior year, outstanding letters of credit included amounts pertaining to the contracts signed for new production line at Farooqia site for 6,000 tonnes per day and 9 MW Waste Heat Recovery Power Plant.

14.2.2 As at 30 June 2018, facilities of letters of credit amounting to Rs. 9.92 billion (2017: Rs. 12.66 billion) are available to the Company, out of which Rs. 8.45 billion (2017: Rs. 6.63 billion) remained unavailed as at year end.

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
15. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	15.1	**54,631,262**	42,391,564
Capital work in progress (CWIP)	15.2	**1,454,471**	2,340,636
		56,085,733	44,732,200

15.1 Operating fixed assets

15.1.1 Reconciliation of carrying amounts

	Freehold land	Leasehold land	Buildings on freehold land	Plant and machinery	Quarry equipment	Laboratory and other equipment	Furniture and fixture	Vehicles	Office equipment	Total
	(-----				Rupees '000				-----)	
Cost										
Balance at 1 July 2016	1,565,299	39,517	10,077,766	37,364,039	1,709,934	897,872	123,321	333,544	148,669	52,259,961
Additions	55,226	-	141,533	606,947	394,033	35,167	17,110	246,123	26,394	1,522,533
Transfers from CWIP	-	-	219,248	1,095,782	-	-	-	-	-	1,315,030
Transfers from investment property	-	-	105,742	-	-	-	-	-	-	105,742
Disposals	-	-	-	-	(56,624)	-	-	(38,684)	-	(95,308)
Transfers / Write offs	-	-	(181,267)	(424,883)	(30,639)	-	-			(636,789)
Balance at 30 June 2017	1,620,525	39,517	10,363,022	38,641,885	2,016,704	933,039	140,431	540,983	175,063	54,471,169
Balance at 1 July 2017	**1,620,525**	**39,517**	**10,363,022**	**38,641,885**	**2,016,704**	**933,039**	**140,431**	**540,983**	**175,063**	**54,471,169**
Additions	**479,210**	**386**	**22,350**	**702,185**	**1,784,822**	**86,999**	**25,077**	**129,396**	**46,039**	**3,276,464**
Transfers from CWIP	**-**	**-**	**4,165,688**	**7,410,791**	**-**	**888**	**2,952**	**-**	**246**	**11,580,565**
Adjustments	**-**	**-**	**-**	**-**	**(27,258)**	**-**	**-**	**27,258**	**-**	**-**
Disposals	**(542)**	**-**	**-**	**-**	**(7,866)**	**-**	**-**	**(31,909)**	**-**	**(40,317)**
Transfers / Write offs	**-**	**-**	**-**	**(556,379)**	**-**	**(2,890)**	**-**	**-**	**-**	**(559,269)**
Balance at 30 June 2018	**2,099,193**	**39,903**	**14,551,060**	**46,198,482**	**3,766,402**	**1,018,036**	**168,460**	**665,728**	**221,348**	**68,728,612**
Accumulated depreciation										
Balance at 1 July 2016	-	23,442	2,190,876	6,753,514	926,518	169,668	61,020	121,695	82,715	10,329,448
Depreciation	-	1,159	354,885	1,392,576	125,156	78,080	6,990	65,023	11,816	2,035,685
Disposals	-	-	-	-	(53,890)	-	-	(17,256)	-	(71,146)
Transfers / Write offs	-	-	(52,047)	(133,258)	(29,077)	-	-	-	-	(214,382)
Balance at 30 June 2017	-	24,601	2,493,714	8,012,832	968,707	247,748	68,010	169,462	94,531	12,079,605
Balance at 1 July 2017	**-**	**24,601**	**2,493,714**	**8,012,832**	**968,707**	**247,748**	**68,010**	**169,462**	**94,531**	**12,079,605**
Depreciation	**-**	**1,079**	**361,924**	**1,458,954**	**217,020**	**77,065**	**8,944**	**89,786**	**15,045**	**2,229,817**
Adjustments	**-**	**-**	**-**	**-**	**(25,252)**	**-**	**-**	**25,252**	**-**	**-**
Disposals	**-**	**-**	**-**	**-**	**(6,698)**	**-**	**-**	**(21,292)**	**-**	**(27,990)**
Transfers / Write offs	**-**	**-**	**-**	**(192,453)**	**-**	**(1,196)**	**-**	**9,567**	**-**	**(184,082)**
Balance at 30 June 2018	**-**	**25,680**	**2,855,638**	**9,279,333**	**1,153,777**	**323,617**	**76,954**	**272,775**	**109,576**	**14,097,350**
Carrying amounts										
At 30 June 2017	1,620,525	14,916	7,869,308	30,629,053	1,047,997	685,291	72,421	371,521	80,532	42,391,564
At 30 June 2018	**2,099,193**	**14,223**	**11,695,422**	**36,919,149**	**2,612,625**	**694,419**	**91,506**	**392,953**	**111,772**	**54,631,262**
Useful life (years)/rates of depreciation per annual										
2018		**30 years / 3%**	**30 years / 3%**	**30 years / 10%**	**15%**	**10-15%**	**10%**	**20%**	**15%**	
2017		30 years / 3%	30 years / 3%	30 years / 10%	15%	10-15%	10%	20%	15%	

15.1.2 The details of fixed assets sold during the year, having net book value in excess of Rs. 500,000 each are as follows:

Description	Cost	Carrying amount	Sale proceeds	Gain/ (loss)	Mode of disposal	Purchaser
	(Rupees '000)					
Vehicle (RY-263)	1,784	507	749	242	Negotiation	Abdul Sattar - Employee
Vehicle (VK-474)	2,153	705	705	-	Negotiation	Mehmood Afzal - Employee
Vehicle (AAK-409)	1,579	1,180	1,300	120	Negotiation	Fazili Rahim - Employee
Vehicle (VY-135)	1,797	541	672	131	Negotiation	Kaleem Ashraf - Employee
Vehicle (WK-441)	1,802	565	623	58	Negotiation	Safdar Khan Khattak - Employee
Vehicle (VZ-162)	1,721	518	714	196	Negotiation	Shayan Ahmed Khan - Employee
Vehicle (AAU-998)	2,168	1,339	1,910	571	Negotiation	Tariq Amjad
Vehicle (WK-132)	1,802	576	745	169	Negotiation	Anees ur Rehman - Employee
Vehicle (VK-451)	2,208	687	693	6	Negotiation	Musaddaq Ali Khan - Employee
Land	542	542	542	-	Negotiation	Javed Iqbal

15.1.3 Particulars of immovable property (land and building) in the name of the Company is as follows:

Location	Usage of immovable property	Total area
Suraj Gali Road, Village Shadi, Hattar, District Haripur, KPK	Production Plant	3,723 Kanals
12 km, Taxila-Haripur Road, Farooqia, District Haripur, KPK	Production Plant	4,767.45 Kanals
Village Tatral, Near PSO Petrol Pump, 22 km Kallar Kahar, District Chakwal	Production Plant	8,861.55 Kanals
Choie Mallot Road, Tehsil Kallar Kahar, District Chakwal	Production Plant	7,829.65 Kanals
19-A, College Road, F-7 Markaz, Islamabad	Head office plot	533.33 Sq. Yards

15.1.4 Land equal to 206 kanals and 17 marlas located at Farooqia plant was acquired with the funds of the Company in 2007 at the cost of Rs. 10.76 million but is not in the possession of the Company.

15.1.5 Allocation of depreciation charge

	2018 (Rupees '000)	2017 (Rupees '000)
Cost of sales	**2,184,613**	2,005,014
Selling and distribution expenses	**17,240**	11,502
Administrative expenses	**27,965**	19,170
	2,229,818	2,035,686

	Note	2018 (Rupees '000)	2017 (Rupees '000)
15.2 Capital work in progress (CWIP)			
Opening balance		**2,340,636**	1,024,516
Additions during the year	15.2.1	**10,694,400**	2,631,150
		13,035,036	3,655,666
Transferred to operating fixed assets:			
Buildings on freehold land		**(4,165,688)**	(219,248)
Plant and machinery		**(7,410,791)**	(1,095,782)
Furniture and fixture		**(2,952)**	-
Office equipment		**(246)**	-
Laboratory and other equipment		**(888)**	-
		(11,580,565)	(1,315,030)
Balance at the end of the year	15.2.2	**1,454,471**	2,340,636

15.2.1 This includes borrowing cost capitalized amounting to Rs. 448.53 million (2017: Rs. 55.35 million) calculated at a rate of 6.35% (2017: 6.5%) per annum.

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

	Note	2018 (Rupees '000)	2017 (Rupees '000)
Plant and machinery and other equipment		**1,014,280**	455,510
Civil development works including borrowing cost		**440,191**	1,885,126
		1,454,471	2,340,636

16. INTANGIBLE ASSETS AND GOODWILL

	Note	2018 (Rupees '000)	2017 (Rupees '000)
Computer software		**11,529**	25,255
Operational benefit	16.2	**-**	1,322,938
Brands	16.3	**743,262**	852,433
Goodwill	16.4	**7,062,111**	7,062,111
		7,816,902	9,262,737

16.1 Reconciliation of carrying amounts

	Computer software	Operational benefit (note 16.2)	Brands (note 16.3)	Goodwill (note 16.4)	Total
	(Rupees '000)				
Cost					
Balance at 01 July 2016	73,047	4,910,570	1,091,712	7,062,111	13,137,440
Additions	-	-	-	-	-
Balance at 30 June 2017	73,047	4,910,570	1,091,712	7,062,111	13,137,440
Balance at 01 July 2017	**73,047**	**4,910,570**	**1,091,712**	**7,062,111**	**13,137,440**
Additions	**300**	**-**	**-**	**-**	**300**
Balance at 30 June 2018	**73,347**	**4,910,570**	**1,091,712**	**7,062,111**	**13,137,740**
Accumulated amortisation and impairment losses					
Balance at 01 July 2016	33,810	1,950,775	130,108	-	2,114,693
Amortisation	13,982	1,636,857	109,171	-	1,760,010
Balance at 30 June 2017	47,792	3,587,632	239,279	-	3,874,703
Balance at 01 July 2017	**47,792**	**3,587,632**	**239,279**	**-**	**3,874,703**
Amortisation	**14,026**	**1,322,938**	**109,171**	**-**	**1,446,135**
Balance at 30 June 2018	**61,818**	**4,910,570**	**348,450**	**-**	**5,320,838**
Carrying amounts					
At 30 June 2017	25,255	1,322,938	852,433	7,062,111	9,262,737
At 30 June 2018	**11,529**	**-**	**743,262**	**7,062,111**	**7,816,902**
Useful life (years)/Rates of amortisation					
2017	6.66% - 29.3%	3 years	10 years	-	
2018	**6.66% - 29.3%**	**3 years**	**10 years**	**-**	

16.2 Operational benefit

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

16.3 Brands

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

16.4 Goodwill

This represents excess of the amount paid over fair value of net assets of Pakcem Limited on its acquisition on 22 April 2015. The recoverable amount of goodwill is tested for impairment annually based on its value in use, determined by discounting the future cash flows to be generated by cement plant (CGU) acquired from Pakcem Limited.

	2018	2017
Discount rate (pre tax)	**15%**	15%
Terminal value growth rate	**2.3%**	4%
Budgeted growth rate (average of next five years)	**4.7%**	5.2%

The discount rate was based on the historical average cost of capital.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

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

Significant one-off capital expenditure have been factored into the cash flow projections, reflecting recent regulatory developments in the area in which the CGU is situated.

The estimated recoverable amount of the CGU exceeds its carrying amount. The Company estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of the CGU to decline below the carrying amount.

16.5 Allocation of amortisation

	2018 (Rupees '000)	2017 (Rupees '000)
Cost of sales	**8,043**	8,012
Selling and distribution expenses	**109,168**	109,171
Administrative expenses	**1,328,924**	1,642,827
	1,446,135	1,760,010

	Note	2018 (Rupees '000)	2017 (Rupees '000)
17. INVESTMENT PROPERTY			
Balance at the beginning of the year		**250,214**	350,538
Transfer to operating fixed assets		**-**	(105,742)
Change in fair value		**7,442**	5,418
Balance at the end of the year	17.1	**257,656**	250,214

17.1 The investment property is a portion of the Company's head office building in Islamabad held for letting. An independent exercise was carried out to determine the fair value of investment property. To assess the land and building prices, market survey was carried out in the vicinity of the investment property. Fair value of the investment property is based on independent valuer's judgment about average prices prevalent on the aforementioned date and has been prepared on openly available/provided information after making relevant inquiries from the market. Valuation was carried out by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. Forced sale value of the investment property amounts to Rs. 231.89 million (2017: Rs. 225.19 million).

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

	Note	2018 (Rupees '000)	2017 (Rupees '000)
18. LONG TERM INVESTMENTS			
Investment in associated companies			
- United Bank Limited	18.1	**11,222,845**	11,721,094
- UBL Insurers Limited	18.2	**152,341**	130,213
	18.3	**11,375,186**	11,851,307

18.1 Investment in United Bank Limited - equity-accounted investee

As at 30 June 2018, the Company holds 93,649,744 (30 June 2017: 93,649,744) ordinary shares in United Bank Limited ('UBL'), a leading commercial bank in Pakistan with its registered office situated in Islamabad, Pakistan. The Company's shareholding in UBL constitutes 7.65% (2017: 7.65%) of total ordinary shares of UBL. UBL's ordinary shares are listed on Pakistan Stock Exchange Limited. UBL is treated as an 'associate' due to the Company's significant influence over it due to common directorship and being group company.

	2018 (Rupees '000)	2017 (Rupees '000)
18.1.1 Reconciliation of carrying amount		
Balance at the beginning of the year	**11,721,094**	11,592,746
Company's share of associate's profit for the year	**1,324,716**	2,031,692
Company's share of associate's:		
- re-measurement of defined benefit liability	**(4)**	(9,279)
- change in exchange translation reserve	**481,112**	(31,799)
- re-measurement of available-for-sale investments	**(1,086,626)**	(644,819)
	(605,518)	(685,897)
Less: Dividends received	**(1,217,447)**	(1,217,447)
Balance at the end of the year	**11,222,845**	11,721,094

18.1.2 The following table summarizes the financial information of UBL as included in its un-audited consolidated condensed interim financial statements for the six months ended 30 June 2018, including restatement due to change in accounting policy. The information relating to revenue, profit and other comprehensive income also include amounts for the six months ended 31 December 2017, adjusted for restatement due to change in accounting policy. The financial year-end of UBL is 31 December.

	2018 (Rupees '000)	2017 (Rupees '000)
Percentage of ownership (%)	**7.65%**	7.65%
Total assets	**1,893,208,740**	1,926,712,006
Total liabilities	**(1,754,027,547)**	(1,781,634,136)
Net assets	**139,181,193**	145,077,870
Non-controlling interests	**(5,074,387)**	(4,400,702)
Net assets attributable to ordinary shareholders (100%)	**134,106,806**	140,677,168
Company's share of net assets (7.65%)	**10,259,171**	10,757,420
Goodwill	**963,674**	963,674
Carrying amount of interest in associate	**11,222,845**	11,721,094
Mark-up / return / interest earned for the year	**115,432,430**	101,699,232
Profit after tax (100%)	**17,316,548**	26,558,063
Company's share of net profit for the year (7.65%)	**1,324,716**	2,031,692
Other Comprehensive Income (OCI):		
- Loss on re-measurement of defined benefit liability	**(52)**	(121,294)
- change in exchange reserve	**6,289,046**	(415,673)
- change in surplus on revaluation of available-for-sale investments	**(14,204,261)**	(8,429,007)
Total OCI (100%)	**(7,915,267)**	(8,965,974)
Company's share of OCI (7.65%)	**(605,518)**	(685,897)

18.1.3 Cost of investment in UBL amounted to Rs. 1.86 billion (2017: Rs. 1.86 billion). Market value of investment in UBL as at 30 June 2018 was Rs. 15.82 billion (2017: Rs. 22.06 billion). The investment in UBL is placed in level 1 of the fair value hierarchy.

18.2 Investment in UBL Insurers Limited - equity-accounted investee

As at 30 June 2018, the Company holds 14,088,199 (30 June 2017: 14,088,199) ordinary shares in UBL Insurers Limited ('UIL'), an unlisted public company engaged in insurance business with its registered office situated in Karachi, Pakistan. The Company's shareholding in UIL constitutes 12.23% (2017: 12.23%) of total ordinary shares of UIL. UIL is treated as an 'associate' due to the Company's significant influence over it due to common directorship and being a group company.

18.2.1 Reconciliation of carrying amount

	2018 (Rupees '000)	2017 (Rupees '000)
Balance at the beginning of the year	**130,213**	106,267
Company's share of associate's profit for the year/period after acquisition	**22,829**	2,853
Company's share of associate's:		
- re-measurement of defined benefit liability	**(277)**	-
- re-measurement of available-for-sale investments	**(420)**	-
- (Loss) / Income from Window Takaful Operations	**(4)**	-
	(701)	-
Excess of entity's share of net fair value of investee's identifiable assets and liabilities over the cost of the investment	**-**	21,093
Balance at the end of the year	**152,341**	130,213

18.2.2 The following table summarizes the financial information of UIL as included in its un-audited condensed interim financial information for the six months ended 30 June 2018. The information relating to revenue, profit and other comprehensive income also include amounts for the six months ended 31 December 2017. The financial year-end of UIL is 31 December.

	2018 (Rupees '000)	2017 (Rupees '000)
Percentage of ownership (%)	**12.23%**	12.23%
Total assets	**4,329,907**	3,913,304
Total liabilities	**(3,084,058)**	(2,848,387)
Net assets	**1,245,849**	1,064,917
Company's share of net assets (12.23%)	**152,341**	130,213
Carrying amount of interest in associates	**152,341**	130,213
Net insurance premium for the period after acquisition	**1,245,775**	134,057
Profit after tax for the period after acquisition	**186,660**	23,328
Company's share of net profit for the period after acquisition (12.23%)	**22,829**	2,853

18.2.3 Cost of investment in UBL Insurers Limited amounted to Rs. 106.27 million (2017: Rs. 106.27 million).

18.3 Investments in associated companies have been made in accordance with the requirements under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017).

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
19. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores, spare parts and loose tools		**5,948,201**	4,948,308
Stores and spare parts in transit		**1,699,523**	1,297,809
		7,647,724	6,246,117
Less: Provision for obsolete spare parts	19.1	**(6,482)**	(8,323)
		7,641,242	6,237,794
19.1 Movement in provision for obsolete spare parts			
Balance at the beginning of the year		**8,323**	8,323
Reversal of provision		**(1,841)**	-
Balance at the end of the year		**6,482**	8,323
20. STOCK IN TRADE			
Raw and packing material		**631,560**	473,181
Work in process		**3,090,185**	2,415,219
Finished goods		**679,508**	650,909
	20.1	**4,401,253**	3,539,309
Less: Provision for slow moving stock	20.2	**(43,173)**	(48,593)
		4,358,080	3,490,716

20.1 This includes stock in transit amounting to Rs. 4.05 million (2017: Rs. 9.16 million).

	2018 (Rupees '000)	2017 (Rupees '000)
20.2 Movement in provision for slow moving stock		
Balance at the beginning of the year	**48,593**	58,098
Provision for the year	**-**	-
Reversal of provision	**(5,420)**	(9,505)
Balance at the end of the year	**43,173**	48,593

	Note	2018 (Rupees '000)	2017 (Rupees '000)

21. TRADE DEBTS

	Note	2018 (Rupees '000)	2017 (Rupees '000)
Trade debts - unsecured			
-Considered good		**1,785,728**	1,462,355
-Considered doubtful		**2,935**	2,935
	21.1	**1,788,663**	1,465,290
Less: Provision against doubtful trade debts	21.2	**(2,935)**	(2,935)
		1,785,728	1,462,355

21.1 This includes Rs. 196.15 million (2017: Rs: 123.01 million) receivable from customers against export sales.

21.1.1 In respect of outstanding receivables against export sales, following particulars relate to exports made during the year:

2018:

Foreign jurisdiction	Export sales during the year: Through cash against documents and advance	Through contract	Through letters of credit (LC)	Total	Amount outstanding at year end
	(Rupees '000)				
India	**1,955,239**	**219,708**	**48,087**	**2,223,034**	**166,937**
Mauritius	**222,832**	**-**	**-**	**222,832**	**29,210**
	2,178,071	**219,708**	**48,087**	**2,445,866**	**196,147**

2017:

Foreign jurisdiction	Export sales during the year: Through cash against documents and advance	Through contract	Through letters of credit (LC)	Total	Amount outstanding at year end
	(Rupees '000)				
India	1,539,367	219,386	63,752	1,822,505	116,734
Afghanistan	1,564,634	-	-	1,564,634	202
Mauritius	238,020	-	-	238,020	6,071
	3,342,021	219,386	63,752	3,625,159	123,007

21.2 Movement in provision against doubtful trade debts

	2018 (Rupees '000)	2017 (Rupees '000)
Balance at the beginning of the year	**2,935**	2,935
Provision for the year	**-**	-
Balance at the end of the year	**2,935**	2,935

	Note	2018 (Rupees '000)	2017 (Rupees '000)
22. ADVANCES			
Advances to employees and executives - secured	22.1	**15,895**	12,134
Advances to suppliers and contractors - secured		**655,471**	1,372,214
		671,366	1,384,348

22.1 These include the following advances having outstanding balance exceeding Rs. 1 million at year end:

	2018 (Rupees '000)
Mr. Irshad Ali Ameer	**2,320**
Mr. Musaddaq Ali Khan	**1,826**
Mr. Muhammad Tariq	**1,952**
Mr. Kalim Ashraf	**1,708**

	2017 (Rupees '000)
Mr. Musaddaq Ali Khan	2,889
Mr. Shahid Sohail	1,394

These advances are extended to employees and executives and are repayable in installments in accordance with the Company's policy. These advances are secured against employees' retirement benefit balances.

	Note	2018 (Rupees '000)	2017 (Rupees '000)
23. DEPOSITS AND PREPAYMENTS			
Security deposits		**32,117**	72,195
Short-term prepayments		**10,052**	11,660
		42,169	83,855
24. OTHER RECEIVABLES			
Export rebate		**4,614**	4,614
Accrued interest		**183**	370
Fuel Price Adjustment (FPA) receivable		**17,397**	81,808
Sales tax		**1,128,336**	595,453
Excise duty	24.1	**615,146**	615,146
Receivable from Lafarge S.A.		**8,847**	8,847
Others		**1,566**	11,562
		1,776,089	1,317,800

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

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

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
25. CASH AND BANK BALANCES			
Cash at banks:			
in current accounts	25.1	**273,214**	190,270
in deposit accounts	25.2	**17,050**	18,171
		290,264	208,441
		290,264	208,441

25.1 This includes Rs. 153.62 million (2017: Rs. 82.16 million) held in current accounts maintained with UBL, a related party. Maximum aggregate amount outstanding at any time during the year amounted to Rs. 229.65 million (2017: Rs. 337.03 million).

25.1.1 Current accounts include balances amounting to Rs. 75.84 million (2017: Rs. 79.93 million) held in US Dollar accounts.

25.2 Deposit accounts carry profit rates ranging from 0.2% to 4.5% (2017: 2% to 4%) per annum.

25.2.1 These include balances amounting to Rs. 8.25 million (2017: Rs. 7.11 million) held in US Dollar accounts.

25.3 Pursuant to completion of acquisition process of Pakcem by the Company, the balances of Pakcem with Lafarge S.A. (previous parent entity of Pakcem) and its affiliates as of 21 April 2015 were agreed between the Company and Lafarge S.A and have been transferred to an escrow account maintained with Citi Bank N.A, pursuant to the Escrow Agreement dated 21 April 2015 between the Company and Lafarge S.A. and CitiBank N.A. According to the agreement the transferred funds will be utilised exclusively for payments to Lafarge S.A. from time to time and the Company will be entitled only to the balance left in the escrow account after completion of payments to Lafarge S.A. Accordingly, the amount in escrow account and payable balances aggregating to Rs.140.89 million (2017: Rs.140.89 million) related to Lafarge S.A. and its affiliates has been netted off in these financial statements till final settlement of escrow account.

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)

26. GROSS TURNOVER

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
Gross turnover:			
- Local		**71,912,418**	66,204,506
- Export		**5,207,139**	5,236,342
		77,119,557	71,440,848

27. COST OF SALES

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
Raw and packing materials consumed	27.1	**6,002,595**	5,137,014
Fuel and power		**21,800,218**	20,011,145
Stores, spares and loose tools consumed		**1,664,667**	1,390,860
Repairs and maintenance		**287,933**	264,265
Salaries, wages and benefits	27.2	**1,749,163**	1,452,219
Support services		**538,498**	510,059
Rent, rates and taxes		**8,224**	2,756
Insurance		**37,746**	42,120
Equipment rental		**112,916**	30,236
Utilities		**32,351**	23,393
Travelling, conveyance and subsistence		**120,756**	146,351
Communication		**10,719**	5,386
Printing and stationery		**14,796**	10,329
Entertainment		**15,313**	11,518
Depreciation	15.1.5	**2,184,613**	2,005,014
Amortisation	16.5	**8,043**	8,012
Reversal for provision for slow moving stock	20.2	**(5,420)**	(9,505)
Reversal for provision for obsolete spare parts	19.1	**(1,841)**	-
Legal and professional charges		**6,834**	5,895
Fees and subscriptions		**19,982**	23,622
Other manufacturing expenses		**23,628**	15,254
		34,631,734	31,085,943
Opening work in process		**2,415,219**	795,489
Closing work in process		**(3,090,185)**	(2,415,219)
Cost of goods manufactured		**33,956,768**	29,466,213
Opening finished goods stock		**650,909**	275,449
Closing finished goods stock		**(679,508)**	(650,909)
		33,928,169	29,090,753

	2018 (Rupees '000)	2017 (Rupees '000)
27.1 Raw and packing materials consumed		
Opening stock	**473,181**	439,517
Purchases during the year	**6,160,974**	5,170,678
Closing stock	**(631,560)**	(473,181)
	6,002,595	5,137,014

27.2 Salaries, wages and benefits include provision for employee retirement benefits amounting to Rs. 81.3 million (2017: Rs. 52.2 million).

	Note	2018 (Rupees '000)	2017 (Rupees '000)
28. OTHER INCOME			
Income from financial assets			
Profit on deposit accounts		**641**	16,793
Exchange gain		**47,386**	14,345
		48,027	31,138
Income from non-financial assets			
Gain on disposal of property, plant and equipment		**8,563**	27,322
Rental income from investment property		**28,315**	27,606
Disposal of waste materials		**56,330**	-
Change in fair value of investment property	17	**7,442**	5,418
		100,650	60,346
Others			
Management fee from related party		**-**	800
Others		**21,290**	7,576
		21,290	8,376
		169,967	99,860

29. SELLING AND DISTRIBUTION EXPENSES

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
Salaries, wages and benefits	29.1	**178,400**	138,594
Support services		**3,358**	2,306
Rent, rates and taxes		**17,878**	15,861
Repairs and maintenance		**7,891**	3,240
Utilities		**3,393**	3,486
Travelling, conveyance and subsistence		**24,784**	20,937
Communication		**5,842**	4,909
Printing and stationery		**3,679**	4,441
Entertainment		**9,262**	2,413
Equipment rental		**-**	3,669
Advertising and promotion		**28,829**	75,972
Depreciation	15.1.5	**17,240**	11,502
Amortisation	16.5	**109,168**	109,171
Fees and subscriptions		**57,312**	57,417
Freight and handling - local		**375,282**	275,015
Freight and handling - export		**784,040**	826,472
Others		**810**	3,498
		1,627,168	1,558,903

29.1 Salaries, wages and benefits include provision for employee retirement benefits amounting to Rs. 8.7 million (2017: Rs. 6.3 million).

30. ADMINISTRATIVE EXPENSES

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
Salaries, wages and benefits	30.1	**312,942**	271,790
Rent, rates and taxes		**12,609**	14,681
Repairs and maintenance		**28,078**	20,664
Insurance		**939**	1,474
Utilities		**8,741**	6,235
Travelling, conveyance and subsistence		**38,237**	30,004
Communication		**9,896**	5,670
Printing and stationery		**6,008**	3,934
Entertainment		**7,519**	4,580
Advertisements		**3,895**	6,808
Welfare activities		**53,784**	3,090
Donations	30.2	**132,927**	132,926
Legal and professional charges		**48,519**	22,271
Fees and subscriptions		**30,493**	34,545
Auditors' remuneration	30.3	**6,914**	6,934
Depreciation	15.1.5	**27,965**	19,170
Amortisation	16.5	**1,328,924**	1,642,827
Equipment rental		**-**	3,950
Write-offs of fixed assets		**-**	168,018
Others		**4,842**	5,081
		2,063,232	2,404,652

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

30.1 Salaries, wages and benefits include provision for employee retirement benefits amounting to Rs. 19.2 million (2017: Rs. 10.5 million).

30.2 These include a provision of Rs. 131.58 million (2017: Rs. 132.93 million) made for donation to Bestway Foundation. The Chief Executive Officer and the following directors are among the trustees of the Foundation:

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

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

		Note	**2018 (Rupees '000)**	2017 (Rupees '000)
30.3	**Auditors' remuneration**			
	Services as auditors:			
	Statutory audit fee		**2,996**	2,882
	Half year review		**567**	540
	Certification for regulatory purposes		**452**	556
	Out of pocket expenses		**285**	463
			4,300	4,441
	Other services:			
	Tax advisory services		**2,495**	2,393
	Out of pocket expenses		**119**	100
			2,614	2,493
			6,914	6,934
31.	**OTHER EXPENSES**			
	Workers' Welfare Fund		**110,949**	342,863
	Workers' Profit Participation Fund		**713,573**	886,922
	Compensation against court order	12.4	**393,189**	-
			1,217,711	1,229,785
32.	**NET FINANCE COSTS**			
	Mark-up on syndicate term financing		**215,463**	434,246
	Mark-up on syndicate musharaka		**143,508**	325,078
	Mark-up on short term running finance		**206,988**	43,416
	Bank charges and commissions		**34,476**	27,975
			600,435	830,715

	Note	2018 (Rupees '000)	2017 (Rupees '000)
33. SHARE OF PROFIT OF EQUITY-ACCOUNTED INVESTEES			
United Bank Limited	18.1.1	**1,324,716**	2,031,692
UBL Insurers Limited	18.2.1	**22,829**	23,946
		1,347,545	2,055,638

	2018 (Rupees '000)	2017 (Rupees '000)
34. INCOME TAX		
34.1 Amounts recognised in profit or loss		
Current tax	**2,614,832**	4,503,317
Deferred tax	**(808,074)**	868,209
Tax expense for the year	**1,806,758**	5,371,526

Reconciliation of effective tax rate

	2018	2017	2018 (Rupees '000)	2017 (Rupees '000)
Accounting profit before tax			**14,964,464**	18,664,166
Tax using the Company's domestic tax rate	**30%**	31%	**4,489,339**	5,785,891
Super tax	**2%**	3%	**344,648**	585,336
Revision in deferred tax rate	**(10%)**	0%	**(1,557,426)**	-
Tax effects of:				
Share of profits of equity-accounted investees	**(1%)**	(2%)	**(182,617)**	(359,338)
Income taxable under final tax regime (exports)	**(2%)**	(2%)	**(286,037)**	(396,742)
Others	**0%**	0%	**19,655**	(35,775)
Recognition of tax credits	**(7%)**	(1%)	**(1,020,804)**	(207,846)
	12%	29%	**1,806,758**	5,371,526

34.2 Status of income tax assessments

According to management, the tax provision made in the financial statements is sufficient. A comparison of last three years of income tax provision with tax assessed is presented below:

	2017 (Rupees '000)	2016 (Rupees '000)	2015 (Rupees '000)
Income tax provision for the year - accounts	4,503,317	3,289,209	3,169,666
Income tax as per tax assessment	3,744,997	3,019,808	2,389,589

34.3 Income tax assessments of the Company for certain tax years are pending at various levels. Management is confident of the favourable outcome.

34.3.1 Status of the Company's tax assessments is as follows. Income tax matters of Mustehkam Cement Limited ('MCL') acquired by the Company, are disclosed in note 34.3.2. Income tax matters relating to Pakcem, acquired by the Company, are disclosed in note 34.3.3.

i) The tax authority amended the assessment of the Company for the Tax Year 2009 vide order dated 14 June 2010 read with rectified order dated 15 February 2011 thereby making various disallowances. The Company filed appeal with the CIR(A) and simultaneously moved rectification application with the tax authority. While disposing of the rectification application, the tax authority allowed partial relief to the Company. In terms of rectification order, the revised taxable income for the year was worked out to Rs. 1.82 billion which was however, set off against brought forward business losses. The remaining issues were decided by the CIR(A) in favour of the Company except the issue of disallowance of deductions claimed on account of donations. The Company as well as the tax authority filed cross appeals before the ATIR, where the order of the CIR(A) were maintained. Company, being not satisfied with the order, has filed reference before the Islamabad High Court, which is pending for adjudication.

ii) Income tax assessments of the Company for the Tax Years 2010 to 2012 were amended on 9 July 2013 on alleged concealment of sales by working back production taking gypsum consumed as five per cent of cement produced and raising tax demand of Rs. 16.97 billion (including Rs. 2.10 billion related to MCL). On appeal by the Company, the CIR(A) cancelled the assessments for the Tax Years 2010 and 2011 and set aside the assessment for the Tax Year 2012 for denovo consideration. Being dissatisfied with the order of the CIR(A), the Company has filed second appeal before the ATIR for Tax Year 2012.

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

iii) The tax authority framed ex-parte amended assessment on 31 December 2015 for the Tax Year 2013, by charging tax on dividend income at corporate rate of tax of 35% and disallowing the adjustment of tax loss by Rs. 664 million. On Appeal the CIR(A) set-aside the amended assessment order. Being not satisfied with the order of the CIR(A), the Company has filed an appeal before the ATIR which is subjudice till date.

In re-assessment the ADCIR framed the order on 17 February 2017 by disallowing rebates and discounts; adjustment of losses in consequence of merger and charged tax on dividend income at corporate tax rate and created a demand of Rs. 867.65 million. Company has agitated the assessments in appeal as well as through rectification application. The CIR(A) partially confirmed and partially set-aside the order. Company has filed an appeal before ATIR against the order of CIR(A).

iv) Tax authorities firstly u/s 122(5A) on 29 April 2017 and subsequently after completion of audit proceedings and taking into account effect of order issued 122(5A) has framed the assessment u/s 122(5) of the ITO, 2001 for the Tax Year 2014 on 22 May 2017 by disallowing deduction of price match on local as well as on export sales. Further, credit of tax paid was also curtailed. Company agitated the assessments in appeal as well as through rectification application. The DCIR has rectified the order at a tax demand of Rs. 225.28 million which has been paid under protest by the Company while appeal is pending with CIR(A) for adjudication.

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

i) For the Assessment Year 1998-99, the tax authority charged additional tax amounting to Rs. 10.39 million in terms of section 87 of the repealed Income Tax Ordinance, 1979 for non-payment of advance tax vide order dated 21 October 1999. At that time, no appeal was filed with the CIR(A) against the impugned order on instructions of the Government of Pakistan (GoP) as MCL was a state-owned enterprise then, and the GoP insisted to resolve the disputes with the Federal Board of Revenue (FBR) through inter-ministerial consultations. After MCL's privatization, it pursued it's case before the appellate authorities and accordingly filed an appeal with the CIR(A) with the request for condonation of delay in time for filing of appeal within the prescribed time. This request for condonation of delay was not accepted. MCL filed appeal with the ATIR where the request for condonation in filling of appeal was also not entertained. Accordingly, MCL filed a reference with the Honourable Islamabad High Court, which is subjudice till date.

ii) The tax authority passed a rectification order dated 31 October 2017 for the Tax Year 2011, thereby, charging minimum tax on export sales and charging surcharge on minimum tax liability. Being aggrieved with the rectification, MCL filed an appeal before the CIR(A) who has set-aside the rectification order. Being not satisfied with the order of the CIR(A), the Company has filed an appeal before the ATIR which is subjudice till date.

iii) The tax authorities have framed the assessment u/s 122(5A) for Tax Year 2013 on 30 November 2016 in case of MCL (pre-merger return) by disallowing adjustment of Brought Forward losses and charged WWF and also re-calculated the allocation of expenses to exports and created demand of Rs. 124.82 million. Company filed an appeal before CIR(A) who partially setaside and partially confirmed the order. Being not satisfied with the order of the CIR(A), the Company has filed an appeal before the ATIR which is subjudice till date.

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

34.3.3 The following income tax matters stand transferred to the Company pursuant to the of amalgamation of Pakcem with the Company:

i) The tax authority, vide an order dated 14 March 2011, raised a demand of Rs. 268.56 million by subjecting reversal of interest and penal charges on foreign currency loans to tax, for the Tax Year 2005. Pakcem filed an appeal with the CIR(A) which was decided against Pakcem. Pakcem then filed an appeal before the ATIR against the aforementioned order of CIR(A). The ATIR decided the appeal in the favour of Pakcem. However, the tax authority being aggrieved by the order of the ATIR, has filed a reference application with the Honourable Islamabad High Court.

ii) The tax authority vide an order dated 28 June 2013, reduced the tax refund of Pakcem from Rs. 122.66 million to Rs. 71.48 million for the Tax Year 2010. Owing to alleged suppression of sales amounting to Rs. 331.90 million, charging of minimum tax, and apportionment of expenses between local and export sales. Pakcem filed a rectification application with the tax authority and also filed an appeal with the CIR(A). The CIR(A) vide its order dated 30 January 2014 has remanded the case for denovo consideration.

iii) The tax authority amended the assessment for the Tax Year 2008 on 29 July 2013 and reduced tax losses by Rs. 2.58 billion on account of a waiver of customs duties amounting to Rs. 0.82 billion alleged suppression of sales amounting to Rs. 1.19 billion and computation of profits attributable to exports. However, no tax demand was raised by the tax authority. Pakcem filed an appeal before the CIR(A) against the amended order. In 2014, the CIR(A) set aside the matters of additions to income on account of waiver of customs duties and taxes amounting to Rs. 0.82 billion and suppression of sales amounting to Rs. 1.19 billion. The matter of computation of profits attributable to exports was, however, decided against Pakcem. Pakcem has filed an appeal against the decision of the CIR(A) before the ATIR. The tax authority, based on the decision of the CIR(A), has initiated the re-assessment proceedings which are in progress.

iv) The tax authorities framed order under section 4B of the Ordinance on 16 May 2017 to recover Rs. 28.7 million from Pakcem on account of super tax allegedly short paid by the Company for the Tax Year 2015. Being aggrieved company filed appeal before CIR(A) who vide an ex-party decision dishonored the company contention. Company has agitated the appellate orders before ATIR which is subjudice till date.

34.3.4 The Company has during the year distributed sufficient interim dividends for the year ended 30 June 2018, which complies with the requirements of section 5A of the Income Tax Ordinance 2001. Accordingly, no provision for tax on undistributed reserves has been recognised in these financial statements for the year ended 30 June 2018.

	2018	2017
35. EARNINGS PER SHARE - Basic and diluted		
Profit for the year attributable to owners of the Company (Rupees in '000)	**13,157,706**	13,292,640
Weighted average number of ordinary shares in issue	**596,252,783**	596,252,783
Earnings per share - basic (Rupees)	**22.07**	22.29

35.1 There is no dilution effect on earnings per share of the Company.

	Note	**2018 (Rupees '000)**	2017 (Rupees '000)
36. CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	**290,264**	208,441
Short-term borrowings, secured	13	**(12,151,583)**	(4,887,967)
Cash and cash equivalents for the purpose of statement of cash flows		**(11,861,319)**	(4,679,526)

36.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Unclaimed dividend	Total
	----------(Rupees '000)---------	
Balance at 01 July 2017	**102,332**	**102,332**
Changes from financing activities		
Dividend paid	**(7,137,509)**	**(7,137,509)**
Total changes from financing cash flows	**(7,137,509)**	**(7,137,509)**
Other changes		
Dividend announced	**7,155,033**	**7,155,033**
Withholding tax on dividend	**(63,893)**	**(63,893)**
Total liability related changes	**7,091,140**	**7,091,140**
Balance at 30 June 2018	**55,963**	**55,963**

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2018			2017		
	Chief Executive	**Directors**	**Executives**	Chief Executive	Directors	Executives
	--------(Rupees '000)-------			--------(Rupees '000)-------		
Managerial remuneration	**30,000**	**19,920**	**511,215**	24,000	16,800	380,188
Bonus	**-**	**3,733**	**85,386**	-	4,036	54,352
Provision for gratuity	**-**	**4,682**	**50,117**	-	3,874	19,162
Compensated absences	**-**	**353**	**8,842**	-	-	792
Others	**-**	**-**	**6,894**	-	-	1,801
	30,000	**28,688**	**662,454**	24,000	24,710	456,295
Number of persons	**1**	**1**	**129**	1	1	97

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

37.2 Executive means an employee whose basic salary exceeds Rs. 1.2 million (2017: Rs. 1.2 million) during the year. Comparative figures have been restated to reflect changes in the definition of executive as per Companies Act, 2017.

37.3 In addition to above, meeting fees amounting to Rs. 0.39 million (2017 : Rs. 0.26 million) were paid to 8 directors (2017 : 8 directors) who attended the board of directors meetings during the year.

38. RELATED PARTIES

38.1 Parent and ultimate controlling party and related party relationships

The Company is a subsidiary of Bestway (Holdings) Limited, U.K. ("the holding company"). Bestway (Holdings) Limited, U.K. is a wholly owned subsidiary of Bestway Group Limited ("the ultimate parent company") therefore, all subsidiaries and associated undertakings of the ultimate parent company are related parties of the Company. Other related parties comprise of directors, key management personnel, entities with common directorships, entities over which the directors are able to exercise influence and employee retirement funds. Balances with related parties are shown in notes 5.2, 12, 18 and 25 and transactions with related parties are disclosed in notes 30.2 and 37. Transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as follows:

	2018 (Rupees '000)	2017 (Rupees '000)
Transactions and balances with holding company		
Dividend paid during the year	**3,854,051**	3,693,465
Transactions with associated undertakings under common directorship		
Dividend received	**1,217,447**	1,217,447
Sale of cement	**233**	285
Management fee received	**-**	800
Bank profit received	**-**	1,608
Insurance claims received	**7,911**	9,130
Dividend paid	**462,179**	442,921
Donations	**131,577**	132,926
Service/bank charges paid	**15,296**	13,851
Utilities and expenses paid	**-**	1,170
Rent paid	**13,754**	12,504
Insurance premium paid	**66,463**	18,396
Transactions and balances with key management personnel		
Remuneration, allowances and benefits	**58,688**	48,710
Dividend paid	**1,216,999**	969,928
Other related party transactions		
Expense / employer's contribution to provident fund	**14,299**	15,039

38.2 Following are the associated companies and related parties with whom the Company had entered into transactions during the year:

Associated company	Basis of relationship	Number of shares held in the Company	Aggregate %age shareholding in the Company
Bestway (Holdings) Limited, U.K.	Holding Company	321,170,905	53.86%
Bestway Northern Limited	Common control	15,191,463	2.55%
Bestway Foundation	Common directorship	23,323,432	3.91%
United Bank Limited	Common directorship	1,481	0.0002%
UBL Insurers Limited	Common directorship	-	-
MAP Rice Mills (Pvt) Limited	Common directorship	-	-

Related party	Basis of relationship	Number of shares held in the Company	Aggregate %age shareholding in the Company
Sir Mohammed Anwar Pervez	Chairman	21,640,779	3.63%
Mr. Zameer Mohammed Choudrey	Chief Executive	12,358,184	2.07%
Mr. Mohammed Younus Sheikh	Director	11,711,513	1.96%
Mr. Dawood Pervez	Director	37,536,226	6.30%
Mr. Haider Zameer Choudrey	Director	18,695,317	3.14%
Ms. Rakhshanda Choudrey	Close family member of CEO	185,425	0.03%
Mr. Muhammad Irfan A. Sheikh	Director	161,983	0.03%
Ms. Najma Naheed Pirzada	Director	67	-
Ms. Nazia Nazir	Director	29	-
Employees Provident Fund	Contributory Provident Fund	-	-

38.3 Following particulars relate to associated companies incorporated outside Pakistan with whom the Company had entered into transactions during the year:

Particulars	Bestway (Holdings) Limited, U.K.	Bestway Northern Limited
Registered address	2 Abbey Road, London NW10 7BW	2 Abbey Road, London NW10 7BW
Country of incorporation	United Kingdom	United Kingdom
Basis of association	Holding Company	Group Company by virtue of sharing same parent
Aggregate Percentage of shareholding	53.86% directly and 2.55% indirectly	2.55%
Name of Chief Executive Officer	Mr. Zameer Mohammed Choudrey	Mr. Zameer Mohammed Choudrey
Operational status	Active	Active
Auditor's opinion on latest available financial statements	Unmodified (Year end 2017)	Unmodified (Year end 2017)

39. FINANCIAL INSTRUMENTS - Fair values and risk management

39.1 Accounting classification

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

		30 June 2018			30 June 2017		
	Note	**Loans and receivables**	**Other financial liabilities**	**Total**	Loans and receivables	Other financial liabilities	Total
		(---------------Rupees - '000-----------)			(---------------Rupees - '000-----------)		
Financial assets measured at fair value		-	-	-	-	-	-
Financial assets not measured at fair value							
Deposits	23	**164,594**	-	**164,594**	206,884	-	206,884
Trade debts	21	**1,785,728**	-	**1,785,728**	1,462,355	-	1,462,355
Advances	22	**15,895**	-	**15,895**	26,467	-	26,467
Other receivables	24	**32,607**	-	**32,607**	107,201	-	107,201
Cash and bank balances	25	**290,264**	-	**290,264**	208,441	-	208,441
		2,289,088	-	**2,289,088**	2,011,348	-	2,011,348
Financial liabilities measured at fair value		-	-	-	-	-	-
Financial liabilities not measured at fair value							
Long term financing	8	-	**6,000,000**	**6,000,000**	-	6,000,000	6,000,000
Long term musharaka	9	-	**4,000,000**	**4,000,000**	-	4,000,000	4,000,000
Mark-up accrued		-	**242,140**	**242,140**	-	144,788	144,788
Trade and other payables	12	-	**4,796,029**	**4,796,029**	-	3,674,353	3,674,353
Unclaimed dividend		-	**55,963**	**55,963**	-	102,332	102,332
Short-term borrowings	13	-	**12,151,583**	**12,151,583**	-	4,887,967	4,887,967
			27,245,715	**27,245,715**	-	18,809,440	18,809,440

39.2 Fair values

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

	Carrying amounts	
	2018 (Rupees '000)	2017 (Rupees '000)
Financial assets not measured at fair value		
Deposits	**164,594**	206,884
Trade debts	**1,785,728**	1,462,355
Advances	**15,895**	26,467
Other receivables	**32,607**	107,201
Cash and bank balances	**290,264**	208,441
Financial liabilities not measured at fair value		
Long term financing	**6,000,000**	6,000,000
Long term musharaka	**4,000,000**	4,000,000
Mark-up accrued	**242,140**	144,788
Trade and other payables	**4,796,029**	3,674,353
Unclaimed dividend	**55,963**	102,332
Short-term borrowings	**12,151,583**	4,887,967

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

39.3 Financial risk management

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

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

39.3.1 Risk management framework

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

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

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

39.3.2 Credit risk

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

Balances with banks

The Company held balances of Rs. 290.26 million with banks at 30 June 2018 (2017: Rs. 208.44 million). Management assesses the credit quality of the counter parties as satisfactory. Geographic analysis and credit rating information is given below

Bank / financial institution	Note	**Credit rating agency**	**Long term Credit rating**	**Short term Credit rating**	**2018 (Rupees '000)**	2017 (Rupees '000)
Pakistan:						
Allied Bank Limited		**PACRA**	**AAA**	**A1+**	**31,668**	5,387
Askari Bank Limited		**PACRA**	**AA+**	**A1+**	**-**	-
Bank Alfalah Limited		**PACRA**	**AA+**	**A1+**	**-**	365
Citibank N.A. Pakistan	25.3	**Moody's**	**A1**	**P-1**	**-**	-
Dubai Islamic Bank Pakistan Limited		**JCR-VIS**	**AA-**	**A-1**	**84**	84
Faysal Bank Limited		**PACRA**	**AA**	**A1+**	**-**	-
Habib Bank Limited		**JCR-VIS**	**AAA**	**A-1+**	**89,856**	97,171
MCB Bank Limited		**PACRA**	**AAA**	**A1+**	**8,024**	8,733
Meezan Bank Limited		**JCR-VIS**	**AA+**	**A-1+**	**36**	6,619
National Bank of Pakistan		**PACRA**	**AAA**	**A1+**	**668**	2,459
Soneri Bank Limited		**PACRA**	**AA-**	**A1+**	**-**	2,063
Standard Chartered Bank		**PACRA**	**AAA**	**A1+**	**4,191**	3,402
United Bank Limited		**JCR-VIS**	**AAA**	**A-1+**	**155,737**	82,158

Trade debts

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the credit risk of its customer base. The Company has established a credit policy under which each new customer is assessed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sales limits are established for each customer and are reviewed on monthly basis. Trade debts amounting to Rs. 204.54 million (2017: Rs 157.81 million) are secured against letters of credit and bank gurantees. The Company maintains provision for doubtful debts that represents its estimate of probable losses in respect of trade debts.

	2018 (Rupees '000)	2017 (Rupees '000)
At reporting date, the maximum credit exposure in trade debts by geographic region was as follows:		
Domestic	1,589,581	1,339,349
Europe and African region	29,210	9,450
Asia	166,937	113,556
	1,785,728	1,462,355
At reporting date, the maximum credit exposure in trade debts by type of customer was as follows:		
Dealers	1,227,666	1,179,954
End-user customers	558,062	282,401
	1,785,728	1,462,355

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

	Gross amount		Provision for doubtful debts	
	2018 (Rupees '000)	2017 (Rupees '000)	2018 (Rupees '000)	2017 (Rupees '000)
Past due 1-30 days	1,279,565	1,265,301	-	-
Past due 31-60 days	266,079	34,202	-	-
Past due 61-90 days	123,566	11,029	-	-
Over 90 days	119,453	154,758	(2,935)	(2,935)
	1,788,663	1,465,290	(2,935)	(2,935)

The management believes that all unimpaired amounts are collectable in full, based on historical payment behavior and extensive analysis of customer credit risk. The movement in provision for doubtful debts during the year is disclosed in note 21.2.

39.3.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Company aims to maintain the level of its cash and cash equivalents and other highly liquid assets at an amount in excess of expected cash outflows on financial liabilities. In addition, the Company maintains lines of credit as mentioned in note 13.

Exposure to liquidity risk

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

	Carrying amount	Contractual cash flows					
		Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
30 June 2018	**(Rupees '000)**	**(Rupees '000)**					
Financial liabilities							
Long term financing	**6,000,000**	**6,533,997**	**1,251,852**	**1,815,618**	**3,466,527**	**-**	**-**
Long term musharaka	**4,000,000**	**4,355,998**	**834,568**	**1,210,412**	**2,311,018**	**-**	**-**
Mark-up accrued	**242,140**	**242,140**	**242,140**	**-**	**-**	**-**	**-**
Trade and other payables	**4,796,029**	**4,796,029**	**4,796,029**	**-**	**-**	**-**	**-**
Unclaimed dividend	**55,963**	**55,963**	**55,963**	**-**	**-**	**-**	**-**
Short-term borrowings	**12,151,583**	**12,151,583**	**12,151,583**	**-**	**-**	**-**	**-**
	27,245,715	**28,135,710**	**19,332,135**	**3,026,030**	**5,777,545**	**-**	**-**
30 June 2017							
Financial liabilities							
Long term financing	6,000,000	6,905,449	210,124	189,978	3,047,754	3,457,593	-
Long term musharaka	4,000,000	4,603,633	140,083	126,652	2,031,836	2,305,062	-
Mark-up accrued	144,788	144,788	144,788	-	-	-	-
Trade and other payables	3,674,353	3,674,353	3,674,353	-	-	-	-
Unclaimed dividend	102,332	102,332	102,332	-	-	-	-
Short-term borrowings	4,887,967	4,887,967	4,887,967	-	-	-	-
	18,809,440	20,318,522	9,159,647	316,630	5,079,590	5,762,655	-

As disclosed in Notes 8 and 9, the long term finance and long term musharaka facilities contain loan covenants. A future breach of covenants may require the Company to repay the loan earlier than indicated in the table above. The Company monitors the compliance with covenants on regular basis. The Company has not met the required threshold for current ratio as per terms of long term musharaka and long term financing as at 30 June 2018. However, management obtained a waiver from the lender in June 2018 and accordingly, these loans were not payable on demand at 30 June 2018.

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

39.3.4 Market risk

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

(a) Currency risk

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

Exposure to currency risk

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

	USD	
	30 June 2018	30 June 2017
	(Rupees '000)	
Trade debts	**196,147**	123,006
Cash and bank balances	**84,092**	87,040
Net exposure	**280,239**	210,046

The following significant exchange rates have been applied:

	Average rate		Year-end spot rate	
	2018 (Rupees)	2017 (Rupees)	**2018 (Rupees)**	2017 (Rupees)
USD 1	**109.88**	104.72	**121.45**	104.79

Sensitivity analysis

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

	Profit or loss		Equity, net of tax	
	Strengthening (Rupees '000)	**Weakening (Rupees '000)**	**Strengthening (Rupees '000)**	**Weakening (Rupees '000)**
30 June 2018				
USD (10% movement)	**28,024**	**(28,024)**	**28,024**	**(28,024)**
30 June 2017				
USD (10% movement)	21,005	(21,005)	21,005	(21,005)

(b) Interest rate risk

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

Exposure to interest rate risk

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

	Nominal amount	
	2018 (Rupees '000)	2017 (Rupees '000)
Fixed-rate instruments		
Financial assets	**17,050**	18,171
Variable-rate instruments		
Financial liabilities	**22,151,583**	14,887,967

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

	Profit or loss		**Equity, net of tax**	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
	(Rupees '000)	**(Rupees '000)**	**(Rupees '000)**	**(Rupees '000)**
30 June 2018				
Variable-rate instruments	**(221,516)**	**221,516**	**(221,516)**	**221,516**
Cash flow sensitivity (net)	**(221,516)**	**221,516**	**(221,516)**	**221,516**
30 June 2017				
Variable-rate instruments	(148,880)	148,880	(148,880)	148,880
Cash flow sensitivity (net)	(148,880)	148,880	(148,880)	148,880

40. PROVIDENT FUND

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

	2018	2017
Size of the trust (Rupees '000)	**246,021**	225,649
Cost of investments (Rupees '000)	**133,692**	108,057
Percentage of investments made (%)	**54%**	48%
Fair value of investments made (Rupees '000)	**176,375**	177,052

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

	2018 %	2017 %	2018 (Rupees '000)	2017 (Rupees '000)
Quoted investments:				
National Investment Trust	**22%**	24%	**38,097**	43,199
UBL's United Composite Islamic Fund	**4%**	5%	**7,084**	8,085
UBL's Separately Managed Account	**0%**	28%	**-**	48,921
	26%	57%	**45,181**	100,205
Others:				
Defence Saving Certificates	**15%**	13%	**26,070**	23,100
Certificates of Islamic Investment - Meezan Bank Limited	**23%**	23%	**40,539**	40,416
Term Deposit Receipts - Bank Islami Pakistan Limited	**8%**	7%	**13,955**	13,331
Term Deposit Receipts - MCB Islamic Bank	**28%**	0%	**50,630**	-
	74%	43%	**131,194**	76,847
	100%	100%	**176,375**	177,052

40.2 In addition to above, funds amounting to Rs. 36.57 million (2017: Rs. 15.33 million) have been placed in saving accounts.

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

41. PLANT CAPACITY AND PRODUCTION - Clinker

	Note	Available Capacity 2018	Available Capacity 2017	Actual Production 2018	Actual Production 2017
		(Metric Tonnes)		(Metric Tonnes)	
Hattar		**1,230,177**	1,230,177	**1,189,381**	1,217,777
Chakwal		**3,428,700**	3,428,700	**3,261,149**	3,284,640
Farooqia Line I		**1,204,994**	1,204,994	**1,139,170**	1,204,993
Farooqia Line II	41.1	**55,000**	-	**52,874**	-
Kallar Kahar		**2,375,911**	2,375,911	**2,434,418**	2,375,911
		8,294,782	8,239,782	**8,076,992**	8,083,321

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

41.1 The new Farooqia line II plant with an annual capacity of 1.8 million metric tonnes commenced commercial production in June 2018 and hence available capacity has been taken with effect from 20 June 2018.

42. NUMBER OF EMPLOYEES

	Note	**2018**	2017
Number of employees	42.1	**2,176**	1,886
Average number of employees	42.2	**2,058**	1,747

42.1 This includes 1,812 (2017: 1,574) number of factory employees.

42.2 This includes 1,715 (2017: 1,441) number of factory employees.

43. DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

As per the requirements of the fourth schedule to the Companies Act, 2017, shariah compliant companies and companies listed on the Islamic Index shall disclose the following:

	Note	**2018** **(Rupees '000)**	2017 (Rupees '000)
Long term loans obtained as per islamic mode	9	**4,000,000**	4,000,000
Short term running finance facilities as per islamic mode		**987,836**	-
Shariah compliant bank balances	39.3.2	**120**	6,703
Finance cost on islamic mode of financing		**169,857**	325,078

For profits earned and finance cost on conventional loans, refer to note 28 and 32.

The Company maintains bank accounts with Meezan Bank Limited and Dubai Islamic Bank Pakistan Limited. The Company has obtained facilities of long term musharaka (refer note 9) and short term running finance facility from Meezan Bank Limited (refer note 13).

44. PROPOSED DIVIDEND

The Board Directors in their meeting held on 17 August 2018 has proposed a final dividend of Rs. 3 per share. These financial statements do not reflect the proposed final dividend on ordinary shares as payable, which will be accounted for in the statement of changes in equity as an appropriation from the unappropriated profit in the year ending 30 June 2019.:

45. DATE OF AUTHORISATION

These financial statements were authorised for issue on 17 August 2018 by the Board of Directors of the Company.

CHIEF EXECUTIVE

DIRECTOR & CHIEF FINANCIAL OFFICER

Bestway Cement Limited

KEY OPERATING AND FINANCIAL DATE FOR SIX YEARS

AS AT 30 JUNE 2018

	2018	2017	2016	Restated 2015	2014	2013
OPERATING RESULTS				**RUPEES IN MILLIONS**		
Revenue	**52,884**	51,624	45,721	32,693	28,951	24,074
Cost of sales	**33,928**	29,091	24,573	19,900	17,570	14,104
Gross profit	**18,956**	22,533	21,148	12,793	11,380	9,970
Operating profit	**14,217**	17,439	16,789	10,577	10,896	8,254
Net finance costs	**600**	831	1,823	457	462	1,009
Profit before tax	**14,964**	18,664	17,078	12,068	10,434	8,135
Profit for the year - after tax	**13,158**	13,293	11,880	9,621	7,872	4,399
STATEMENT OF FINANCIAL POSITION				**RUPEES IN MILLIONS**		
Share capital and reserves	**53,310**	47,769	41,983	36,443	22,544	18,444
Property, plant and equipment	**56,086**	44,732	42,955	43,448	24,224	23,470
Long term financing and masharka	**5,500**	10,000	16,500	23,299	-	5,116
Liability subject to finance lease	**-**	-	-	-	-	-
Net current (liabilities) / assets	**(7,250)**	2,008	2,031	(523)	785	1,222
SIGNIFICANT FINANCIAL RATIOS				**PERCENTAGES**		
Gross profit ratio	**35.84**	43.65	46.25	39.13	39.31	41.41
Net profit ratio	**24.88**	25.75	25.98	29.43	27.19	18.27
Interest coverage ratio	**25.94**	23.46	10.37	27.41	23.58	9.06
Return on equity	**24.68**	27.83	28.30	26.40	34.92	23.85
Earnings per share	**22.07**	22.29	20.16	16.56	13.79	7.59
Dividend	**120**	120	100	100	65	20
				IN THOUSAND METRIC TONNES		
Despatches of cement and Xtreme bond	**8,590**	7,478	6,904	4,809	4,372	3,977

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2018

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM	SHAREHOLDING TO	NUMBER OF SHARES HELD
5624	1	100	189228
2034	101	500	583360
737	501	1000	605931
873	1001	5000	2132998
167	5001	10000	1285221
55	10001	15000	718930
41	15001	20000	742178
23	20001	25000	535532
18	25001	30000	498732
14	30001	35000	455346
6	35001	40000	229332
12	40001	45000	512610
4	45001	50000	189982
5	50001	55000	269105
3	55001	60000	170183
3	60001	65000	186170
6	65001	70000	402750
1	70001	75000	73900
7	75001	80000	540426
5	80001	85000	412483
3	85001	90000	256638
2	95001	100000	196000
1	105001	110000	105800
2	110001	115000	221005
2	115001	120000	235633
2	120001	125000	243198
1	125001	130000	129904
2	135001	140000	277000
3	150001	155000	463491
2	155001	160000	316541
1	160001	165000	160100
2	165001	170000	331388
1	185001	190000	185425
1	195001	200000	197700
5	215001	220000	1093960
2	230001	235000	465258
4	240001	245000	969449
1	255001	260000	255250
1	270001	275000	270500
2	275001	280000	556358
1	280001	285000	283000
1	285001	290000	289159
3	290001	295000	884200
2	300001	305000	607794

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2018

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM	SHAREHOLDING TO	NUMBER OF SHARES HELD
1	505001	510000	507310
1	620001	625000	623664
5	675001	680000	3394400
1	730001	735000	733316
1	800001	805000	803037
1	940001	945000	944715
1	955001	960000	958778
1	1060001	1065000	1064812
2	1085001	1090000	2178724
1	1180001	1185000	1180650
1	1240001	1245000	1244116
1	1355001	1360000	1357760
1	1570001	1575000	1573445
1	1620001	1625000	1623500
1	1805001	1810000	1808309
2	1910001	1915000	3822942
1	2695001	2700000	2698994
1	4320001	4325000	4323753
1	4675001	4680000	4677850
2	6165001	6170000	12339942
1	6185001	6190000	6188213
1	7875001	7880000	7878441
1	9625001	9630000	9626632
1	9900001	9905000	9903204
1	12010001	12015000	12014147
1	15190001	15195000	15191463
1	17150001	17155000	17153461
1	18695001	18700000	18695317
2	18745001	18750000	37496432
1	37535001	37540000	37536226
1	40485001	40490000	40487027
1	316490001	316495000	316493055
9,725			596,252,783

Bestway Cement Limited

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2018

Categories of Shareholders	Shares Held	%
Directors, Chief Executive, their Spouse and Minor Children	102,289,523	17.16
Associated Companies Undertakings & Related Parties	359,685,800	60.32
NIT/ICP	564	0.00
Banks, Development Finance Institutions and Non Banking Financial Institution	1,747,992	0.29
Insurance Companies	928,398	0.16
Modarabas and Mutual Funds	991,556	0.17
Shareholders holding 10%	-	0.00
General Public		
a. Local	122,878,086	20.61
b. Foreign	5,646,449	0.95
Others		0.00
i. Foreign Companies	175,099	0.03
ii. Joint Stock Companies and Trusts	1,909,316	0.32
TOTAL	596,252,783	100.00

اس سال کے دوران منعقد ہونے والے ہیومن ریسورس اور ایمیو نیز ریشن کمیٹی کے 2 اجلاسوں میں ہر ایک ڈائریکٹرز کی حاضری مندرجہ ذیل رہی:

	میٹنگز کی تعداد جن میں شرکت کی
جناب محمد عرفان انور شیخ	1
جناب محمد یونس شیخ	1
جناب داؤد پرویز	1

آڈیٹرز

موجودہ آڈیٹرز میسرز کے پی ایم جی تاثیر ہادی اینڈ کو جو اس اجلاس کے خاتمے پر ریٹائرڈ ہو جائیں گے اور انہوں نے اہلیت کے حامل ہونے کی وجہ سے اپنے آپ کو دوبارہ تقرر کے لیے پیش کیا ہے۔ کمپنی آڈٹ کمیٹی نے اس معاملے پر غور کیا ہے اور ریٹائر ہونے والے آڈیٹرز کے از سر نو تقرر کی سفارش کی ہے۔

اظہار تشکر

ڈائریکٹر پورے سال کے دوران کمپنی سے مسلسل تعاون، شراکت اور اعتماد کے لیے کمپنی کے حصص داران، اسٹاف ممبران، صارفین، فراہم کنندگان، خاص طور پر ہمارے بینکرز، الائیڈ بینک لمیٹڈ، حبیب بینک لمیٹڈ، فیصل بینک لمیٹڈ، میزان بینک لمیٹڈ، ایم سی بی بینک لمیٹڈ، یو بی ایل بینک لمیٹڈ، عسکری بینک لمیٹڈ، سنہری بینک لمیٹڈ، بینک الفلاح لمیٹڈ، دبئی اسلامک بینک پاکستان لمیٹڈ، اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ نیشنل بینک آف پاکستان، سٹی بینک اور دیگر کئی حکومتی ایجنسیوں کے مشکور ہیں

محمد عرفان انور شیخ
ڈائریکٹر

ضمیر محمد چوہدری
چیف ایگزیکٹیو

اسلام آباد
17 اگست 2018

پر عملدر آمد کیا ہے جس کی وجہ سے موجودہ پلیئرز کے لیے مارکیٹ شیئر برقرار رکھنا چیلنج ہے۔ پرائسنگ پاور کو کم کرنے کا امکان ہے۔ چونکہ ایندھن اور اِن پُٹ اخراجات میں اضافہ جاری ہے، اس وجہ سے سیمنٹ کی برآمدات دباؤ میں رہیں گی۔ ٹیرف کے علاوہ رکاوٹیں مقامی مینوفیکچررز کے لیے برآمدات بڑھانے کے لیے چیلنج کا کام کرتی ہیں۔ تاہم ممکن ہے کہ کرنسی کی قدر میں مستقل کمی برآمدات کو فروغ دے گی۔

ڈالر کے مقابلے میں روپے کی قدر میں کمی، بین الاقوامی کوئلے اور تیل کی قیمتوں اور شرح سود میں اضافے کا امکان ہے۔ جیسا کہ پاکستان مستقل کرنٹ اکاؤنٹ کا خسارہ برداشت کر رہا ہے۔ پاکستان متواتر کرنٹ اکاؤنٹ خسارے کا شکار ہے، روز افزوں روپے کی قدر میں کمی کے ساتھ اضافی ان پُٹ کاسٹ کے نتیجے میں ممکن ہے کہ مارجن دباؤ میں آجائیں گے۔ توانائی کی قیمتوں میں اضافہ سیمنٹ کے شعبے کے لیے خطرناک ہے کیونکہ درآمد شدہ کوئلہ اور ایندھن سیمنٹ کی پیداواری لاگت کا خطیر حصہ ہیں۔ حسب معمول آپ کی انتظامیہ آنے والے چیلنجز سے بخوبی آگاہ ہے اور آنے والے سالوں میں میسر آنے والے مواقع سے بھرپور استفادہ کرنے اور مزید افزائش اور بہتر منافع کے لیے کوشاں رہے گی۔

ڈائریکٹرز انتہائی مسرت سے آپ کو آگاہ کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کی گئی مالی دستاویزات میں اس بات کو یقینی بنایا گیا ہے کہ کمپنی کے معاملات، کاروباری افعال کے نتائج، ترسیل نقد رقوم اور حصص میں ردوبدل جیسے معاملات کو ان دستاویزات میں شفاف انداز میں پیش کیا جائے۔
- کمپنی کے حساب کتاب سے متعلق باقاعدہ کھاتے مرتب کئے گئے ہیں۔
- مالی دستاویزات کی تیاری کے سلسلے میں اکاؤنٹنگ کی مناسب پالیسیوں کو مستقلاً اپنایا اور مالی بیانات میں لاگو کیا گیا ہے اور اکاؤنٹنگ کے تمام تر تخمینے معقولیت اور مناسب فیصلوں کی بنیاد پر لگائے گئے ہیں۔
- مالی دستاویزات کی تیاری کے لیے پاکستان میں لاگو بین الاقوامی فنانشل رپورٹنگ اسٹینڈرڈز کی پیروی کی گئی ہے۔
- اندرونی کنٹرول کا جامع نظام وضع شدہ ہے اور اس نظام کو مؤثر انداز سے نافذ کیا جاتا ہے اور اس کی مکمل نگرانی بھی کی جاتی ہے۔ سسٹم از خود بھی جب اور جہاں ضروری ہو مسلسل نظر ثانی کے تابع ہے۔
- اس بات میں کسی شک کی گنجائش نہیں ہے کہ کمپنی اپنی کاروباری سرگرمیوں کو ہمیشہ جاری رکھنے کی اہل ہے۔
- قوانین میں درج بہترین کارپوریٹ گورنس کی پالیسیوں سے ذرّہ برابر بھی انحراف نہیں کیا گیا ہے۔
- گزشتہ چھ سال کے اہم مالی اعداد و شمار صفحات مابعد میں فراہم کئے گئے ہیں۔
- واجب الادا محصولات، ڈیوٹیز اور چارجز مالی گوشواروں میں ظاہر کئے گئے ہیں۔
- کمپنی میں شیئر ہولڈنگ کے پیٹرن کی ایک اسٹیٹمنٹ اگلے صفحات میں ہے۔
- کمپنی نے ان ملازمین کے لئے ایک پروویڈینٹ فنڈ اسکیم مرتب کی ہوئی ہے جو اس کے اہل ہیں۔ 30 جون 2018 کو اس اسکیم کی سرمایہ کاری کی قدر 134 ملین روپے (غیر پڑتال شدہ) تھی۔
- اس سال کے دوران منعقد کی گئی پانچ بورڈ میٹنگوں میں ہر ایک ڈائریکٹرز کی حاضری مندرجہ ذیل رہی:

	میٹنگز کی تعداد جن میں شرکت کی
سر محمد انور پرویز	2
جناب محمد چوہدری	4
جناب محمد عرفان انور شیخ	4
جناب محمد یونس شیخ	4
جناب داؤد پرویز	3
جناب حیدر ضمیر چوہدری	4
محترمہ نجمہ ناہید پیرزادہ	4
محترمہ نازیہ نذیر	2

ڈائریکٹرز کو بعض بورڈ میٹنگز سے غیر حاضری کی اجازت دی گئی تھی۔

- دوران سال منعقد ہونے والی آڈٹ کمیٹی میٹنگز میں ہر ایک ڈائریکٹرز کی حاضری مندرجہ ذیل رہی:

	میٹنگز کی تعداد جن میں شرکت کی
جناب محمد یونس شیخ	4
جناب داؤد پرویز	3
محترمہ نجمہ ناہید پیرزادہ	4

کٹاس راج تالاب

غیر مصدقہ اطلاعات کی بنا پر گرامی قدر سپریم کورٹ آف پاکستان نے وادی کاہون میں پانی کی قلت اور ماحولیاتی آلودگی نیز کٹاس راج تالاب میں پانی کے ذخائر میں کمی کا علاقے میں موجود سیمنٹ فیکٹریوں کو ذمہ دار ٹھہراتے ہوئے ازخود نوٹس لیا تھا۔ آپ کی کمپنی کی انتظامیہ یہ رائے رکھتی ہے اس علاقے میں موجود اس کے پلانٹس ایجنسی برائے ماحولیاتی تحفظ کی جانب سے زیرزمین پانی نکالنے اور اس کے استعمال کی مجوزہ حس سے تجاوز نہیں کرتے، اور نہ ہی کمپنی آپریشن کا کٹاس راج تالاب میں پانی کے ذخائر کی کمی سے کوئی بالواسطہ تعلق ثابت ہے۔ آپ کی کمپنی اخراج کے لیے مختص قومی حدود کی بھی کلی طور پر تعمیل کرتی ہے۔ جس کی کمپنی خود اور ادارہ برائے تحفظ ماحولیات باقاعدگی سے نگرانی کرتا ہے۔ آپ کی کمپنی نے گرامی قدر سپریم کورٹ کی تمام ہدایات اور احکامات کی تا حال تکمیل کی ہے۔

بیسٹ وے پہلے ہی سپریم کورٹ کی توجہ اس جانب مبذول کرا چکی ہے کہ نہ تو وہ اس علاقے میں زیرزمین پانی سے واحد استفادہ کنندہ ہے اور نہ ہی زیرزمین پانی نکالنے والا ادارہ ہے۔ گزشتہ سالوں میں مقامی آبادی، جو کہ زیرزمین پانی کی بڑی صارف ہے، میں اضافہ زیرزمین پانی کی مانگ میں اضافے کا سبب بنا۔ بیسٹ وے کے پاس موجود حالیہ اطلاعات کے مطابق کاہون وادی میں کل 303 ٹیوب ویل اور پمپ نصب ہیں جو کہ زیر استعمال ہیں اور کام کر رہے ہیں ان میں سے صرف 15 ٹیوب ویل بیسٹ وے کی ملکیت ہیں۔ گزشتہ 10 سالوں کے اعداد و شمار سے پتہ چلتا ہے کہ بیسٹ وے کا پانی کا استعمال ایک ہی سطح پر رہا جبکہ دیگر استعمال کنندگان کا استعمال کسی پڑتال یا نظم کے تابع نہیں اور اس میں 127% اضافہ ہوا اور یہ اضافہ جاری ہے۔ علاقے میں پانی سپلائی کرنے کے لیے مناسب نظام کی عدم موجودگی کے باعث مقامی آبادی نے بڑے پیمانے پر ٹیوب ویلز اور پمپ نصب کئے ہیں تا کہ روزمرہ پانی کی گھریلو اور دیگر گزراوقات کی ضروریات کو پورا کرسکیں، جو کہ علاقے میں پانی کی سطح پر منفی اثرات مرتب کرتا ہے۔ علاوہ ازیں کاشتکاری کے نظام میں تبدیلی کی بنا پر کسان برادری زراعت کے لیے استعمال ہونے والا پانی زمین ہی سے نکالتی ہے، ممکن ہے کہ کسان نتیجتاً سب سے بڑے زیرزمین پانی نکالنے والے ہوں۔ کم بارش کے کئی گزشتہ ادوار کے ساتھ ساتھ علاقے میں کوئلہ کی کان کنی کی سرگرمیاں بھی جو کہ زیرزمین پانی کی شریانوں کو زخمی کر کے زیرزمین پانی کی کمی رونما کر رہی ہیں، زیرزمین پانی کی سطح نیچے جانے کے بڑے اسباب میں سے ہیں۔ چنانچہ صرف سیمنٹ کی صنعت ہی کو علاقے میں پانی کی کمی کا ذمہ دار نہیں ٹھہرایا جا سکتا۔

آپ کی کمپنی اخراج سے متعلق تمام مقررہ حدود کے مکمل طور مطابق ہے۔ میسرز Hagler Bailly ایک بین الاقوامی کنسلٹنٹ ہے، بیسٹ وے نے جس کی خدمات چکوال اور کلر کہار سائٹ کے اخراج کی اسٹڈی کے لیے حاصل کی تھیں۔ آپ کی کمپنی مطلع کرتے ہوئے خوشی محسوس کر رہی ہے کہ اخراج سے متعلق نتائج پاکستان اسٹینڈرز اور انٹرنیشنل فنانس کارپوریشن (ورلڈ بینک) اسٹینڈرڈ کے مطابق رپورٹ کئے گئے۔ عدالتی احکامات کے ساتھ رپورٹ معزز عدالت میں جمع کروادی گئی ہے۔ حکم کی تاریخ سے چھ ماہ کے مقرر کردہ وقت میں پانی کے متبادل ذرائع کے لیے سیمنٹ ساز اداروں کو دی گئی حتمی ہدایات سمیت کمپنی معزز سپریم کورٹ کے جاری کردہ احکامات کی تعمیل کر رہی ہے۔

آپ کی کمپنی پانی کی چینلنگ اور تحفظ کی حکمت عملی کے ایک مجموعے سے صنعتی پانی کی ضروریات پوری کرنے کا درج ذیل ارادہ رکھتی ہے:

i۔ ایک ریورس اوسموس پلانٹ نصب کیا گیا ہے اور 11 ملین روپے کی لاگت پر تقریباً (419.28 m³/day) 17.47m³/hr پانی محفوظ کیا جا رہا ہے اس کے نتیجے میں معزز سپریم کورٹ سے کئے گئے زبانی وعدے کے بعد ایک ٹیوب ویل بند کر دیا جائے گا، یہ معاہدہ 15 مئی 2018 سے مؤثر ہے۔

ii۔ ایک معروف چینی کمپنی کے ساتھ کول کنڈینسر کی خریداری اور تنصیب کے معاہدے کو حتمی شکل دے دی گئی ہے۔

iii۔ ایک غیر مستعمل ندی/نالے کی نشاندہی کی گئی ہے، بیسٹ وے اس نالے سے پائپ لائن کے ذریعے پانی اپنے پلانٹس تک لا کر پانی کی ضرورت پوری کرے گا۔ یہ وہ پانی ہے جو دوسری صورت میں یونہی بہہ کر ضائع ہو جاتا ہے۔

iv۔ بارش کا پانی ذخیرہ کرنے کے لیے تالابوں کی کھدائی اور اسٹوریج ٹینکوں کی تعمیر اضافی پانی ذخیرہ کرنے کے لیے شروع کیا گیا ہے۔

کمپنی پر اعتماد ہے کہ وہ معزز عدالت سے کئے گئے وعدے کی تکمیل کرتے ہوئے کوئی اضافی ذمہ داری بڑھائے بغیر زمینی پانی پر انحصار صفر کرلے گی۔

ہولڈنگ کمپنی

کمپنی مکمل طور پر بیسٹ وے (ہولڈنگز) لمیٹڈ، برطانوی قوانین کے تحت تشکیل شدہ ایک کمپنی، کی ذیلی کمپنی ہے۔ بیسٹ وے (ہولڈنگز) لمیٹڈ، یو کے مکمل طور پر بیسٹ وے گروپ لمیٹڈ کی ذیلی کمپنی ہے، چنانچہ تمام ماتحت ادارے اور حتمی پیرنٹ کمپنی کے منسلک ادارے کمپنی کی متعلقہ پارٹیز ہیں۔

بورڈ آف ڈائریکٹرز

کمپنی پالیسی کے مطابق غیر مستقل ڈائریکٹرز بشمول انڈیپنڈنٹ ڈائریکٹرز کو کوئی معاوضہ ادا نہیں کیا جاتا صرف اُس میٹنگ کی فیس ادا کی جاتی ہے جس کی منظوری بورڈ آف ڈائریکٹرز کی جانب سے دی جاتی ہے۔ بورڈ میں 2 خواتین اور 6 مرد ڈائریکٹرز شامل ہیں۔

مستقبل کا منظرنامہ

توقع ہے کہ پاکستان کی معیشت کی افزائش سے سیمنٹ کی صنعت مستفید ہوتی رہے گی۔ تیسرے کامیاب جمہوری عمل کی منتقلی کے بعد، بڑے اقتصادی چیلنجز بشمول کرنٹ اکاؤنٹ کے بڑھتے ہوئے خسارہ کے باوجود، سیاسی استحکام سے امید ہے کہ کاروباری ماحول کو فروغ دینے کے لیے قومی سطح پر جاری تعمیراتی سرگرمیوں کی حمایت جاری رہے گی۔

انفرااسٹرکچر میں ترقی بشمول CPEC جیسے پروجیکٹس اور جاری تعمیراتی سرگرمیوں کے ساتھ معاشی ترقی کا امکان ہے۔ تاہم سیمنٹ کی بڑھتی ہوئی طلب کی حوصلہ افزائی کی وجہ سے بہت سے سیمنٹ پروڈیوسرز نے پیداواری اخراجات

نیشنل انٹرنیشنل اسکالرشپس

باصلاحیت طالب علموں کی بڑی تعداد کو سالانہ 300 انٹرنیشنل اور انٹرنیشنل اسکالرشاپس فراہم کی جاتی ہیں۔ ان اسکالرشپس کا مقصد ان طلبہ کی معاونت ہے جنہیں تعلیم جاری رکھنے کے لیے مالی تعاون کی ضرورت ہے۔
بیسٹ وے برطانیہ کی آکسفورڈ یونیورسٹی، یونیورسٹی آف بریڈفورڈ اور کینٹ یونیورسٹی میں تعلیم کے لیے باصلاحیت پاکستانی طلبہ کو ہر سال 12 مکمل فنڈ ڈ اسکالرشپس فراہم کرتا ہے۔

انسان دوستی کا فروغ

آپ کی کمپنی بیسٹ وے فاؤنڈیشن کے تحت CSR سرگرمیاں انجام دیتی ہے۔ رواں سال کے دوران آپ کی کمپنی نے بیسٹ فاؤنڈیشن کے ذریعہ مختلف تعلیمی، صحت اور خیراتی اداروں کو 132 ملین روپے کے عطیات دیے، ان میں ملک کے معروف ادارے مثلاً یونیورسٹی آف انجینئرنگ اینڈ ٹیکنالوجی سب کیمپس چکوال بھی شامل ہے جس کی تعمیر کے لیے 25 ملین روپے دیے گئے۔
اس طرح گزشتہ چند سالوں میں مستفید ہونے والوں میں انسٹی ٹیوٹ آف بزنس ایڈمنسٹریشن کراچی، غلام اسحٰق خان انسٹی ٹیوٹ صوابی، لاہور یونیورسٹی آف مینجمنٹ سائنسز، سہارا فور لائف ٹرسٹ میانوالی، زندگی ٹرسٹ، سندھ انسٹی ٹیوٹ آف یورولوجی اینڈ ٹرانسپلانٹیشن، عبدالستار ایدھی فاؤنڈیشن، شوکت خانم میموریل ٹرسٹ، مسکان انسٹی ٹیوٹ سوات، نثار فاطمہ گرلز اسکول، شالیمار ہسپتال، اکھ پال کور فاؤنڈیشن، محمد گلستان خان فاؤنڈیشن، لیٹن رحمت اللہ بنوویلنٹ ٹرسٹ، نیشنل سوسائٹی برائے مینٹلی اینڈ ایموشنلی ہینڈی کیپڈ چلڈرن، فورمین کرسچن کالج یونیورسٹی، فیملی ایجوکیشنل سروسز فاؤنڈیشن، ناردرن یونیورسٹی پشاور، دی سٹیزنز فاؤنڈیشن، زمنگ کور، KPSS سیکنڈری اسکول سیگول آباد چکوال، سلطانہ فاؤنڈیشن، کیئر فاؤنڈیشن، کاغان میموریل ٹرسٹ، المصطفیٰ ٹرسٹ، تھاتھی ویلفیئر فاؤنڈیشن، ضیاء العلوم اور مختلف دیگر ادارے شامل ہیں۔

مالی امداد

تعلیم کی بہتری سے متعلق اپنے بنیادی مقصد کے حصول کی کوششوں کے ساتھ ساتھ آپ کی کمپنی ماہانہ بنیاد پر مقامی آبادی کی 252 بیواؤں اور مستحق افراد کو کی مالی معاونت کرتی ہے۔

صحت

بیسٹ وے کی چاروں فیکٹریوں کی حدود میں قائم ڈسپنسری کے ذریعے مقامی آبادی کے ہزاروں افراد کو مفت طبی سہولیات فراہم کی جاتی ہیں۔

مقامی آبادی کے لیے ملازمتوں کی فراہمی

آپ کی کمپنی نے اپنی فیکٹری کی حدود میں ہنرمند اور غیر ہنرمند مقامی لوگوں کے لیے سینکڑوں ملازمتیں متعارف کروائی ہیں۔ صرف ضلع چکوال میں بیسٹ وے نے پلانٹ پر سینکڑوں افراد کو ملازم رکھا ہے۔ مختلف سرگرمیوں کے ذریعے مزید ملازمتوں کے بہت سے مواقع پیدا کیے گئے ہیں۔ ملازمتوں کی تخلیق نہ صرف مقامی آبادی کی کی قوت خرید بڑھاتی ہے بلکہ ان کے معیار زندگی کو بھی بہتر بنانے کا موقع فراہم کرتی ہے۔

اپرینٹس شپ اور ٹریننگ

اس مدت کے دوران بیسٹ وے نے اپنے اپنے میدانوں/شعبوں میں بہترین تربیت حاصل کرنے والے 545 ٹرینی انجینئرز، مینجمنٹ ٹرینیز اور اپرینٹسز کو ملازمت فراہم کی۔ ان میں سے بعض ٹرینیز اور اپرنٹیسز کو کمپنی میں برقرار رکھا جاتا ہے جبکہ باقی ٹرینی دوسری صنعتوں اور کاروباری اداروں میں بیسٹ وے سے حاصل کی گئی تربیت کی بدولت ایک شاندار مستقبل کا آغاز کرتے ہیں اور ملکی ترقی میں اپنا حصہ ڈالتے ہیں۔

ناگہانی آفات کا انتظام اور بحالی

آپ کی کمپنی ناگہانی آفات کے انتظام اور زلزلوں اور سیلابوں کی تباہ کاریوں کے بعد امداد بحالی اور از سر نو تعمیر کی سرگرمیوں اور علاقائی ترقی کے منصوبوں میں دل کھول کر حصہ ڈالتی ہے۔

مقامی آبادی کی فلاح

بیسٹ وے نے اکتوبر 2005 میں پانی کی فراہمی کے منصوبے کے لیے تترال گاؤں کے رہائشیوں کو محفوظ اور صاف پانی فراہم کرنے کے لیے اس گاؤں میں ایک ٹیوب ویل نصب کیا جس کی پیداواری صلاحیت 2,000 گیلن فی گھنٹہ ہے، یہ ابھی بھی تسلی بخش طور پر کام کر رہا ہے اور اس کے بعد پانی کی کمی دیکھنے میں نہیں آئی۔ آپ کی کمپنی نے حال ہی میں کٹاس کے قریب جہاں ابتدائی پانی 53 فٹ پر پایا گیا تھا اور 150 فٹ تک مکمل طور پر کافی پانی دستیاب تھا، ایم اے کی جانب سے ایک اور ٹیوب ویل نصب کرنے کے لیے 3.5 ملین روپے دیے یہ ٹیوب ویل 2017 سے کام کر رہا ہے اور چواسیدن شاہ کے لیے تقریباً 9,000 گیلن فی گھنٹہ پانی مہیا کرتا ہے۔ کمپنی کی ان سماجی ذمہ داریوں کے علاوہ بیسٹ وے کی حال ہی میں انجام دی گئی سماجی اور آبادی کی ترقی کے لیے کوششوں میں کٹاس راج تالاب کی صفائی، بحالی اور ترقی، چواسیدن شاہ میں سیلاب کے باعث پانی کے زیادہ بہاؤ کو روکنے کے لیے چینلوں کی صفائی، مقامی علاقے میں اسٹریٹ لائٹس کی مرمت اور بحالی، پانی فراہم کرنے کے نظام کی تنصیب، مقامی علاقے کے متعدد تعمیراتی منصوبوں جیسے مسجد اور اسکولوں کی تعمیر کے لیے سیمنٹ کی فراہمی، تعلیمی اداروں کو گاڑیوں کے عطیات اور بہت سے دیگر سماجی ترقی کے منصوبے شامل ہیں۔

صحت وحفاظت

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

صحت اور حفاظت پر تربیت، سیفٹی میٹنگز، حادثات کی رپورٹنگ، سیفٹی آڈٹس، سیفٹی چیمپیئن، بہتر امور اور حفظان صحت کے حوالے سے کنٹرول پر مشتمل اقدامات مسلسل کیے جاتے ہیں تاکہ عملے میں محفوظ رویے کو یقینی بنایا جاسکے۔ آپ کی کمپنی نے انڈسٹریل آپریشنز کو محفوظ بنانے کی کوشش کی ہے اور سلسلے میں ملازمین اور ٹھیکیداروں کو آگاہی فراہم کرنے کے لیے متعدد ہدایات اور معیار وضع کرر کھے ہیں، ادارے کے اندران ہدایت ناموں پر سختی سے عمل کیا جاتا ہے اور انہیں بیرونی اسٹیک ہولڈرز تک بھی پہنچانے کو یقینی بنایا جاتا ہے۔

ماحول

بیسٹ وے سیمنٹ خود کو ایک ذمہ دار کارپوریٹ شہری قرار دیتا ہے اور نہ صرف اپنے ملازمین کو بلکہ اپنے اطراف موجود کمیونٹیز کو بھی انتہائی محفوظ اور صحت مند ماحول فراہم کرتا ہے۔ بیسٹ وے سماجی ماحول کی بہتری کو اپنی کامیابی کا لازمی حصہ سمجھتا ہے۔ ہمارے پلانٹ ISO 14001:2004 انوائرمنٹل مینجمنٹ سسٹم (EMS) سرٹیفائیڈ ہیں۔

کمپنی اس بات کو یقینی بناتی ہے کہ اس کے پلانٹس پر ماحولیاتی معیارات کے مطابق عملدرآمد ہمیشہ جاری ہے۔ ہمارے پلانٹس نا صرف پاکستان کی متعلقہ انوائرمنٹل پروٹیکشن ایجنسی (EPA) کے معیارات پر پورا اترتی ہے بلکہ رضا کارانہ طور پر بین الاقوامی معیارات کی بھی پاسداری کرتی ہے۔ شفاف ماحول کو یقینی بنانے کے لیے مضبوط ماحولیاتی کنٹرول میکنیزم کے علاوہ بیسٹ وے آزاد ماہرین کے ذریعے اپنی پیداواری صلاحیتوں پر باقاعدہ نظر ثانی کرتی ہے اور اس بات کو یقینی بنانے کے لیے کہ ہم ریگولیٹری ضروریات اور اندرونی اہداف کے مطابق کام کررہے ہیں، تھرڈ پارٹی کنسلٹنٹ کی جانب سے ماہانہ اخراجات (emissions) کی مانیٹرنگ کی جاتی ہے۔ اس کے علاوہ EPAs کے ساتھ فعال تعاون کے ذریعے تمام پلانٹس پر EPA کے نمائندوں کی موجودگی میں عالمی ماحولیات کے حوالے سے پروگرامات کا انعقاد کیا جاتا ہے۔

بیسٹ وے شجرکاری اور کوری (quarry) کی بحالی سمیت ماحولیات سے متعلق مختلف پروگرامات میں باقاعدگی سے حصہ لیتا ہے۔ اس سال Quarry Rehabilitation کے تحت کلر کہار پلانٹ کے اطراف زیتون کا باغ لگایا ہے۔ یہ آپ کی کمپنی کا بڑے پیمانے پر ایک منفرد قدم ہے، یہاں زیتون کے 2400 پودے لگائے گئے ہیں۔ اس کے علاوہ حطّار پلانٹ کوری کو ایک دلکش نظارے میں بدل دیا گیا ہے جو دیکھنے والوں کے لیے کھلا ہے۔
آپ کو جان کر خوشی ہوگی کہ یہ نواں سال ہے جب اپنے مسابقتی کمپنیوں کے درمیان سیمنٹ سیکٹر میں بیسٹ سیمنٹ واحد کمپنی ہے جسے اپنے تمام چاروں پلانٹس پر ماحول دوست پالیسیوں اور طرز عمل کے مؤثر اطلاق پر فورم برائے ماحول وصحت کی جانب سے ''انوائرمنٹ ایکسی لینس ایوارڈ'' سے نوازا گیا ہے۔

بیسٹ وے سیمنٹ نے WWF پاکستان کی کوششوں کو ہمیشہ سراہا ہے۔ رواں سال کے آغاز پر آپ کی کمپنی کی جانب سے ماحول کے تحفظ کے لیے کام کرتے ہوئے کاربن کے اثرات کو کم کرنے کے لیے کئے جانے والے اقدامات کی تعریف کی گئی ہے۔ یہ پاکستان کی صرف 42 کمپنیوں میں سے ایک ہے جو WWF پاکستان کی جانب سے بطور گرین آفس سرٹیفائیڈ ہے۔ آپ کی کمپنی نے WWF پاکستان کی جانب سے ارتھ آور 2017 کے موقع پر وسیع پیمانے پر شجرکاری کے فیصلے کے تحت پنجاب اور کے پی کے میں اسکولوں اور فیکٹری ایریے کے اطراف تقریباً 3 ہزار پودے لگائے ہیں۔ اس سرگرمی کے دوران نا صرف طالب علموں، اساتذہ اور غیر تدریسی عملے نے حصہ لیا بلکہ مقامی آبادی کے ہزاروں لوگوں کو شجرکاری کے حوالے سے آگاہی بھی فراہم کی گئی۔

کارپوریٹ سماجی ذمہ داری

بیسٹ وے اپنے آپریشنز میں طویل مدتی سرمایہ کاری کرتا ہے اور مقامی کمیونٹی کے حوالے سے خصوصی ذمہ داری کو سراہتا ہے۔ کمپنی غیر مراعات یافتہ علاقوں میں صحت کی سہولیات، تعلیم، ووکیشنل ٹریننگز، تحفظ ماحولیات کے پروگراموں اور ملازمتوں اور روزگار کے مقامی مواقع پیدا کرنے جیسی فعال سرگرمیوں پر فخر کرتی ہے۔

تعلیم

غیر مراعات یافتہ علاقون میں معیاری تعلیم کی فراہمی کے عزم کے ساتھ بیسٹ وے نے اپریل 2018 میں ضلع ٹیکسلا میں فاروقیہ کے نزدیک ایک پرائمری اسکول کا افتتاح کیا ہے۔ اسکول کا آغاز طالب علموں کی قابل ذکر تعداد اور اچھی فیکلٹی کے ساتھ کیا گیا۔ تاہم اسکول کے لیے اپنی مرضی کے مطابق کیمپس کی تعمیر کی منصوبہ بندی کی جارہی ہے، توقع ہے کہ 20-2019 کے دوران مطلوبہ عمارت دستیاب ہوگی۔ اسی طرح کا ایک اقدام ضلع چکوال کے گاؤں تتر ال میں کیا گیا جہاں وسیع المقاصد اور ضروری سہولیات کا حامل اسکول تعمیر کیا گیا ہے۔ بیسٹ فاؤنڈیشن اسکول 67 ملین کی لاگت سے 2016 میں مکمل ہوا، اسکول میں 360 طلب علموں کی گنجائش ہے، جہاں اس وقت 180 طالب علم معیاری اور مفت تعلیم سے مستفید ہورہے ہیں۔

بیسٹ وے گوجرخان میں قائم فرح پرویز ڈگری کالج کے ذریعے خاص طور پر خواتین کو کالج تک مفت تعلیم فراہم کررہی ہے۔ اس منصوبے کے تحت متعدد کلاس رومز، لیبارٹریز، فیکلٹی کے لئے غیر نصابی سرگرمیاں اور فیکلٹی ممبران کے لیے رہائشی سہولیات شامل ہیں، جو مکمل طور آپ کی کمپنی کی جانب سے فنڈ کی گئی ہیں اور 30 ملین کی لاگت کے ساتھ 2011 سے سرگرم عمل ہیں۔ اپنے قائم کردہ تعلیمی اداروں کے علاوہ بیسٹ وے لوکل آبادی اور دیہی علاقوں میں مختلف سرکاری اسکولوں کی معاونت کررہا ہے۔

پلانٹ پاکستان کی سیمنٹ انڈسٹری کا پہلا پلانٹ تھا جو دوسروں کے لیے مشعل راہ ثابت ہوا۔ حال ہی میں فاروقیہ میں نئی لائن قائم کی گئی تھی جہاں WHRPP نصب کیا جا رہا ہے۔ امید ہے کہ یہ منصوبہ 19-2018 کی پہلی سہ ماہی میں کام شروع کر دے گا۔ یہ منصوبہ نا صرف توانائی پیدا کرے گا بلکہ فاضل گیسوں کے اخراج کو کم کرنے کے ساتھ ساتھ ماحول پر مثبت اثرات بھی مرتب کرے گا۔

توانائی کے تحفظ کے حوالے سے یہ آپ کی کمپنی کا ایک اہم قدم ہے، جو اس کے تمام آپریشنز پر WHR ٹیکنالوجی اختیار کرنے میں پیش رو ثابت ہوگا۔ یہ منصوبہ جات بیرونی بجلی پر کمپنی کے انحصار کو کم کرنے کے علاوہ پیداواری لاگت کو کم کرنے، آپریشنل کارکردگی میں بہتری اور ماحول کے تحفظ میں معاون ہوں گے۔ زیرِ جائزہ سال کے دوران آپ کی کمپنی کو بذریعہ WHRPP مطلوب توانائی کا 29% (2017: 23%) حاصل ہوا ہے۔

پانی کے تحفظ کے حوالے سے آپ کی کمپنی رہنما کا کردار ادا کر رہی ہے جیسا کہ بیسٹ وے ملک کی پہلی کمپنی ہوگی جہاں روایتی واٹر کولڈ سسٹمز کی بجائے ایئر کنڈیسر سسٹمز کا استعمال کیا جا رہا ہے۔ آپ کی کمپنی زیرِ زمین پانی پر انحصار کو کم کرنے کے لیے پہل کرتے ہوئے بارش کے پانی کو بڑے پیمانے ذخیرہ کرنے کے لیے آبی ذخائر تعمیر کرے گی۔ اس اقدام کے ذریعے آپ کی کمپنی پانی کی کمی کے حوالے سے ملک میں پائے جانے والا تناؤ کم کرنے کے قابل ہو سکے گی۔

معیار کی گارنٹی

بیسٹ وے کمپنی معیاری کارکردگی اور معیار کے شعور کے ساتھ کام کر رہی ہے۔ ہر جگہ سخت کوالٹی کنٹرول کے طریقے کار پر عمل کرتے ہوئے کمپنی نے اپنے تمام پلانٹس پر کنٹرول آلات نصب کر رکھے ہیں۔ بیسٹ وے لیبارٹریز اسٹیٹ آف دی آرٹ ایکس رے فلور یسنٹ انالائزر یفریکٹومیٹر سے آراستہ ہیں اور پاکستان میں یہ ٹیکنالوجی سب سے پہلے بیسٹ وے نے متعارف کروائی، ان ہی آلات کی بدولت کمپنی ملک میں دستیاب سیمنٹ کی نسبت مسلسل بہتر معیار کا سیمنٹ تیار کر رہی ہے۔ حال ہی میں فاروقیہ پلانٹ پر موجود ہماری لیبارٹریز نے ٹیسٹ منعقد کرنے کی صلاحیت اور پیمانہ بندی کے لحاظ سے ISO 17025 سرٹیفکیشن حاصل کی اور اس طرح آپ کی کمپنی یہ اعزاز حاصل کرنے والی سیمنٹ ساز ملک کی دوسری کمپنی بن گئی ہے۔ دیگر تین پلانٹس پر موجود لیبارٹریز بھی اسی طرح کی سرٹیفکیشن حاصل کرنے کے قریب ہیں۔

مارکیٹنگ

بیسٹ وے ملک کا سب سے بڑا سیمنٹ ساز ادارہ ہے جو کوالٹی مینجمنٹ سسٹم کے لیے ISO 9001 تصدیق شدہ ہے۔ آپ کی کمپنی نہ صرف ملکی منڈی میں بلکہ بین الاقوامی منڈی میں بھی بطور پریمیئم برانڈ کے مستحکم حیثیت قائم رکھے ہوئے ہے۔ آپ کی کمپنی نے ایک بار پھر افغانستان اور انڈیا کو سیمنٹ برآمد کرنے والی سب سے بڑی کمپنی کا اعزاز برقرار رکھا ہے۔ آپ کی کمپنی نے مسلسل بہترین معیار، مؤثر مارکیٹنگ حکمت عملی، کسٹمر کیئر اور اس کی سیلز اور مارکیٹنگ ٹیموں کی لگن کی وجہ سے مارکیٹ لیڈر کی حیثیت حاصل کرنے میں کامیابی حاصل کی ہے۔

آپ کی کمپنی ملک کی ان چند کمپنیوں میں شامل ہے جو انڈیا کو سیمنٹ برآمد کرنے کے لیے سرٹیفائیڈ ہیں اور مطابقت کے لیے CE-Certification کی حامل ہیں۔ ان سرٹیفکیٹس برائے مطابقت کی بدولت آپ کی کمپنی انڈیا، یورپی کمیونٹی اور ان تمام ملکوں میں جہاں سی ای، سرٹیفکیشن کی ضرورت پڑتی ہے، میں برآمدت کے مواقع تلاش کر سکتی ہے۔

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

تربیت اور ترقی

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

اپنی افرادی قوت کی صلاحیتوں میں اضافے اور نشو و نما کے لیے آپ کی کمپنی نئے کوالیفائیڈ گریجویٹس، پیشہ ور افراد حتیٰ کہ غیر ہنر مند افراد کو بھی مواقع فراہم کرتی ہے۔ ان افراد کو ضروری علم سے مستفید کرنے، انہیں درکار تجربہ فراہم کرنے اور بطور پر اعتماد ہنر مند اور فائدہ مند افراد بنانے کے لیے نہایت احتیاط سے تربیتی پروگرام ترتیب دیے گئے ہیں۔

زیرِ جائزہ سال کے دوران آپ کی کمپنی نے 348 ٹرینی انجینئرز، مینجمنٹ ٹرینیز، اور اپرینٹسز کو ملازمت کا موقع دیا۔ ٹرینی انجینئرز کو الیکٹریکل، مکینیکل اور کان کنی کے شعبوں میں بہترین تربیت فراہم کی جاتی ہے جبکہ مینجمنٹ ٹرینیز کو مارکیٹنگ، فنانس، پرسنل اور ایڈمنسٹریشن کے شعبوں میں رکھا جاتا ہے جہاں انہیں مؤثر منیجرز بننے کے لیے محتاط طریقے سے تربیت فراہم کی جاتی ہے، اپرینٹیز کو فیکٹریوں کے مختلف ٹیکنیکل شعبوں میں رکھا جاتا ہے۔ ان میں سے چند ٹرینیز اور اپرینٹیز کو کمپنی میں مستقل جگہ دی جاتی ہے جبکہ باقی دوسری انڈسٹری میں منتقل ہو جاتے ہیں جہاں وہ بیسٹ وے سے حاصل کی گئی تربیت کی بدولت اپنے مستقبل اور ملکی ترقی کی بہتری میں اہم کردار ادا کرتے ہیں۔

مالیاتی صورتحال

30 جون 2018 کو ختم ہونے والے سال کے دوران کمپنی کی کل ایکویٹی گزشتہ سال کے 47.8 ارب روپے کے مقابلے میں بڑھ کر 53.3 ارب روپے ہوگئی ہے۔ آپ کی کمپنی تمام قسم کے قرضہ جات کی بروقت ادائیگی کی ذمہ داری کو جاری رکھے ہوئے ہے۔ 30 جون 2018 کو کمپنی کا طویل مدتی قرضہ گزشتہ سال کے 10 ارب روپے کے مقابلے میں 5.5 ارب روپے رہا، جو کہ دوبارہ مرتب ہونے کے بعد موجودہ 4.5 ارب روپے ہے۔

اس سال کے دوران کوئی طویل مدتی ادائیگی نہیں تھی کیونکہ کمپنی نے موجودہ سال کی قسط پہلے ہی ادا کردی تھی۔ 30 جون 2018 کو خالص ذمہ داریوں کی رپورٹ منفی 7.2 ارب روپے (2017: خالص اثاثے 2 ارب روپے) کی گئی، بنیادی طور پر طویل مدتی قرض کے حصے کی وجہ سے آپ کی کمپنی کے توسیع منصوبے کو فروغ دینے کے لیے بنیادی مختصر مدت کے قرضوں میں اضافہ ہوا۔ کمپنی نے منصوبے کی توسیع کے لیے منصوبے کی تکمیل بعد سرپلس کیش فلو کے مختصر مدتی قرضہ جات کے استعمال کا انتخاب کیا۔

دیگر سرمایہ کاریاں

یونائیٹڈ بینک لمیٹڈ

یونائیٹڈ بینک لمیٹڈ میں آپ کی کمپنی کی سرمایہ کاری کمپنی کے لیے بدستور سودمند ثابت ہوئی ہے۔ 31 دسمبر 2017 کو ختم ہونے والے سال کے دوران بینک کا قبل از ٹیکس منافع گزشتہ سال کے 47.2 ارب روپے کے مقابلے میں 41.1 ارب روپے کے ساتھ 13% کمی کو ظاہر کرتا ہے۔ بعد از ملازمت پنشن فوائد کے ساتھ سال کے دوران نفع بخشی کا اثر 8.4 ارب روپے تھا۔

ہمیں آپ کو یہ بتاتے ہوئے انتہائی خوشی ہوئی ہے کہ 31 دسمبر 2017 کو ختم ہونے والے سال کے لیے بینک نے 130% کیش ڈیویڈنڈ ادا کیا ہے۔ اس طرح آپ کی سرمایہ پر 1.2 ارب روپے کا منافع دیا گیا۔

یو بی ایل انشورر ز لمیٹڈ

مئی 2017 میں یو بی ایل انشوررز لمیٹڈ میں آپ کی کمپنی کی سرمایہ کاری کے بعد، کمپنی نے دوران سال مستحکم ریٹرنس حاصل کیے ہیں۔ یو بی ایل انشوررز لمیٹڈ نے 31 دسمبر 2017 کو اختتام پانے والے سال کے لیے قبل از ٹیکس گزشتہ سال کے 196.3 ملین روپے کے مقابلے میں 247.4 ملین روپے منافع کے ساتھ 26% اضافہ رپورٹ کیا ہے۔

قومی خزانے میں اعانت

بیسٹ وے سیمنٹ ملک کے بڑے ٹیکس ہندگان میں سے ایک ہے۔ زیر غور سال کے دوران آپ کی کمپنی نے انکم ٹیکس، سیلز ٹیکس اور ا یکسائز ڈیوٹی کی مد میں قومی خزانے میں 26.4 ارب روپے کی ادائیگی کی۔ مزید یہ کہ آپ کی کمپنی ایک خطیر رقم مختلف بالواسطہ محصولات کی صورت میں وفاقی، صوبائی اور مقامی حکومتوں کو ادا کرتی ہے۔

استعداد میں اضافہ

فاروقیہ سائٹ پر 6,000 ٹن یومیہ پیداوار کا حامل براؤن سیمنٹ پلانٹ 15 ماہ کی ریکارڈ مدت میں مکمل کیا گیا۔ سیمنٹ کی بڑھتی ہوئی طلب کو پورا کرنے کے لیے پلانٹ نے جون 2018 میں اپنی تجارتی سرگرمیوں کا آغاز کردیا تھا جو مسابقت کاروں کے مقابلے میں آپ کی کمپنی کو بطور مارکیٹ لیڈر اپنی پوزیشن برقرار رکھنے کا مجاز بناتا ہے۔

پلانٹس کی کارکردگی

آپ کی کمپنی آغاز سے ہی مرمت کی روک تھام کے جامع منصوبے پر کاربند ہے۔ یہ فعال نقطۂ نظر کم سے کم رکاوٹ کے ساتھ مستعد اور مستحکم پیداوار کو یقینی بناتا ہے۔ ہمارے منیجرز، انجینئرز اور منیجمنٹ اور ایڈمنسٹریٹو اسٹاف کے دیگر اراکین پر مشتمل مضبوط ٹیم نے اس منصوبے کی کامیابی میں کلیدی کردار ادا کیا ہے۔ زیر جائزہ سال کے دوران تمام سیمنٹ پلانٹس اور ویسٹ ہیٹ ریکوری پلانٹس قابل اطمینان طور پر کام کرتے رہے۔ دوران سال آپ کی کمپنی 98% اوسط صلاحیت بروئے کار لائی۔

حصص داران کو منافع

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

متبادل توانائی اور CCP اقدامات

سیمنٹ کی تیاری توانائی کے استعمال سے بھرپور عمل ہے۔ پیداوار کے دوران سب سے زیادہ لاگت توانائی پر آتی ہے، ملک میں موجود توانائی کے بحران کے پیش نظر روایتی حجری (fossil) ایندھن سے توانائی کے متبادل حل کی جانب منتقل ہونا لازم ہوگیا، قومی گرڈ پر انحصار کم کرنے کے لیے اپنی حکمت عملی کے ایک حصے کے طور پر آپ کی کمپنی نے اپنی تمام سائٹس پر ویسٹ ہیٹ ریکوری پاور پلانٹ (WHRPP) لگا رہا ہے۔ چکوال میں بیسٹ وے کا WHRP

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز اپنی رپورٹ بشمول 30 جون 2018 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشوارے اور آڈیٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معیشت کا جائزہ

اکنامک سروے آف پاکستان کے مطابق 30 جون 2018 کو ختم ہونے والے مالی سال کے لیے خام ملکی پیداوار میں 5.8% (2017:5.3%) اضافہ ریکارڈ کیا گیا اور افراط زر 3.9 % (2017:4.1%) پر قائم رہا۔ بڑے پیداواری شعبے میں 6.1% (2017 : 5.1%) ترقی ریکارڈ کی گئی جبکہ بنیادی طور پر حکومت کی جانب سے تعمیراتی ڈھانچے پر توجہ مرکوز رکھنے کے باعث 9.0% (2017:9.0%) ترقی کے ساتھ ملک میں تعمیراتی سرگرمیاں مثبت رہیں۔ تاہم غیر ملکی کرنسی کے ذخائر اور روپے کی قدر میں کمی اقتصادی ترقی کے لیے چیلنج رہے۔

انڈسٹری کا جائزہ

سیمنٹ کے شعبے نے تعمیراتی ڈھانچے کی ترقی اور جاری تعمیراتی سرگرمیوں سے عمومی مثبت استفادہ جاری رکھا جس کے نتیجے میں سیمنٹ کی ڈومیسٹک ترسیل 15% اضافے کے ساتھ 35.7 ملین ٹن سے 41.1 ملین ٹن ہوگئی۔ جبکہ سیمنٹ کی بیرون ملک برآمد 2% اضافے کے ساتھ 4.66 ملین ٹن سے 4.75 ملین ٹن رہی۔ مجموعی طور پر دوران سال سیمنٹ کی ترسیل 14% اضافے کے ساتھ 40.3 ملین ٹن سے بڑھ کر 45.9 ملین ٹن ہوگئی۔

گزشتہ سال 1.8 کے مقابلے میں دوران سال کلنکر کی فروخت 0.7 ملین ٹن رہی۔ دوران سال انڈسٹری کی جانب سے کلنکر سمیت مجموعی ترسیل میں رجسٹرڈ اضافہ 10% رہا۔

ایندھن اور توانائی کی بڑھتی ہوئی قیمتوں اور سخت مسابقت کے باعث حقیقی وصولیوں کے نتیجے میں گنجائش نفع دباؤ میں آ گئے۔ روپے کی قدر کے ساتھ قوت خرید میں واقع ہونے والی کمی کا اثر انڈسٹری پر پڑا ہے جس کی وجہ سے نفع میں بھی کمی آئی ہے۔

پیداوار اور فروخت کا جائزہ

	30 جون 2018 کو ختم ہونے والا سال	30 جون 2017 کو ختم ہونے والا سال	اضافہ	فیصد
	ٹن	ٹن	ٹن	
کلنکر کی پیداوار	8,076,992	8,083,322	6,330	0%
سیمنٹ کی پیداوار	8,562,539	7,571,505	991,034	13%
سیمنٹ اور ایکسٹریم بانڈ کی فروخت	8,590,403	7,478,456	1,111,947	15%
کلنکر کی فروخت	405,993	850,641	(444,648)	(52%)

دوران سال انڈسٹری کے 14% اضافے کی نسبت آپ کی کمپنی کی سیمنٹ کی ترسیل میں 15% اضافہ ہوا ہے۔ اس کے علاوہ بیسٹ وے کلنکر کی فروخت انڈسٹری کی مجموعی فروخت کا 60% فیصد رہی ہے۔ بیسٹ وے سیمنٹ نے شمالی زون کی منڈی میں اپنا حصے اور بطور ملک کے سب سے بڑے سیمنٹ ساز ادارے اپنی مارکیٹ لیڈر کی حیثیت کو برقرار رکھا ہے۔

آپ کی کمپنی رواں سال 1,011,187 ٹن ترسیلات کے ساتھ پاکستان کی 100 سرفہرست برآمدی کمپنیوں میں شامل رہی ہے، جو کہ 48 ملین ڈالر برآمدی آمدن ملک میں لانے کا باعث بنی۔

پیداواری جھلکیاں

30 جون 2018 کو ختم ہونے والے سال کے دوران کمپنی کی خام آمدن گزشتہ سال کے 71.4 ارب روپے کے مقابلے میں 77.1 ارب روپے ریکارڈ کی گئی، اس طرح 8% اضافہ دیکھنے میں آیا۔ تاہم سال کے لیے خالص آمدن 2% اضافے کے ساتھ 51.6 ارب روپے سے 52.9 ارب روپے رہی۔ اس کی وجہ کم قیمت فروخت اور زیادہ ایکسائز ڈیوٹی اور سیلز ٹیکس تھا۔ سال کے لیے خام منافع 16% کمی کے ساتھ 19 ارب روپے رہا۔ زیادہ فروخت کے باوجود مجموعی مارجن توانائی کی لاگت میں اضافے کی وجہ سے متاثر رہا۔ گزشتہ سال کے 0.8 ارب روپے کے مقابلے میں اس سال کے دوران مالیاتی اخراجات 0.6 ارب روپے رہے۔

اس سال قبل از ٹیکس منافع 30 جون 2017 کو ختم ہونے والے سال میں 18.7 ارب روپے کے مقابلے میں 15 ارب روپے کے ساتھ 20% کم رہا۔ بعد از ٹیکس منافع 1% کمی کے ساتھ 13.3 ارب روپے سے 13.1 ارب روپے رہا۔ 30 جون 2018 کو ختم ہونے والے سال کے دوران کمپنی کی فی حصص آمدن پچھلے سال کے 22.29 روپے کے مقابلے میں 22.07 روپے رہی۔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PROXY FORM

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

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

I/We ________________________________ of ________________________

being a member (s) of Bestway Cement Limited (the 'Company') hereby appoint Mr./Mrs./Miss ______________ of _______ or failing him/her Mr./Mrs./Miss ____________________________ of______ (being member(s)) of the Company as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, September 24, 2018 at 11:00 a.m. at the Registered Office, Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad and at every adjournment thereof.

Signed this ________________ day of __________ 2018.

1. Witness: ____________________
   Signature ____________________
   Name ____________________
   CNIC/Passport No. ____________________
   Address ____________________

2. Witness: ____________________
   Signature ____________________
   Name ____________________
   CNIC/Passport No. ____________________
   Address ____________________

AFFIX REVENUE STAMP

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

Important:

1. This form of proxy, duly completed and signed, must be received at the Registered Office of the Company, Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad not less than 48 hours before the time of holding meeting.

2. No person shall act as proxy unless he/she himself/herself is a member of the Company, except that a corporation may appoint a person who is not a member.

3. If a member appoints more than one proxy and more than one instrument of proxy is deposited by the member with the Company, all such instruments of proxy shall be rendered invalid.

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

(i) The form of proxy shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

(ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the form of proxy.

(iii) The proxy shall produce his original CNIC or original passport at the time of meeting.

(iv) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the form of proxy to the Company.

پراکسی فارم

کمپنی سیکرٹری
بیسٹ وے سیمنٹ لمیٹڈ
بیسٹ وے بلڈنگ، A-19 کالج روڈ
F-7 مرکز، اسلام آباد

فولیونمبر / CDC A/C No.	
شئیرز ہیلڈ	

میں / ہم ________________ ساکن ________________ بحیثیت رکن / اراکین بیسٹ وے سیمنٹ لمیٹڈ (کمپنی) اپنی جانب سے محترم / محترمہ ________________ ساکن ________________ یا ان محترم / محترمہ کی ناکامی کی صورت میں محترم / محترمہ ________________ ساکن ________________ (بحیثیت رکن / اراکین) کو بذریعہ ہذا اپنا / ہمارا پراکسی مقرر کرتا / کرتی ہوں تاکہ میری / ہماری عدم موجودگی میں کمپنی کے سالانہ اجلاس عام جو کہ 24 ستمبر 2018 بروز پیر دن 11:00 بجے رجسٹرڈ آفس، بیسٹ وے سیمنٹ لمیٹڈ، بیسٹ وے بلڈنگ، A-19 کالج روڈ، اسلام میں منعقد ہو رہا ہے یا س کے التوائی اجلاس میں میری / ہماری طرف سے شرکت اور ووٹ دے سکے۔

دستخط کئے گئے ____________ دن ____________ سال 2018

1۔ گواہ:

دستخط: ________________

نام: ________________

قومی شناختی کارڈ/پاسپورٹ نمبر: ________________

پتہ: ________________

ریونیو سٹیمپ یہاں لگائیں

2۔ گواہ:

دستخط: ________________

نام: ________________

قومی شناختی کارڈ/پاسپورٹ نمبر: ________________

پتہ: ________________

دستخط: ________________

مندرجہ بالا دستخط کو کمپنی میں رجسٹرڈ دستخطوں کے نمونہ جات کے ساتھ مطابقت رکھنا چاہیے۔

ضروری نوٹ:

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

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

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

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

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

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

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

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

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