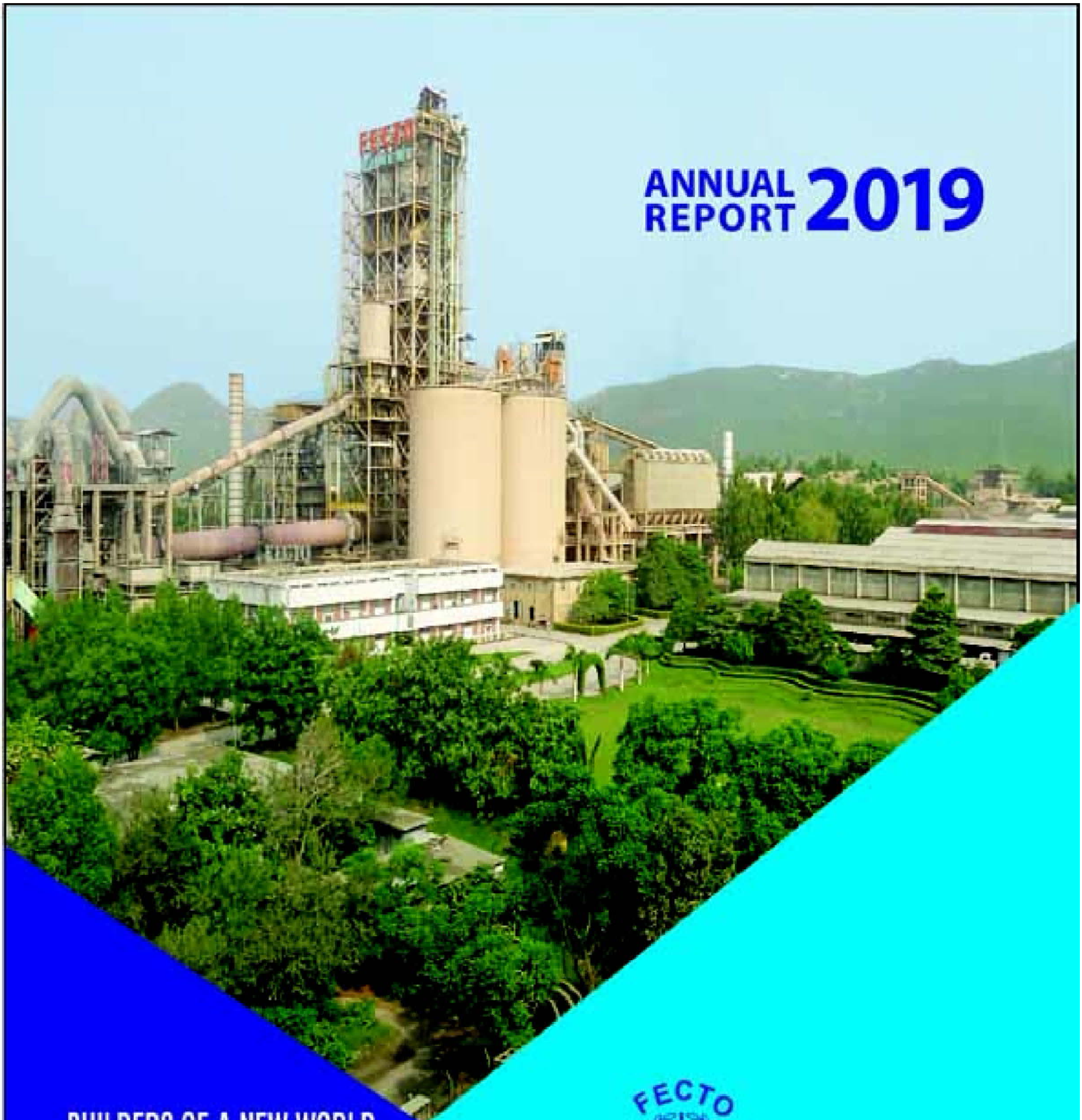
ANNUAL REPORT 2019



BUILDERS OF A NEW WORLD

FECTO

FECTO CEMENT LIMITED

Contents

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Aamir Ghani	Chairman
Mr. Mohammed Yasin Fecto	Chief Executive
Ms. Saira Ibrahim Bawani	
Mr. Khalid Yacoob	
Mr. Mohammed Anwar Habib	
Mr. Jamil Ahmed Khan	
Mr. Rohail Ajmal (Nominee of Saudi Pak Industrial & Agricultural Investment Co. Ltd.)	

CHIEF FINANCIAL OFFICER

Mr. Abdul Samad, FCA

COMPANY SECRETARY

Mr. Abdul Wahab, FCA

LEGAL ADVISOR

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

REGISTERED OFFICE

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

MARKETING OFFICE

339, Main Peshawar Road
Chairing Cross Service Road
Westridge-1,
Rawalpindi

AUDIT COMMITTEE

Mr. Jamil Ahmed Khan	Chairman
Mr. Mohammed Anwar Habib	
Mr. Rohail Ajmal	

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Jamil Ahmed Khan	Chairman
Mr. Khalid Yacoob	
Mr. Mohammed Anwar Habib	

AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq,
Chartered Accountants

SHARE REGISTRAR

F. D. Registrar Services (SMC-Pvt) Ltd.
1705, 17th Floor, Saima Trade Tower-A
I. I. Chundrigar Road
Karachi-74000

FACTORY

Sangjani, Islamabad

BANKERS

Askari Commercial Bank Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
Silk Bank Limited

Vision Statement

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

Mission Statement

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

Corporate Strategy

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **38th Annual General Meeting** of the Members of the Company will be held at Registered Office, 35-Darulaman Housing Society, Block 7/8, Shahra-e-Faisal, Karachi, on Monday, October 28, 2019 at 2.45 p.m. to transact the following businesses:

ORDINARY BUSINESSESS

1) To confirm the minutes of Extra Ordinary General Meeting held on December 01, 2018.

2) To receive, consider and adopt the Annual Financial Statements of the Company for the year ended June 30, 2019 together with the Directors' and Auditors' Reports thereon.

3) To consider, declare and approve payment of final cash dividend @ 5 % (Rs. 0.50 per share) for the financial year ended June 30, 2019 as recommended by the Board of Directors.

4) To appoint Auditors for the year ending June 30, 2020 and fix their remuneration. Present auditors M/s. Rahman Sarfarz Rahim Iqbal Rafiq, Chartered Accountants retires and being eligible have offered themselves for the re-appointment. The Board based on the recommendation of Audit Committee has proposed the appointment of M/s. Rahman Sarfarz Rahim Iqbal Rafiq Chartered Accountants as auditors of the Company for the year ending June 30, 2020.

5) To transact any other business with the permission of the Chair.

By Order of the Board

(ABDUL WAHAB)
COMPANY SECRETARY

Karachi: September 30, 2019

Notes:

1. The Share Transfer Books of the Company will remain closed from Saturday, October 19, 2019 to Monday, October 28, 2019 (both days inclusive). Transfers received in order by our Shares Registrar M/s. F.D. Registars Services (SMC-Pvt) Ltd., 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi-74000 at the close of business on Friday, October 18, 2019 will be considered in time for the entitlement of transferee.

2. A member of the Company entitled to attend and vote at this meeting may appoint another member as a proxy to attend, speak and vote instead of him/her. An instrument appointing a proxy must be received at the Registered Office of the Company not later than forty eight hours before the time of holding the Meeting. The proxy shall produce his/her CNIC or passport to prove his/her identity.

3. CDC Account Holders will have to further follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

4. Members may exercise their right to vote as per the provisions of the Companies (Postal and Ballot) Regulations, 2018 subject to the requirements of Section 143 and 144 of the Companies Act, 2017. Further details in this regard will be communicated to the shareholders within legal time frame as stipulated under the Regulations if required.

5. Members holding shares in physical form are requested to notify any change in their address to our share registrar immediately. Members holding shares in CDS system are requested to have their addresses updated with participant or CDC Investor Account Service.

6. As required by the Section 242 of the Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations, 2017 all listed companies are bound to pay cash dividend to their shareholders only through electronic mode directly into bank account designated by the entitled shareholder. All those shareholders who have not yet submitted their bank account details in the form of Electronic Credit Mandate form (available on the website of the Company at www.fectogroup.com) are requested to submit the requisite form duly signed with their CNIC to our registrar in case of physical shares. Shareholders holding their shares in CDS system are requested to submit Electronic Credit Mandate Form directly to CDC.

7. Member(s) who wish to receive annual financial statements and notice of annual general meeting through email, instead of through courier/post are requested to give their consent in writing on standard request form available on the Company's website www.fectogroup.com to the Company with their registered Email address so the Company can provide them the same at their valid Email ID.

8. The annual report of the Company has been uploaded at the Company's website www.fectogroup.com.

9. The Company shall provide video conference facility to its members residing outside Karachi for attending the meeting through video link. The said facility is subject to receiving demand from members holding an aggregate of 10% or more shareholding and if demand is received at least 7 days before the date of meeting.

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

I/We ______________ of ______________ being a member of **Fecto Cement Limited**,

holder of ___________ ordinary share(s) as per Registered Folio/ CDC Account

No. ______________ hereby opt for video link facility at ______________ .

____
Signature of Member

10. Members who desire that zakat should not be deducted from their dividend are requested to submit a declaration on non judicial stamp paper duly signed as required under the law.

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

- As per requirement of the Finance Act 2019, the Company is required to deduct withholding tax from payment of dividend as per following rates:

  i. Shareholders whose names appear on Active Tax Payers List (ATL) @15%.

  ii. Others 30%

- Shareholders whose names are not entered into the Active Tax-payers List (ATL) available on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

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

- Further according to clarification issued by FBR, withholding tax will be determined separately on Active/Non Active status of principal shareholder and as well as joint shareholder based on their proportion in case of joint shareholder(s).

- Members seeking either exemption from income tax deduction on dividend income or deduction at reduced rate under any provision of the Income Tax Ordinance, 2001 are requested to submit valid tax exemption certificate or necessary documents, as the case may be latest by October 18, 2019.

Statement under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	Proposed unlistedPublic Limited Company	Proposed Private limited Company
Total Investment Approved	Equity investment of USD 24 million equivalent in Pak Rupee in Phases was approved by members in EOGM held on December 01, 2018.	Equity investment of USD 1.2 million equivalent in Pak Rupee in Phases was approved by members in EOGM held on December 01, 2018.
Amount of Investment Made to date	Nil	Nil
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time	As stated in Notice of EOGM held on December 01, 2018, the work on project was expected to start in July 2019 subject to completion of formalities. The Chinese project team is evaluating the site and after their vist and approval we will apply for the limestone mining lease. We expect that these formalities will be completed in due course of time and immediately after allotment of lease the project will commence its activities.	As stated in Notice of EOGM held on December 01, 2018, the project was expected to be completed by December 2019 subject to completion of formalities. Considering the Present slow down in construction sector, the Jv Partners have agreed to hold the project temporarily and once the situation improve, work on project will be started accordingly.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investement	N / A	N / A

CHAIRMAN'S REVIEW

It gives me immense pleasure to present before you my Review Report on the overall performance of the Board and effectiveness of the role played in achieving the Company's objectives.

The Board of Directors of the Company has performed their fiduciary duties diligently in upholding the best interest of all stakeholders in efficient and effective manners. The Board has exercised its powers and has performed its duties as stated in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Code) contained in the Rule Book of the Pakistan Stock Exchange (the Rule Book) where the Company is listed.

The Board during the year ended 30 June 2019 played an effective role in managing the affairs of the Company and achieving its objectives in the following manner;

- The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees have adequate skill, experience and knowledge to manage the affairs of the Company;

- The Board has developed and put in place an effective mechanism for an annual evaluation of its own performance and that of its committees and individual directors. The findings of the annual evaluation are assessed and re-evaluated by the Board periodically;

- The Board has ensured that the directors are aware of their duties and responsibilities under the Companies Act, 2017, relevant Rules and Regulations and Articles of Associations of the Company. Further, they are provided with orientation courses to enable them to perform their duties in an effective manner;

- The Board has ensured that the meetings of the Board and that of its committee were held with the requisite quorum. The Board members have received agenda for the meetings containing all relevant information required to helping them for constructive discussions are delivered in timely manner. All the decision making were taken through Board resolutions and that the minutes of all the meetings (including committees) are appropriately recorded and maintained;

- The Board has developed a code of conduct setting forth the professional standards and corporate values adhered through the Company and has developed significant policies for smooth functioning;

- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;

- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities;

- The Board has prepared and approved the directors' report and has ensured that it is published with the quarterly and annual financial statements of the Company and the contents of the report are in accordance with the requirement of applicable laws and regulations;

- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings; and

- The Board has exercised its powers in light of the power assigned to the Board in accordance with the

relevant laws and regulation applicable to the Company and the Board has always prioritized the Compliance with all the applicable laws and regulations in terms of their conduct as directors and exercising their powers and decision making.

AAMIR GHANI
CHAIRMAN

September 30, 2019
Karachi.

DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

The Board of Directors has pleasure in presenting before you the annual report together with Audited Financial Statements of the Company for the year ended June 30, 2019.

OVERVIEW

During the year under review, overall dispatches of industry grew by2.15% with total sales volume of 46.88 million tons as against 45.89 million tons of last year. Local sales volume of the industry decreased by 1.95% and reached to 40.35 million tons as against 41.15 million tons of last year. Exports of the industry, whereas grew by 37.72% with sales volume of 6.54 million tons as against 4.75 million tons of last year.

Overall sales volume of plants located in north decreased to 34.89 million tons witnessing a negative growth of 5.85%, out of which local sales volume was of 32.36 million tons whereas exports were of 2.52 million tons. Local sales volume of plants located in north hence, reduced by4.72% whereas exports reduced by 18.06%.Performance of plants located in south remained better than plants located in north, since their overall sales volume increased by 35.61%, out of which local sales increased by 11.19% whereas exports increased by 140.87%.

OPERATING PERFORMANCE

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

	------------------ TONS	----------------	
	2019	**2018**	**CHANGE IN %**
Production			
Clinker	**593,312**	744,402	**(20.30)**
Cement	**680,133**	793,063	**(14.24)**
Dispatches			
Local	**616,317**	720,108	**(14.41)**
Export	**66,295**	71,447	**(07.21)**
Total	**682,612**	791,555	**(13.76)**

Production of clinker and cement for the year under review reduced by 20.30% and 14.24% respectively, main reason for such reduction was of lesser demand in the market and availability of clinker stock at the start of the year.

Local sales volume of the Company during the year under review reduced by 14.41% as against reduction of 1.95% of industry volume and 4.72% of plants located in north.Exports of the company reduced by 7.21% as against reduction of exports by 18.06% of plants located in north.

FINANCIAL PERFORMANCE

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

	Rupees in 000 except EPS	
	2019	**2018**
Net Sales - Local	**4,332,388**	4,546,512
Net Sales - export	**408,108**	356,272
Net Sales - Total	**4,740,496**	4,902,784
Cost of sales	**4,146,193**	3,875,479
Gross Profit	**594,303**	1,027,305
Profit before taxation	**130,343**	599,628
Profit after taxation	**88,975**	441,738
Earnings Per Share (Rupees)	**1.77**	8.81

SALES REVENUE

During the year under review, local gross sales revenue of the Company reduced by 4.35% as compared to last year though local sales volume reduced by 14.41%. Prices in local market did improve but subdued demand due to slowdown in economic activities affected the volume.

Net local sales revenues for the year reduced to Rs. 4,332 million as against Rs. 4,547 million of last year registering a reduction of 4.71%. Though prices did improve but increase in Federal Excise Duty resulted lower retention price for the company. Export sales revenue of the Company increased by 14.55% as against reduction in volume by 7.21%. Reason for improved prices was depreciation of Pak Rupee against USD resulting higher retention on exports. Over all net sales revenue of the company reduced to Rs. 4,740 million as against 4,903 million of last year showing reduction of 3.31% as against reduction in volume by 13.76%.

PROFITABILITY

Cost of sales of the Company during the year under review increased by 6.98% though sales volume reduced by 13.76%. Cumulative effect of both of them results increase in cost by 20.74%. Main cause of such affect was increase in price of coal in international markets coupled with steep depreciation of Pak Rupee against USD and higher stevedoring charges at PIBTL as compared to KPT. These factors resulted increase in coal cost per ton of clinker by Rs. 603 per ton which comes to 25.29% as compared to last year. Increase in power cost by Rs. 1.69 per KWH coupled with higher transportation cost of coal from port to factory site and higher prices of cement bags also resulted increase in overall cost of production.

Increase in cost of various components of cost of production outpaced the increase in sale price and trickledown effect of them resulted reduction in gross profit for the year under review, which came down to Rs. 594 million as against Rs. 1,027 million of last year, accordingly the Company achieved gross profit rate of 12.54% of net sales as against the 20.95% of last year.

Administrative expenses and distribution expenses remained under control due to stringent cost measures taken by the management. Other income reduced mainly due to the reason that last year certain provisions were reversed resulting higher other income.

The Company earned profit before taxation of Rs. 130 million as against profit before taxation of Rs. 600 million of last year.

Lower profit resulted lower tax provisions, hence, the Company earned Rs. 89 million profit after taxation as against Rs. 442 million of last year.

Company achieved earnings per share of RS. 1.77per share for the year under review as against Rs. 8.81 per share of last year.

PRINCIPAL RISKS AND UNCERTAINITIES

The Company is exposed to certain inherent risks and uncertainties related to the environments in which it works and its operations may affect due to such risks and uncertainties. We, however, consider following as key risks:

- Significant competition in the market due to recent expansion in the sector.
- Adverse movement in prices of input costs and foreign exchange rates specially imported coal.
- Data security and privacy.

The Company takes necessary steps with the external and internal stakeholders to mitigate these risks to appropriate level.

IMPACT OF COMPANY'S BUSINESS ON ENVIRONMENT

The Company is in the business of manufacture and sale of cement and any emission from the manufacturing process may affect the area where its operations are conducted. The Company is conscious of this affect and has taken several steps to control the environment in which it works. Plant of the Company is state of the art and meets all national and international standards of quality control. The Company has installed a waste heat recovery power plant to re use waste heat of the manufacturing system and generates clean energy for its operations.

FUTURE OUTLOOK

Demand of cement in local market remains subdued during the financial year under review and same trend is witnessed in first quarter of current financial year. Fierce competition in north markets due to excess supply has caused steep fall in prices. Fiscal and monetary tightening in order to control current account deficit have resulted drop in GDP growth rate and slowing down of economic activities. Measures taken in recent budget have also affected the business sentiments adversely, especially, real estate sector causing sluggish demand of cement. Increase in FED from 1,500 to 2,000 per MT coupled with certain budgetary measures in a situation where demand is already at low ebb will further restrict the ability of the industry to pass on these cost effects to consumers. Implementation of axle load regime has caused not only abnormal increase in transportation costs but has also affected availability of trucks. Geopolitical situation has also created negative sentiments in business circles. On cost side prices of coal in international market have retreat from its peak and stabilizing at around USD 75 TO 80 CNF Karachi. The increase in energy charges from Government in line with commitment made with IMF is pushing up the cost. The prices of other input costs like cement bags and diesel will also affect the profitability. The management being cognizant of these cost elements will continue to look avenues for improvement in operational efficiencies and cost saving measures to remain competitive.

PROGRESS ON INVESTMENT/PROJECTS

In line with approval of members for investment in associated companies in their Extra Ordinary General Meeting

(EOGM) held on December 01, 2018, the Board has taken steps to implement the decisions and pleased to apprise the members with current status as follows:

Investment in Frontier Paper Products (Private) Limited - FPPL

The Company has subscribed in 15,000,000 right shares @ Rs. 10/- each issued by FPPL for Rs. 150 million as approved by members in their extra ordinary general meeting held on December 01, 2018. In addition to subscribing right shares, the Company also made available running finance facility of Rs. 100 million to FPPL as approved by shareholders in same meeting. During the year maximum facility utilized by FPPL was of Rs. 50 million whereas outstanding amount at the year end was of RS. 40 million. The proceeds of right shares were used for prepayment of loans by FPPL thus improving its liquidity position and further strengthening its market share. Considering the present high interest rate scenario in the country saving of finance cost will reap benefits for FPPL and ultimately for the members of the Company.

INVESTMENT IN NEW PROJECTS

The Board has taken steps to precede with the approval of members for investments in associated companies to be formed. The management of the Company with co ordination of joint venture partners is in the process of obtaining requisite approvals and completion of initial work on the projects. The companies will be formed after completion of preliminary work and legal formalities and accordingly investments as approved by members will be made in due course of time. Update on this regard has been presented in statement under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 attached with Notice of Annual General Meeting.

CORPORATE GOVERNANCE

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

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

1. The financial statements, prepared by the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;

2. Proper books of account have been maintained by the company;

3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;

5. The system of internal control is sound in design and has been effectively implemented and monitored;

6. There are no significant doubts upon the company's ability to continue as a going concern;

7. The value of Provident Fund Investments as per un audited accounts of Provident Fund Trust for the year ended June 30, 2019 was Rs. 399 Million (2018 Rs. 385 Million) as per audited accounts.

8. There is no outstanding statutory payment due on account of taxes, levies and charges except normal and routine nature.

Key operating and financial data for six years is annexed to this report at page no. 20.

ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Board of Directors of the Company has established an effective and efficient internal financial control system to ensure effective conduct of company's operation, safeguarding of all assets and compliance with applicable laws and regulations and reliable and timely financial reporting. In house internal audit department is equipped with suitable and qualified staff to continuously review the internal control system and its effectiveness. Internal audit department is responsible to identify any weakness in the system in place by the Board and suggest any deviation, its rectification and improvements in a timely manner to the Audit Committee which ultimately takes corrective steps.

RELATED PARTY TRANSACTIONS

All related party transactions entered into during the year were on arm's length basis and duly approved by the Audit Committee and the Board as required by the Act and relevant regulations. Detail of transactions entered into with related parties is given in note 32 to the financial statements and respective notes.

COMPOSITION OF THE BOARD

Detail of No. of Board members and their composition is mentioned in Statement of Compliance. During the year five (5) meetings of the Board of Directors were held. Attendance by each Director is given below:

	Attended
Mr. Mr. Mohammed YasinFecto	5/5
Mr. Altaf A Hussain*	2/2
Mr. Aamir Ghani	3/5
Mr. Rohail Ajmal	5/5
Mr. Safdar Abbas Morawala*	1/2
Mr. Ijaz Ali*	0/2
Mr. Mohammed Anwar Habib	4/5
Mr. Khalid Yacoob	5/5
Mr. Jamil Ahmed Khan	2/5
Ms. Saira Ibrahim Bawani	1/2

Directors who could not attend the meeting due to illness or some other engagements were granted Leave of absence.

*These directors were retired during the year after completion of their term and did not offer themselves for the post of director.

REMUNERATION POLICY FOR NON EXECUTIVE DIRECTORS

All Directors of the Company are non executive directors except CEO. Remuneration to CEO is approved by the shareholders in their meetings. Non executive directors are paid remuneration for attending Board and its committee meetings are as per approved policy. The detail of remuneration paid to CEO and non executive directors is given in note 31 to the financial statements.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Board of Directors of your Company has established Audit Committee of the Board in compliance with the requirements of the CCG Regulations, 2017. Term of reference of the Committee was duly communicated to the members by the Board.

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

		Attended
Mr. Jamil Ahmed Khan	Independent Director- Chairman	1/2
Mr. Mohammed Anwar Habib	Non-Executive Director	3/4
Mr. RoahilAjmal	Non-Executive Director	2/2
Mr. Altaf A Hussain	Non-Executive Director	2/2
Mr. Safdar Abbas Morawala	Non-Executive Director	1/2

HUMAN RESOURCE AND REMUNERATION COMMITTEE

In compliance with the requirements of Listed Companies (Code of Corporate Governance), Regulations, 2017, The Board of Directors has established this Committee comprising three members, of whom all are non executive directors, whereas chairman of the Committee is an Independent Director. Term of reference of the Committee was duly communicated to the members by the Board. During the year one (1) meeting of the Committee was held which was attended by all members.

TRAINING PROGRAM OF DIRECTORS

Out of seven(7) directors five (5) directors have already attained the training program.

CORPORATE SOCIAL RESPONSIBILTY

Your Company being a responsible corporate citizen always conscious to discharge its obligations towards the people who work for it day and night, people around its work place and to the society as a whole. Few of the highlights of the initiatives undertaken by the Company during the year were:

- Donation for construction of Shelter homes for poor people,a project initiated Administration of Islamabad Capital Territory.
- Construction and renovation of a girl school in nearby village.
- Participation with local administration for cleaning of Khanpur Dam canal by providing cement and providing manpower.
- Provision of clean water to nearby village for which a reservoir and pipe line were constructed by the Company. Company has also installed an electric pump for smooth supply of water.
- The Company donated an amount of Rs. 8.9 million (2018: 5 million) for health, social welfare and education.

CONTRIBUTION TO NATIONAL EXECHEQUER

Your company contributed around Rs. 2,027 million in national exchequers as sales tax, federal excise duty and income tax compared to Rs 2,216 million of last year. Company also brought in foreign exchange of around US$ 3.0 million in the country by exporting cement. In addition to that the Company also paid and made contribution to national exchequer on account of royalty payment and also collected and deposited income tax from its suppliers and staff on behalf of FBR.

ENTITY CREDIT RATING

Pakistan Credit Rating Agency (PACRA) has maintained ratings assigned to the Company as long term rating of A- and short term A2 with stable outlook.

CANCELLATION OF MINING LEASE AND NOTICE OF RECOVERY

The auditors have drawn attention of the members to the note 8.1.1 of financial statements in respect of cancellation of mining lease and notice of recovery served on the Company by the Deputy Director (protection/forest) Capital Development Authority (CDA) creating a demand of RS. 427 million for alleged damage caused by the Company's mining activities. The said notice was issued at the time when mining lease of the Company was cancelled on March 15, 2015 by Director Industries and Labour, ICT, Islamabad and withdrawal of NOC by CDA.

The matter was raised before the Senior Magistrate CDA, Islamabad. The Company has challenged the said notice on the grounds that mining activities conducted by it were under valid license issued to it by the concerned authorities, interalia, penalty has been without any prior notice and giving an opportunity of being heard to the Company, further no basis is provided for calculating the damage.

The Senior Magistrate has issued an order whereby he has kept the matter pending till the disposal of Company's appeal in higher forum challenging the cancellation of its mining lease. The Company is vigorously contesting the cases of cancellation of mining lease and based on the legal opinion, believes that outcome of the matter will be in favour of the Company and accordingly it won't be liable to pay this penalty as well.

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

INDUSTRIAL RELATIONS

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

AUDITORS

Present auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, retire and being eligible, have offered them for re-appointment. The Audit Committee of the Board has also recommended their appointment as Statutory Auditors of the Company for the year ending June 30, 2020 and Board would also like to endorse the recommendation of the Audit Committee.

PATTERN OF SHAREHOLDING

Statements showing the pattern of shareholding as at June 30, 2019 required Section 227(2)(f) of the Companies Act, 2017 is annexed to this report at page no. 18.

APPROPRIATION

The appropriations approved by the Board are as follows:

	Rupees in 000
Profit after taxation	88,975
Un appropriated profit brought forward	3,158,561
Available for appropriation	3,247,536
Appropriation:	
Final Cash Dividend paid for the year ended 30 June 2018@ 20 % i.e. Rs. 2.0/= per share	100,320
Un appropriated profit carried forward	3,147,216

SUBSEQUENT EFFECT

The Board of Directors in its meeting held on September 30, 2019 has proposed a final cash dividend of 5% i.e. (Rs. 0.50/- per share) for the approval of shareholders in their meeting scheduled to be held on October 28, 2019.

ACKNOWLEDGMENT

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

On behalf of the Board

MOHAMMED YASIN FECTO
CHIEF EXECUTIVE

ROHAIL AJMAL
DIRECTOR

Karachi: September 30 , 2019

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2019

Statements showing the pattern of shareholding as at June 30, 2019 required Section 227(2)(f) of the Companies Act, 2017 is annexed to this report.

No. of Shareholders	Shareholding From	Shareholding To	Total shares
397	1	100	9,586
486	101	500	144,349
701	501	1000	456,374
368	1001	5000	816,349
76	5001	10000	568,432
29	10001	15000	368,147
17	15001	20000	314,160
9	20001	25000	208,300
6	25001	30000	166,000
7	30001	35000	231,800
2	40001	45000	83,000
3	45001	50000	146,000
2	50001	55000	108,730
1	55001	60000	57,640
1	65001	70000	68,000
1	70001	75000	74,000
1	75001	80000	84,530
1	90001	95000	91,500
2	95001	100000	200,000
1	110001	115000	114,000
1	150001	155000	150,500
1	155001	160000	157,937
1	190001	195000	192,000
2	195001	200000	399,500
1	235001	240000	239,200
1	240001	245000	243,200
1	435001	440000	436,000
1	465001	470000	467,000
1	480001	485000	484,000
1	590001	595000	594,500
1	645001	650000	645,100
1	1125001	1130000	1,127,255
1	3035001	3040000	3,039,700
1	10190001	10195000	10,191,536
1	27475001	27482000	27,481,675
2127			**50,160,000**

CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2019

Shareholder's Category	Number of Shareholders	Number of Shares held
Associated Companies, undertakings and related parties		
NIT and ICP	**4**	**1,131,395**
Directors		
Mr. Mohammed Yasin Fecto	2	37,673,211
Mr. Jamil Ahmed Khan	1	2,500
Mr. Khalid Yacoob	1	2,750
Mr. Aamir Ghani	1	2,750
Mr. Mohammad Anwar Habib	1	2,750
Ms. Saira Ibrahim Bawany	1	3,300
	7	**37,687,261**
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance and Modarabas	**10**	**4,242,691**
Mutual Funds		
CDC TRUSTEE NAFA STOCK FUND	1	243,200
CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCAT	1	239,200
CDC - TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	1	157,937
CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUIT ACCOUNT	1	19,600
CDC - TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES BENEVOLENT FUNDS TRUST	1	5,542
	5	**665,479**
OTHERS		
Foreign	2	920,000
Institutions	27	264,923
Individuals - Local	2,072	5,248,251
	2,101	**6,433,174**
Total	**2,127**	**50,160,000**
Detail of trading in shares by the Directors, Chief Financial Officer, Company Secretary and their spouse and Minor Children		
Mohammed Yasin Fecto - Chief Executive		
Purchased / acquired		14,978,196
Inheritance		917
Shareholders holding 5% or more voting interest		
Mr. Mohammed Yasin Fecto		37,668,628
Muslim Commercial Bank Limited - Treasury		3,039,700

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

The term Executive includes employees having salary of more than Rs. 300, 000/- per month.

KEY OPERATING AND FINANCIAL DATA FOR SIX YEARS

Year ended June 30	2019	2018	2017	2016	2015	2014
PRODUCTION SUMMARY			(Tonnes)			
Clinker production	**593,312**	744,402	789,904	661,103	703,677	640,825
Cement production	**680,133**	793,063	773,172	735,501	694,458	680,919
Cement despatches	**682,612**	791,555	771,662	736,671	694,132	682,048
			(Rupees in thousand unless stated otherwise)			
PROFIT & LOSS SUMMARY						
Turnover (net)	**4,740,497**	4,902,784	5,130,744	5,031,622	4,779,145	4,723,814
Gross profit	**594,303**	1,027,305	1,556,776	1,623,450	1,465,349	1,277,219
Profit before tax	**130,343**	599,628	1,091,511	1,158,876	899,636	769,895
BALANCE SHEET SUMMARY						
Paid up capital	**501,600**	501,600	501,600	501,600	501,600	501,600
General Reserve	**550,000**	550,000	550,000	550,000	550,000	550,000
Accumulated Profit	**3,147,216**	3,158,561	2,842,223	2,181,850	1,869,625	1,327,395
Long term loan and lease finance	**34,322**	14,757	0	0	80,000	260,000
Deferred liabilities	**355,892**	341,866	377,960	403,944	436,830	245,133
Property, plant & equipment	**1,946,434**	1,998,000	1,961,266	1,867,644	1,957,505	1,964,768
MISCELLANEOUS						
Contribution to national exchequer	**2,027,000**	2,216,000	2,136,328	1,108,922	967,700	900,099
Earnings per share (Rs.)	**1.77**	8.81	15.30	16.22	12.31	11.87
Break up value per share (Rs.)	**83.66**	83.93	77.63	64.46	58.24	47.43
Current ratio	**01:0.13**	01:0.20	01:0.15	01:0.20	01:0.36	01:0.53
Debt/equity ratio	**0.81:99**	0.35:100	0:100	0:100	3:97	10:90
Dividend	*05%	20%	25%	70%	50%	25%

* Proposed

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

1. The total number of directors are 7 as per the following:

Male	6
Female	1

2. The Composition of board is as follows:

a. Independent Directors	Khalid Yacoob, Aamir Ghani and Jamil Ahmed Khan
b. Non-Executive Directors	Mohammad Anwar Habib, Rohail Ajmal and Saira Ibrahim Bawani
c. Executive Directors	Mohammed Yasin Fecto

3. The Directors have confirmed that none of them is serving as a director on more than five (5) listed companies including this company.

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 the Board/shareholders as empowered by the relevant provisions of 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 Regulations with respect to frequency, recording and circulating minutes of meetings.

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 Company stands complied with the requirement of having half of the directors attended Directors Training Program as prescribed in Regulation 20 clause 1(a)of the Regulations as out of Seven (7) Directors, five (5) directors have already attended Directors' Training Program (DTP).

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:

AUDIT COMMITTEE

Mr. Jamil Ahmed Khan	Chairman
Mr. Mohammed Anwer Habib	Member
Mr. Rohail Ajmal	Member

HR and REMUNERATION COMMITTEE

Mr. Jamil Ahmed Khan	Chairman
Mr. Khalid Yacoob	Member
Mr. Mohammed Anwer Habib	Member

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

14. The frequency of meetings of the committees were as per following:

i. Audit Committee	Quarterly
ii. HR and Remuneration Committee	Annually

15. The Board has set-up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

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 listing regulations 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.

On behalf of the Board

MOHAMMED YASIN FECTO
CHIEF EXECUTIVE

ROHAIL AJMAL
DIRECTOR

Karachi: September 30, 2019

INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF FECTO CEMENT LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED 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 Fecto Cement Limited (the Company) for the year ended June 30, 2019 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 a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board 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 ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess 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 June 30, 2019.

Karachi.
Date: September 30, 2019

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF FECTO CEMENT LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Fecto Cement Limited** (the Company), which comprise the statement of financial position as at **June 30, 2019**, and the statement of profit or loss and other 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 ('the financial statements'), 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 and other 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 June 30, 2019 and of the profit and 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 Auditor's 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.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 8.1.1 to the financial statements which more fully discloses the fact that the Company is in litigation to contest the mining lease cancellation (including penalty) and the Company's responses / measures thereon.

Key Audit Matter(s)

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 matter(s):

S. No	Key audit matter(s)	How the matter was addressed in our audit
01.	**Contingencies** As disclosed in note 8 to the financial statements, the Company is exposed to material contingent liabilities arising from numerous legal suits / proceedings instituted by / against the Company on various matters including, in particular, the notice issued by the Director Minerals, Industries and Labour Welfare ICT for revocation of mining lease, show cause notice issued by the Competition Commission of Pakistan for increase in price of cement across the country, and orders issued by the tax authorities creating a substantial demand for sales tax and federal excise duty. Given the technicalities and complexities involved in the evaluation of the stance adopted by the Company in	Our audit procedures to assess the contingencies, amongst others, included the following: ● Obtaining an understanding of the Company's processes and controls over contingencies through meetings with management and review of the minutes of the Company's Board of Directors and the Audit Committee; ● Discussing the uncertainties involved in the legal suits / proceedings as well as the developments therein that occurred during the year with the Company's senior management personnel responsible for legal and financial reporting matters and corroborating the results of legal matters and development with Company's relevant personnel and review correspondence with external legal counsels.

aforementioned suits / proceedings and the uncertainties prevailing as to the ultimate outcome thereof, determining appropriately their effects on the financial statements in accordance with the applicable financial reporting framework is a matter of significant management judgement which, in turn, required us to apply significant auditor judgement and, accordingly, devote sufficient time and resources (including involvement of senior engagement team members) in order to obtain sufficient appropriate audit evidence.

We considered this matter to be of most significance keeping in view the various developments that occurred during the year with respect to such contingencies and the material monetary demands involved therein.

- Circularizing confirmations to the Company's external legal counsels and corroborating the responses received there-against with the results of management inquiries and the supporting documentary evidences;

- Assessing the appropriateness of related disclosures made in the financial statements, including, in particular, evaluating whether the same are in conformity with the disclosure requirements of the applicable financial reporting standards and the Fourth Schedule to the Companies Act, 2017, and whether all the significant developments that occurred during the year have been adequately disclosed.

02. Valuation of unquoted investments in equity securities

As stated in note 10.1 to the financial statements, the Company revalued its investment in unquoted ordinary shares of Frontier Papers Products (Private) Limited based on the valuation carried out internally by the management through the use of Discounted Free Cash Flow to Equity model for business valuation. Since the use of such valuation model requires management to make significant estimates and assumptions, the degree of subjectivity and complexity involved in the valuation increases to a considerable extent. This, in turn, affected our assessment of the risk that the financial statements may be materially misstated due to error and, hence, necessitated us to devote our significant time and resources to address the risk successfully.

- To get reasonable assurance over the adequacy of the valuation, we obtained an understanding of the valuation exercise carried out by the Company's staff who were responsible for performing the valuation and made relevant inquiries of such persons in order to assess their competence, capability and objectivity which are recognized as the important factors affecting the reliability of the valuation. Further, as part of this exercise, we assessed the reasonableness of significant assumptions used by management in estimating the following:

- Components of cost of equity of investee companies (used as discount rate) such as the risk-free rate of return, equity risk premium and equity beta;

- Significant amounts of revenues, cost of sales, administrative expenditure capital expenditures, tax payments, etc. used in the cash flow projections; and

- Long term growth rates assumed by management in estimating the terminal value of the investee companies at the end of the 4-year projection period.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information in the annual report, 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 basis 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 auditor's 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 the 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 judgment 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 of 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 auditor's 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 to 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 auditor's 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 and other 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 **Muhammad Waseem.**

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Karachi
Date: September 30, 2019

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

	Note	June 30, 2019	(Restated) June 30, 2018	(Restated) June 30, 2017
		Rupees in '000'		
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized Capital				
75,000,000 (2018: 75,000,000) Ordinary shares of Rs. 10/- each		**750,000**	750,000	750,000
Issued, subscribed and paid up capital				
50,160,000 (2018: 50,160,000) Ordinary shares of Rs.10/- each	4	**501,600**	501,600	501,600
Revenue Reserves				
General reserve		**550,000**	550,000	550,000
Accumulated profit		**3,147,216**	3,158,561	2,842,223
Surplus on revaluation of investment in unquoted shares		**132,751**	-	-
		3,829,967	3,708,561	3,392,223
		4,331,567	4,210,161	3,893,823
LIABILITIES				
Non-current liabilities				
Liabilities against assets subject to finance lease	5	**34,322**	14,757	-
Deferred taxation	6	**355,892**	341,866	377,960
		390,214	356,623	377,960
Current Liabilities				
Trade and other payables	7	**320,896**	628,683	531,062
Accrued mark-up		**363**	106	-
Unclaimed dividend		**14,501**	30,052	17,851
Unpaid dividend		**185**	377	362
Current portion of liabilities against assets subject to finance lease	5	**8,837**	3,646	-
		344,782	662,864	549,275
Contingencies and commitments	8			
Total equity and liabilities		**5,066,563**	5,229,648	4,821,058
ASSETS				
Non-current assets				
Property, plant and equipment	9	**1,946,434**	1,998,000	1,961,266
Long term investment	10	**319,650**	-	-
Long term deposits	11	**6,486**	6,805	6,534
Long term loans and advances	12	**12,606**	14,534	18,199
		2,285,176	2,019,339	1,985,999
Current assets				
Stores and spares	13	**765,829**	862,320	812,116
Stock-in-trade	14	**1,258,191**	1,329,041	1,277,174
Trade debts	15	**68,006**	75,428	16,087
Short term investments	16	**189,436**	206,895	102,390
Short term loan to a related party	17	**40,000**	-	-
Loans, advances, deposits, prepayments and accrued markup	18	**106,545**	125,075	71,241
Taxation - net		**189,025**	138,746	98,683
Cash and bank balances	19	**164,355**	472,804	457,368
		2,781,387	3,210,309	2,835,059
Total assets		**5,066,563**	5,229,648	4,821,058

The annexed notes from 1 to 35 form an integral part of the financial statements.

MOHAMMED YASIN FECTO	**ROHAIL AJMAL**	**ABDUL SAMAD**
CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		Rupees in '000'	
Turnover - net	20	**4,740,496**	4,902,784
Cost of sales	21	**(4,146,193)**	(3,875,479)
Gross profit		**594,303**	1,027,305
Administrative expenses	22	**(290,472)**	(295,591)
Distribution cost	23	**(203,122)**	(195,636)
Finance cost	24	**(5,377)**	(3,266)
Other income	25	**46,411**	111,256
		(452,560)	(383,237)
		141,743	644,068
Other expenses	26	**(11,400)**	(44,440)
Profit before taxation		**130,343**	599,628
Provision for taxation:			
-Current		**(64,695)**	(198,559)
-Prior		**454**	4,575
-Deferred		**22,873**	36,094
	27	**(41,368)**	(157,890)
Profit after taxation		**88,975**	441,738
Other comprehensive income for the year			
Items that will not be reclassified subsequently to profit or loss			
Unrealized gain on remeasurement of equity instrument at fair value through other comprehensive income		**169,650**	-
Related deferred tax charge		**(36,899)**	-
		132,751	-
Total comprehensive income for the year		**221,726**	441,738
		Rupees	
Earnings per share - basic and diluted	28	**1.77**	8.81

The annexed notes from 1 to 35 form an integral part of the financial statements.

MOHAMMED YASIN FECTO	ROHAIL AJMAL	ABDUL SAMAD
CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2019

	Share Capital	Revenue Reserves			Total
	Issued, Subscribed & Paid up capital	General Reserve	Accumulated Profit	Surplus on Revaluation of investment in unquoted shares	
	------------------ Rupees in '000' ------------------				
Balance as at June 30, 2017	501,600	550,000	2,842,223	-	3,893,823
Total comprehensive income for the year ended June 30, 2018					
Profit after taxation	-	-	441,738	-	441,738
Other comprehensive income	-	-	-	-	-
	-	-	441,738	-	441,738
Transactions with owners recorded directly in equity					
Final Cash dividend @ 25% for the year ended June 30 , 2017	-	-	(125,400)	-	(125,400)
Balance as at June 30, 2018	501,600	550,000	3,158,561	-	4,210,161
Total comprehensive income for the year ended June 30, 2019					
Profit after taxation	**-**	**-**	**88,975**	**-**	**88,975**
Other comprehensive income	**-**	**-**	**-**	**132,751**	**132,751**
			88,975	**132,751**	**221,726**
Transactions with owners recorded directly in equity					
Final Cash dividend @ 20% for the year ended June 30, 2018	**-**	**-**	**(100,320)**	**-**	**(100,320)**
Balance as at June 30, 2019	**501,600**	**550,000**	**3,147,216**	**132,751**	**4,331,567**

The annexed notes from 1 to 35 form an integral part of the financial statements.

MOHAMMED YASIN FECTO	**ROHAIL AJMAL**	**ABDUL SAMAD**
CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

	2019	(Restated) 2018
	Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**130,343**	599,628
Adjustments for:		
Depreciation	**119,634**	113,739
Provision for Workers' Profit Participation Fund	**7,087**	32,203
Provision for Workers' Welfare Fund	**4,313**	12,237
Reversal of provision for Workers' Welfare Fund	**-**	(54,751)
Interest income	**(29,253)**	(35,262)
Dividend income	**(12,369)**	-
Gain on disposal of operating fixed assets	**(2,380)**	(996)
Realized capital loss on short term investments	**370**	-
Unrealized gain on re-measurement of investments	**3,583**	(4,515)
Finance cost	**5,377**	3,266
	96,362	65,921
Operating profit before working capital changes	**226,705**	665,549
Effect on cash flow due to working capital changes		
(Decrease) / Increase in current assets		
Stores and spares	**96,491**	(50,204)
Stock-in-trade	**70,850**	(51,867)
Trade debtors - considered good	**7,422**	(59,341)
Loans, advances, deposits, prepayments and accrued markup	**18,530**	(53,834)
(Decrease) / Increase in current liabilities		
Trade and other payables	**(286,984)**	166,552
Cash generated from operations	**133,014**	616,855
Taxes paid	**(112,665)**	(234,047)
Payment to Workers' Profit Participation Fund	**(32,203)**	(58,620)
Long term deposits	**319**	(271)
Long term loans and advances	**1,928**	3,665
Net cash (used in) / generated from operating activities	**(9,607)**	327,582
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	**(42,685)**	(130,304)
Long term investment	**(150,000)**	-
Short term investments made	**-**	(100,000)
Proceeds from redemption of short term investment	**24,020**	10
Short term loan to associated company - net	**(40,000)**	-
Interest received	**29,253**	35,262
Proceeds from disposal of property, plant and equipment	**6,471**	1,527
Net cash used in investing activities	**(172,941)**	(193,505)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of principal against lease obligation	**(4,718)**	(2,297)
Finance cost paid	**(5,120)**	(3,160)
Dividend paid	**(116,063)**	(113,184)
Net cash used in financing activities	**(125,901)**	(118,641)
Net (decrease) / increase in cash and cash equivalents	**(308,449)**	15,436
Cash and cash equivalents at the beginning of the year	**472,804**	457,368
Cash and cash equivalents at the end of the year	**164,355**	472,804

The annexed notes from 1 to 35 form an integral part of the financial statements.

MOHAMMED YASIN FECTO
CHIEF EXECUTIVE

ROHAIL AJMAL
DIRECTOR

ABDUL SAMAD
CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1 STATUS AND NATURE OF BUSINESS

Fecto Cement Limited ('the Company') was incorporated in Pakistan on February 28, 1981 as a public limited company under the repealed Companies Act, 1913 (Repealed with the enactment of the Companies Ordinance, 1984 on October 8, 1984 and subsequently by Companies Act, 2017 on May 30, 2017) with its registered office situated at 35-Darulaman Housing Society, Block 7/8, Shahra-e-Faisal, Karachi, Sindh. The Company's Plant is located at Sangjani village Sangjani, Islamabad-4400. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal activity of the Company is production and sale of Ordinary Portland Cement.

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. Accounting and reporting standards comprise of:

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

- 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.

2.2 Basis of measurement

These financial statements are prepared under the historical cost convention except otherwise stated.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

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

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

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

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

- Useful lives and residual values of property, plant and equipment (Note 3.2)
- Valuation of long term investment
- Provision for slow moving and obsolete stores and spares (Note 3.5)
- Provision for doubtful debts (Note 3.1.2(b)
- Provision for taxation (Note 3.12)

2.5 NEW ACCOUNTING PRONOUNCEMENTS

There are new and amended standards and interpretations that are mandatory for accounting periods beginning 01 July 2018 other than those disclosed in note 3.1 are considered not to be relevant or do not have any significant effect on the Company's financial statements and are therefore not stated in these financial statements.

2.5.1 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

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 July, 01 2019:

- 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 contains 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 management is in the process of analysing the potential impacts on adoption of this standard, 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 management is in the process of analysing the potential impacts on adoption of this interpretation, if any.

- Amendment to IFRS 9 'Financial Instruments' - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 January 2019). For a debt instrument to be eligible for measurement at amortised cost or FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion - i.e. the cash flows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Company's financial statements.

- 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 the 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 the Company's financial statements.

- Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

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 remeasures 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 January 1, 2019 and are not likely to have an impact on Company's financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the significant accounting policies consistently applied in the preparation of these financial statements are the same as those applied in earlier periods presented.

3.1 Initial application of IFRS 9 and IFRS 15

With effect from July 01, 2018, the Company has adopted IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers'. Following is the analysis as to whether and, if so, how the adoption of these new standards has an impact on the financial statements.

3.1.1 IFRS 15 'Revenue from Contracts with Customers'

On 28 May 2014, the International Accounting Standards Board ("IASB") issued International Financial Reporting Standards ("IFRS") 15 "Revenue From Contracts with Customers" which provides a unified five-step model for determining the timing, measurement and recognition of revenue. The focus of the new standard is to recognize revenue as performance obligations are satisfied rather than based on the transfer of risk and rewards. IFRS 15 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and the number of revenue related interpretations issued thereunder.

The Company manufactures and contracts with customers for the sale of Portland Cement which generally includes single performance obligation. The management has concluded that revenue from sale of goods be recognised at the point in time when control of the asset is transferred to the customer, which is when the goods are dispatched to the customer. Invoices are generated and revenue is recognised at that point in time, as the control has been transferred to the customers. Usually sales is made on advance but deferred payments may also be agreed in case of sales to certain categories of customers. The above is generally consistent with the timing and amounts of revenue the Company recognised in accordance with the previous standard, IAS 18. Therefore, the adoption of IFRS 15 which replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations, did not have an impact on the timing and amounts of revenue recognition of the Company. Therefore, adoption of IFRS 15 at 01 July 2018, did not have an effect on the financial statements of the Company.

3.1.2 IFRS 9 'Financial Instruments'

IFRS 9 replaced the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. Changes in accounting policies resulting from adoption of IFRS 9 have been applied retrospectively. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

a) Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, held for trading and available for sale. IFRS 9, classifies financial assets in the following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

The accounting policies that apply to financial instruments are stated in note 3.7 & 3.8 to the financial statements.

The following table explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at 30 June 2018:

	Previous classification under IAS 39	New classification under IFRS 9	Original carrying Amount	New carrying Amount
			Rupees in '000'	
As at June 30, 2018				
Investments				
- Unit of mutual fund	Held for trading	FVTPL	106,905	106,905
- Term Finance Certificate	Amortized cost	FVTPL (Note no. 16.2)	99,990	99,990
			206,895	206,895
- Trade debts - unsecurred, considered good	Loans and receivables	Amortized cost	75,428	75,428
- Long term deposits	Loans and receivables	Amortized cost	6,805	6,805
- Long term loan and advances	Loans and receivables	Amortized cost	14,534	14,534
- Loans, advances, deposits and accrued mark-up	Loans and receivables	Amortized cost	18,858	18,858
- Cash and Bank balances	Loans and receivables	Amortized cost	472,804	472,804
Total financial assets			795,324	795,324

There is no retrospective application of changes in classification of financial assets due to adoption of IFRS 9 on the amounts presented for 30 June 2018:

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies related to financial liabilities.

b) Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit losses model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. Trade and other receivables are written off when there is no reasonable expectation of recovery. The Company assesses expected credit losses associated with its financial assets on a forward looking basis.The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.The move from an incurred loss model to an expectd loss has not had an impact on the financial position and/or financial performance of the Company.

3.2 Property, plant and equipment

3.2.1 Owned operating assets

Operating assets are stated at cost (including where relevant related borrowing cost) less accumulated depreciation and impairment losses, if any, except for free hold land and capital stores which are stated at cost. Depreciation on additions is charged for the month the asset is put to use and no depreciation is charged in the month of disposal.

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

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

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

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

3.2.2 Leased

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

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

3.2.3 Capital work in progress

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

3.3 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognized in the statement of profit or loss.

3.4 Employee benefits

Staff retirement benefits

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

Compensated absences

Provision for accumulating compensated absences, whether vesting or non-vesting, is recognized as the employees render services that increase their entitlement to future paid absences to extent of maximum 30 days. Such provision is measured as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

Non-accumulating compensated absences are recognized as expense in the period in which they occur.

3.5 Stores and spares

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

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

3.6 Stock-in-trade

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

Raw material excavated	At average cost comprising of excavation cost, labour and appropriate overheads.
Other raw material and packing material purchased	At cost determined on first-in-first-out basis.
Work-in-process and finished goods	At average cost comprising direct material, labour and appropriate manufacturing overheads.

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

3.7 Financial assets

3.7.1 Classification:

Initial measurement

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent Measurement

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.

Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

Financial assets measured at FVTOCI

These assets are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss)

3.7.2 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

3.7.3 Impairment

The Company recognises loss allowances for ECLs in respect of financial assets measured at amortised cost.

The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts.The Company assesses on a forward looking basis the expected credit losses associated with its financial assets.

Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, company compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets.

An entity shall directly reduce the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event of company.

3.7.4 Offsetting

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

3.8 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.9 Trade debts

These are classified at amortized cost and are initially recognised when they are originated and measured at their transaction price.

3.10 Cash and cash equivalents

Cash and cash equivalents comprises cash and bank balances.

3.11 Foreign currency translation

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

3.12 Taxation

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

Current

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

Deferred

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

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

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

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

3.13 Trade and other payables

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

3.14 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 resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.15 Revenue recognition

Revenue from sale of goods

Revenue from sale of goods (cement) is recegnized when the customer obtains control of the goods, being when the goods are delivered to the dealer, the dealer has full discretion over the selling price of the goods subject to maximum retail price printed on bag and there is no unfulfilled obligation that could affect the dealer's acceptance of the goods. Delivery occurs when the goods have been dispatched from the company premise, the risk of loss has been transferred to the dealer, and either the dealer has accepted the goods in accordance with the sales contract, the acceptance provisions have elapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered to dealers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Company does not expect to have contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Rebate on exports

Rebate on export sales is recognized in the period in which the related export sales revenue is recognized unless there exist any specific facts and circumstances which indicate that receipt of the rebate amount from the government is uncertain. In that case, the rebate income is recognized when it is realized.

Interest income

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

Dividend income

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income. Dividends are recognized in profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of a part of the cost of an investment. In this case, dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.

3.16 Dividends and appropriations to reserves

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

4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2019	2018		2019	2018
(Number of Shares)			Rupees in '000'	
45,600,000	45,600,000	Ordinary shares of Rs. 10/- each issued as fully paid in cash	**456,000**	456,000
4,560,000	4,560,000	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	**45,600**	45,600
50,160,000	50,160,000		**501,600**	501,600

4.1 The Company does not have any agreements with shareholders for voting rights, board selection, rights of first refusal and block voting.

	2019	2018
	Rupees in '000'	

5 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2019	2018
Opening balance	**18,403**	-
Lease obtained during the year	**29,474**	20,700
Payments made during the year	**(4,718)**	(2,297)
	43,159	18,403
Current maturity shown under current liabilities	**(8,837)**	(3,646)
Non Current Portion	**34,322**	14,757

5.1 The terms and conditions of the leases are as follows:

Lease Case No	**121710500008**	**121810500014**	**121902500027**
Total number of installments	60	60	60
Payment of frequency	Monthly	Monthly	Monthly
Date of first installment	6-Nov-17	3-Dec-18	12-Apr-19
Markup rate	6 month Kibor +2%	6 month Kibor +2%	3 month Kibor +2%
Date of maturity	6-Oct-22	1-Nov-23	12-Mar-24
Name of lessor	Askari Bank Limited	Askari Bank Limited	Askari Bank Limited
Nature of assets taken on lease	Motor Vehicle	Motor Vehicle	Motor Vehicle
Number of asset taken on leass	1	3	1

5.2 Reconciliation of minimum lease payments and their present value:

	2019			2018		
	Minimum Lease payment	Finance Charge	Present value of minimum lease payments	Minimum Lease payment	Finance Charges	Present value of minimum lease payments
	(Rupees in '000')					
Not later than one year	**13,505**	**4,668**	**8,837**	5,140	1,494	3,646
Later than one year and not later than five year	**42,483**	**8,161**	**34,322**	17,157	2,400	14,757
	55,988	**12,829**	**43,159**	22,297	3,894	18,403

6 DEFERRED TAXATION

	2019	2018
	Rupees in '000'	
Taxable temporary differences arising in respect of :		
Accelerated tax depreciation	**322,232**	345,334
Unrealized gain on long term investment	**36,899**	-
Unrealized gain on short term investment	**52**	1,129
Lease liability net of leased assets	**2,123**	874
Deductible temporary difference arising in respect of :		
Provision against slow moving and obsolete spares	**(3,978)**	(4,035)
Provision for bad debts	**(1,436)**	(1,436)
	355,892	341,866

	Note	2019	2018
		Rupees in '000'	
7 TRADE AND OTHER PAYABLES			
Creditors for goods and services:			
Other creditors		**34,948**	345,397
Associated company		**16,216**	7,371
		51,164	352,768
Accrued expenses		**98,769**	65,728
Provision for compensated absences	7.1	**25,192**	56,861
Payable to Provident Fund		**4,093**	3,878
Worker's Profit Participation Fund payable	7.2	**7,087**	32,203
Worker's Welfare Fund payable	7.3	**43,282**	38,969
Advances from customers - unsecured	7.4	**51,641**	42,942
Security deposits payable	7.5	**10,297**	10,167
Royalty payable		**-**	58
Excise duty payable		**5,779**	-
Sales tax payable		**1,411**	1,331
Withholding income tax		**3,231**	4,145
Other liabilities		**18,950**	19,633
		320,896	628,683

7.1 Provision for compensated absences

	2019	2018
Opening balance	**56,861**	51,461
Charge for the year - net of reversals	**4,464**	34,070
Payments made during the year	**(36,133)**	(28,670)
Closing balance	**25,192**	56,861

7.1.1 During the year, the Company changed its policy with respect to employees' leave entitlement and encashment whereby, with effect from July 01, 2019, casual and sick leaves allowed to employees will not be carried forward and will be treated as lapsed if not availed during the year. However, annual leaves to the extent of maximum 30 days will continue to be accumulated and encashment will be allowed to employees only at the time of leaving the Company. This has resulted in the substantial reduction in charge for compensated absences recognized in profit or loss during the year.

7.2 Worker's Profit Participation Fund payable

	2019	2018
	Rupees in '000'	
Opening balance	**32,203**	58,620
Allocation for the year	**7,087**	32,203
	39,290	90,823
Less: Payment during the year	**(32,203)**	(58,620)
	7,087	32,203

7.3 Worker's Welfare Fund payable

	2019	2018
Opening balance	**38,969**	102,333
Provision for the year	**4,313**	12,237
Adjustment during the year	**-**	(20,850)
Reversal of excess provision	**-**	(54,751)
	43,282	38,969

7.4 Advances from customers - unsecured

7.4.1 During the year, the performance obligations underlying the opening contract liability of Rs. 42.942 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the year.

7.4.2 Information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 51.641 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

7.5 Security deposits payable

The Company has not utilized any amount from the security deposits collected from cement dealers for its business purposes.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

8.1.1 On March 17, 2015, the Company received a letter from Director Minerals, Industries and Labour Welfare Islamabad Capital Territory (ICT) informing the Company that the lease issued to it for mining had been cancelled in pursuance of the orders of the Honourable Supreme Court of Pakistan ('the Apex Court') dated March 16, 2015. Subsequently, in March 2015, the Company filed a review petition in the Apex Court against the order passed by it. In March 2018, the Apex Court disposed off the review petition with an observation that since civil suits against demarcation of land and cancellation of lease are pending for adjudication in the Civil Court, Islamabad, the concerned court shall decide the case on its merit and any observation made by the Apex Court shall not cause prejudice to the petitioner i.e. the Company. Based on the opinion of the concerned legal counsel, management believes that the ultimate outcome of the aforesaid litigation pending in the Civil Court, Islamabad would be in favour of the Company.

Furthermore, on December 06, 2018, the Apex Court issued its final order in a connected case, Suo Moto no. 5 of 2016, whereby tree cutting in Margalla National Park was disallowed. Though the Company was not a party to the aforesaid Suo Moto case, subsequently, it filed a Constituitional Review Petition (CRP) before the Apex Court against its aforesaid order since it was aggrieved by the verdict of the Apex Court. As on June 30, 2019, the said CRP was pending for adjudication. Based on the opinion of the concerned legal counsel, the Company has a good prima facie case; although the ultimate outcome cannot be predicted with any degree of certainty.

In addiiton to above, on March 19, 2015, a notice of recovery was served on the Company by Deputy Director (Protection/Forest) creating a demand of Rs. **427.050** million for the alleged damage caused by the Company's mining activities and raised the matter before the Senior Special Magistrate CDA, Islamabad.

The Company challenged the recovery notice on the grounds that mining activities conducted by it were under valid lease issued to it by the authorities. Moreover, the penalty has been without any prior notice and without giving the Company an opportunity of being heard. The Company also challenged the fact that penalty has been imposed without any basis for calculating the damage.

The Court of Senior Special Magistrate CDA, Islamabad in its order dated October 13, 2016 has decided that as the case is pending in the higher forum (i.e. Civil Court, Islamabad).

the matter will remain sub-judice in the Court of Senior Special Magistrate CDA, Islamabad till the final verdict is announced by the Civil Court, Islamabad. The Company is confident that the matter will be decided in its favour.

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

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

During the year 2018, the Supreme Court of Pakistan remanded the case back to the Competition Appellate Tribunal (CAT). The Company has filed petition in the Sindh High Court in relation to constitution mechanism of the tribunal, wherein the Sindh High Court granted stay against the notice. The SHC has ordered CAT not to pass a final order, till the case is decided. The Company's legal counsel is confident that the Company has a good case and there are reasonable chances of success, hence, no provision for the above is made in these financial statements.

8.1.3 For the tax year 2013, notice under section 122(1) of the Income Tax Ordinance, 2001 was issued by the Deputy Commissioner Inland Revenue (DCIR) creating the demand of Rs. 3.2 million in respect of certain inadmissible expenses. Subsequently, the Company filed an appeal against the said notice before the Commissioner Inland Revenue (Appeals I) [CIR(A)] who decided the case in favour of DCIR. Finally, the Company filed an appeal against the order of the CIR(A) before the Appellate Tribunal Inland Revenue (ATIR). As of the reporting date, the case was still pending before ATIR for adjudication and no hearing was held till that date.

8.1.4 The Company received a show cause notice dated January 16, 2015 from Deputy Commissioner Inland Revenue (DCIR) - Karachi alleging that the Company is suppressing the sales / supply of cement for the tax year 2013 and 2014, and accordingly sales tax and Federal Excise Duty (FED) is also suppressed by Rs. 450.111 million and Rs. 131.675 million respectively. In response to the said notice, the Company justified its position and responded the matters raised in the said notice. On September 9, 2015, ACIR passed an order creating a demand for the recovery of sales tax and FED of Rs. 293.786 and Rs. 87.965 respectively.

The Company instituted an appeal on November 11, 2015 against the demand raised by ACIR before Commissioner Inland Revenue (Appeals) (CIRA) and decision was made by CIRA via an order dated December 11, 2015 whereby the order against the Company was annulled as being defective on legal as well as factual grounds including the fact that such order was time barred.

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

8.1.5 The Finance Act, 2018 introduced further amendments in section 5A of the Income Tax Ordinance, 2001. According to the said amended version of section 5A, for tax year 2017 and onwards, a tax shall be imposed at the rate of 5% of its accounting profit before tax on every public company, other than a scheduled bank or a modaraba, that derives profit for a tax year but does not distribute at least 20% of its after tax profits within six months of the end of the tax year through cash.

Subsequent to the above referred amendments brought in by the Finance Act, 2018, section 5A was once again amended in March 2019 through the promulgation of Finance Supplementary (Second Amendment) Act, 2019 whereby the imposition of the tax on undistributed profits was restricted to the tax years 2017 to 2019.

During the year ended June 30, 2018, cash dividend paid by the Company, in respect of the financial year ended June 30, 2017, amounted to Rs. 125.4 million. Based on this amount, the dividend distribution rate for the FY 2016-17 comes to 16.5% of the after tax profits for that year which is below the minimum required distribution rate of 20%, as noted above. This short payment of dividend exposes the Company to an additional income tax liability of Rs. 54.575 million (i.e. 5% of the Company's accounting profit before tax for the financial year ended June 30, 2017).

However, in view of the Constitutional Petition (CP) already filed by the Company before the Honourable High Court of Sindh (SHC) challenging the vires of section 5A and seeking SHC to declare the impugned section ultra vires the Constitution of Pakistan, and given the fact that stay on the matter had been granted by SHC to the Company on September 25, 2017, no provision for the aforesaid exposure amount of Rs. 54.575 million has been recognized in these financial statements.

8.2 Commitments

Commitments in respect of outstanding letters of credit as at June 30, 2019 amounted to Rs. 121.015 million (June 30, 2018: Rs. 27.341 million).

	Note	2019	2018
		Rupees in '000'	
9 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	9.1	**1,753,998**	1,822,063
Capital work in progress	9.2	**-**	2,469
Capital spares	9.3	**192,436**	173,468
		1,946,434	1,998,000

9.1 Operating fixed assets

	Freehold Land	Factory building	Non-factory building	Plant and machinery	Quarry transport equipments	Furniture, fixtures & equipments	Motor Vehicles Owned	Motor Vehicles Leased (note-10.1.2)	Total
	-----	-----	-----	-----	Rupees in 000	-----	-----	-----	-----
As at June 30, 2017									
Cost	225,923	327,715	130,301	3,272,495	124,814	46,713	121,522	-	4,249,483
Accumulated depreciation	-	(255,924)	(88,759)	(1,884,434)	(108,000)	(44,359)	(74,493)	-	(2,455,969)
	225,923	71,791	41,542	1,388,061	16,814	2,354	47,029	-	1,793,514
Year ended June 30, 2018									
Opening net book value	225,923	71,791	41,542	1,388,061	16,814	2,354	47,029	-	1,793,514
Additions / transfers	-	-	104,687		-	11,732	1,370	25,030	142,819
Disposals									
Cost	-	-	-	-	-	-	(5,267)	-	(5,267)
Accumulated depreciation	-	-	-	-	-	-	4,736	-	4,736
	-	-	-	-	-	-	(531)	-	(531)
Depreciation for the year	-	(5,177)	(3,762)	(82,112)	(4,165)	(1,111)	(14,033)	(3,379)	(113,739)
Closing net book value	225,923	66,614	142,467	1,305,949	12,649	12,975	33,835	21,651	1,822,063
As at June 30, 2018									
Cost	225,923	327,715	234,988	3,272,495	124,814	58,445	117,625	25,030	4,387,035
Accumulated depreciation	-	(261,101)	(92,521)	(1,966,546)	(112,165)	(45,470)	(83,790)	(3,379)	(2,564,972)
	225,923	66,614	142,467	1,305,949	12,649	12,975	33,835	21,651	1,822,063
Year ended June 30, 2019									
Opening net book value	225,923	66,614	142,467	1,305,949	12,649	12,975	33,835	21,651	1,822,063
Additions / transfers	-	-	2,660	7,127	-	127	9,383	36,363	55,660
Disposals									
Cost	**-**	**-**	**-**	**-**	**-**	**(90)**	**(16,254)**	**-**	**(16,344)**
Accumulated depreciation	**-**	**-**	**-**	**-**	**-**	**25**	**12,228**	**-**	**12,253**
	-	**-**	**-**	**-**	**-**	**(65)**	**(4,026)**	**-**	**(4,091)**
Depreciation for the year	**-**	**(5,177)**	**(7,550)**	**(82,222)**	**(2,091)**	**(3,079)**	**(12,665)**	**(6,850)**	**(119,634)**
Closing net book value	**225,923**	**61,437**	**137,577**	**1,230,854**	**10,558**	**9,958**	**26,527**	**51,164**	**1,753,998**
As at June 30, 2019									
Cost	**225,923**	**327,715**	**237,648**	**3,279,622**	**124,814**	**58,482**	**110,754**	**61,393**	**4,426,351**
Accumulated depreciation	**-**	**(266,278)**	**(100,071)**	**(2,048,768)**	**(114,256)**	**(48,524)**	**(84,227)**	**(10,229)**	**(2,672,353)**
	225,923	**61,437**	**137,577**	**1,230,854**	**10,558**	**9,958**	**26,527**	**51,164**	**1,753,998**

9.1.1 Freehold land represents 200.18 acres of land situated at sangjiani village sangjiani, Islamabad on which factory and non factory buildings are constructed. The property is utilized as manufacturing facility for the production of cement.

Further, it comprises land of 1,598.33 sq. yds. situated at House # 339, west ridge 1, Peshawar road, Rawalpindi. The property is utilized as marketing office of the Company.

		Note	2019	2018
			Rupees in '000'	
9.1.2	**Detail of addition in vehicle leased:**			
	Initial recognition - against lease liability		**29,475**	23,000
	Payment of security deposit		**6,808**	2,030
	Others		**80**	-
			36,363	25,030
9.1.3	**Allocation of depreciation expense**			
	Excavation / Transportation Cost		**17,706**	19,653
	Manufacturing Cost	21	**81,339**	80,067
	Administrative expenses	22	**11,769**	9,627
	Distribution cost	23	**8,820**	4,392
			119,634	113,739

9.2 Capital work in progress

	2019	2018
Building and others		
Opening balance	**2,469**	31,578
Additions during the year		
-non-factory building	**191**	87,131
	2,660	118,709
Transferred to operating fixed assets	**(2,660)**	(116,240)
Closing balance	**-**	2,469

9.3 Capital spares

	2019	2018
Opening balance	**173,468**	136,174
Additions during the year - Net	**18,968**	37,294
Closing balance	**192,436**	173,468

9.3.1 The International Accounting Standard (IAS) 16 Property, Plant and Equipment requires that items such as spare parts, stand-by equipment, and servicing equipment are recognized as property, plant and equipment (PPE) when they meet the definition of PPE; otherwise, such items are classified as inventory. However, capital spares had been classified by the Company under the head 'Stores and spares' rather than the head 'Property, plant and equipment'. Accordingly, during the year, the Company identified such capital spares and re-classified those items to the head 'Property, plant and equipment'

The aforesaid reclassification has been accounted for retrospectively in accordance with the requirements of the IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and corresponding figures have been restated. However, since the reclassified capital spares were not considered as 'available for use', the related depreciation effects have not been accounted for in these financial statements. Nevertheless, since these restatements have a material effect on the statement of financial position as at the beginning of the earliest period presented (i.e. as of July 01, 2017), the same has also been presented in these financial statements.

The retrospective reclassification has its effects on the comparative statements of financial position as follows. However, the said reclassification had no effects on the comprative statement of profit or loss and other comprehensive income for the year ended June 30, 2018.

	Property, plant and equipment	Stores and spares
	Rupees in '000	
Effects on the statement of financial position		
Balance as at June 30, 2017 (as previously reported)	**1,825,092**	948,290
Effects of restatements as on June 30, 2017		
Reclassification of capital spares to PPE	**136,174**	(136,174)
Balance as at June 30, 2017 (as restated)	**1,961,266**	812,116
Balance as at June 30, 2018 (as previously reported)	**1,824,532**	1,035,788
Effects of restatements as on June 30, 2018		
Reclassification of capital spares to PPE	**173,468**	(173,468)
Balance as at June 30, 2018 (as restated)	**1,998,000**	862,320

10 LONG TERM INVESTMENT

	2019	2018
	Rupees in '000'	
At fair value through other comprehensive income		
Investment in ordinary shares of Frontier Paper Products (Private) Limited		
Cost of acquisition (Rs. 10 per share)	**150,000**	-
Unrealized gain on remeasurement to fair value	**169,650**	-
Fair value as at June 30	**319,650**	-

10.1 During the year, the Company made an investment in 15 million unquoted ordinary shares of M/s. Frontier Papers Products (Private) Limited (FPPL), its associated company in terms of section 2(4) of the Companies Act, 2017), at a par value of Rs. 10 each. This investment gives the Company 49.21% voting power in FPPL. However, since Mr.Yasin Fecto holds the remaining voting power (i.e. 50.79%) in FPPL and also exercises control over the Company (by virtue of his 75.11% shareholding in the Company), the Company has designated the investment as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company under the International Financial Reporting Standard (IFRS) 9 Financial Instruments.

10.2 As of June 30, 2019, the management carried out a valuation of the Company's investment in ordinary shares of FPPL based on the Discounted Free Cash Flow to Equity method of business valaution. According to such exercise, the value of a share of FPPL was determined to be Rs. 21.31.

10.3 In accordance with IFRS 9, the Company has elected to designate the investment at fair value through other comprehensive income since it is in the nature of a long-term strategic investment made with a view to further strengthen the existing customer-supplier relationship with FPPL as well as to increase its capital base.

11 LONG TERM DEPOSITS

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

12 LONG TERM LOANS AND ADVANCES

	Note	2019	2018
		Rupees in '000'	
Long term loans - unsecured, considered good			
- Employees - interest free		**3,020**	4,236
- Executives - interest free	12.1	**285**	340
		3,305	4,576
Advances to dealers - secured, considered good	12.2	**14,425**	17,801
		17,730	22,377
Less: Current maturity shown under current assets		**(5,124)**	(7,843)
		12,606	14,534

12.1 The maximum aggregate amount due from executives of the Company at the end of any month during the year was Rs. 0.335 million (2018: Rs. 1.686 million). The loan to executives and employees are in accordance with the terms of their employment.

12.2 These represent advances provided to major cement dealers for onward supply of cement and is secured against truck ownership documents.During the year, company deferred the payment from one of its dealer to December 2019.The advances have not been discounted to their present value as the financial effect of doing so is regarded as immaterial.

13 STORES AND SPARES

	Note	2019	(Restated) 2018
		Rupees in '000'	
Stores - in hand		**164,611**	173,262
- in transit		**136,743**	215,645
Spares	13.1	**479,475**	488,413
Provision against slow moving and obsolete spares		**(15,000)**	(15,000)
		765,829	862,320

13.1 Spares mainly comprise of consumable spare parts held by the Company for the purpose of maintenance of the plant to ensure continuous operations of the plant. Further, during the year, the Company has identified capital spares and re-classified such items to the head 'Property, plant and equipment' (see note 9.3.1).

	Note	2019	2018
		Rupees in '000'	

14 STOCK-IN-TRADE

Finished goods		**36,507**	41,288
Work in process		**266,851**	441,613
Raw material		**933,625**	801,123
Packing material		**21,208**	45,017
		1,258,191	1,329,041

15 TRADE DEBTS

Unsecured			
Considered good		**68,006**	75,428
Considered doubtful		**4,951**	4,951
		72,957	80,379
Provision for doubtful debts		**(4,951)**	(4,951)
		68,006	75,428

16 SHORT TERM INVESTMENTS

At fair value through profit or loss			
Units of open-end mutual funds			
Cost		**89,258**	103,114
Unrealised gain on remeasurement		**208**	3,791
	16.1	**89,466**	106,905
Privately Placed Term Finance Certificates	16.2	**99,970**	99,990
		189,436	206,895

16.1 Investment units of open-end mutual funds

2019	2018	Name of the Fund	2019 Cost	2019 Market value	2018 Cost	2018 Market value
(Number of shares)			---- (Rupees in '000) ----		---- (Rupees in '000) ----	
5,409,527	4,811,843	NAFA Income Opportunity fund	**57,842**	**58,046**	51,444	54,214
-	509,532	UBL Al-ameen Islamic aggressive income fund-Income	**-**	**-**	51,670	52,691
313,440	-	UBL Al-ameen Islamic Cash Fund (AICF)	**31,416**	**31,420**	-	-
			89,258	**89,466**	103,114	106,905

	2019	2018
	Rupees in '000'	

16.1.1 Unrealized gain / (loss) on the revaluation of investment

Cumulative gain / (loss) at the beginning of the year	**3,791**	(724)
Net (loss) / gain for the year	**(3,583)**	4,515
Cumulative gain at the end of the year	**208**	3,791

16.2 These represents investment in Term Finance Certificates (TFCs) issued by Silk Bank Limited carrying markup rate of 6-month KIBOR plus 1.85% (2018: 6-month KIBOR plus 1.85%) and are unsecured. Repayments, including principal and markup, are made semi annually.

During the year, the Company agreed the principal terms and conditions of a 'novation' arrangement with M/s. Silk Bank Limited ('the issuer') and a financial institution whereby, upon execution of the agreement, the Company's entire investment in TFCs is to be transferred to the said financial institution at an agreed consideration of Rs. 100 million. As of June 30, 2019, though the said Novation Agreement had been signed by the Company, it was yet in the process of being signed by other parties to the arrangement which is expected to complete in due course of time. Thus, in view of this development, the Company reclassified its investment in TFCs from the 'amortized cost' category to the 'fair value through profit or loss' category. However, since the fair value (being the transfer value of Rs. 100 million) is equal to the previous carrying amount of the investment under the 'amortized cost' model, no gain / loss arose on such reclassification.

17 SHORT TERM LOAN TO RELATED PARTY

17.1 In their Extra Ordinary General Meeting held on December 01, 2018, the shareholders of the Company have resolved that an unsecured short term running finance facility (subject to the maximum limit of Rs. 100 million) be provided by the Company to M/s. Frontier Paper Products (Private) Limited (FPPL), its related party.

Further, as required by the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, the rate of return on the above financing facility is the higher of the applicable KIBOR rate and the borrowing cost of the Company.

17.2 Maximum loan outstanding during the year amounted to Rs. 50 million (2018: Nil).

	Note	2019	2018
		Rupees in '000'	
18 LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND ACCRUED MARKUP			
Current maturity and overdue portion of long term loans -unsecured, considered good	12	**5,124**	7,843
Advances to suppliers and contractors -unsecured, considered good		**10,171**	13,146
Margin against bank guarantee	18.1	**11,000**	11,000
Advance sales tax and FED		**78,080**	91,107
Deposits			15
Prepayments		**2,170**	1,964
		106,545	125,075

18.1 This represents 10 % (2018: 10%) margin given to Silk bank Limited against the bank guarantee of Rs.110 million (2018: Rs. 110 million) issued in favour of Sui Northern Gas Pipeline Ltd. as security for the payment of gas bill.

	Note	2019	2018
		Rupees in '000'	
19 CASH AND BANK BALANCES			
Cash in hand		**652**	666
Cash at bank			
in current accounts		**74,419**	145,897
in savings and deposit accounts	19.1	**89,284**	326,241
		164,355	472,804

19.1 The return on these balances ranges from 5% to 9% (2018: 4% to 5%) per annum on daily product basis.

	Note	2019	2018
		Rupees in '000'	
20 TURNOVER - NET			
Sales - Local		**6,281,400**	6,567,026
Less: Trade discounts		**(34,783)**	(38,960)
Federal excise duty		**(924,475)**	(912,662)
Sales tax		**(989,754)**	(1,068,892)
		(1,949,012)	(2,020,514)
		4,332,388	4,546,512
Export sales		**402,295**	354,637
Export rebate		**5,813**	1,635
		408,108	356,272
		4,740,496	4,902,784
21 COST OF SALES			
Raw and packing material consumed:			
Opening stock		**846,140**	792,402
Purchases		**595,867**	472,464
Excavation / Transportation cost	21.1	**220,088**	210,232
		1,662,095	1,475,098
Closing stock		**(954,833)**	(846,140)
		707,262	628,958
Fuel and power		**2,513,219**	2,502,017
Stores and spares consumed		**140,809**	140,670
Salaries, wages and benefits	21.2	**418,659**	428,371
Insurance		**26,555**	26,434
Repairs and maintenance		**10,446**	3,637
Depreciation	9.1.3	**81,339**	80,067
Other manufacturing overheads		**68,361**	63,454
		3,966,650	3,873,608
Opening work-in-process		**441,613**	452,115
Closing work-in-process		**(266,851)**	(441,613)
Cost of goods manufactured		**4,141,412**	3,884,110
Opening finished goods		**41,288**	32,657
Closing finished goods		**(36,507)**	(41,288)
		4,146,193	3,875,479

21.1 Excavation cost includes salaries, wages and benefits and Company's contribution to provident fund amounting to Rs. 34.405 million (2018: Rs. 34.552 million) and Rs. 1.083 million (2018: Rs. 1.822 million) respectively.

21.2 This includes Company's contribution to provident fund amounting to Rs. 12.929 million (2018: Rs. 12.101 million).

	Note	2019	2018
		Rupees in '000'	
22 ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	22.1	**176,201**	164,508
Traveling and conveyance		**8,000**	5,409
Vehicles running expenses		**10,387**	8,815
Communications		**2,610**	3,847
Printing and stationery		**1,128**	1,358
Rent, rates and taxes		**11,864**	11,018
Utilities		**9,249**	8,437
Repairs and maintenance		**2,291**	1,545
Legal and professional charges		**35,396**	41,382
Auditors' remuneration	22.2	**1,100**	1,010
Donation	22.3 & 22.4	**8,919**	5,006
Depreciation	9.1.3	**11,769**	9,627
Initial expenditure on new manufacturing plant		**289**	24,456
Miscellaneous		**11,269**	9,173
		290,472	295,591

22.1 This includes Company's contribution to provident fund amounting to Rs. 5.927 million (2018: Rs. 4.439 million).

	Note	2019	2018
		Rupees in '000'	
22.2 Auditors' remuneration			
Audit fee		**850**	800
Half yearly review		**150**	125
Other services	22.2.1	**100**	85
		1,100	1,010

22.2.1 This represents auditor's fee charged for issuance review report on statement of compliance contained in listed Companies (Code of Corporate Governance) Regulations, 2017.

22.3 None of the directors or their spouses have any interest in the Donees.

22.4 The names of donees to whom donation amount exceeds Rupees 1,000,000 or 10% of donation which ever is higher are Shelter Homes, Diamer Bhasha & Mohammnd Dam Fund.

	Note	2019	2018
		Rupees in '000'	
23 DISTRIBUTION COST			
Salaries, wages and benefits	23.1	**46,518**	48,929
Commission		**126,749**	124,587
Export expenses		**2,192**	1,863
Traveling and conveyance		**641**	515
Vehicles running expenses		**3,330**	2,738
Communications		**910**	988
Rent, rates and taxes		**1,542**	1,691
Repairs and maintenance		**1,061**	319
Advertisement		**63**	62
Marking fee		**4,782**	4,982
Depreciation	9.1.3	**8,820**	4,392
Miscellaneous		**6,514**	4,570
		203,122	195,636

23.1 This includes Company's contribution to provident fund amounting to Rs. 1.925 million (2018: Rs.1.639 million) .

	Note	2019	2018
		Rupees in '000'	
24 FINANCE COST			
Markup on:			
Running finance		**12**	6
Finance lease		**3,189**	1,175
Bank commission and charges		**2,176**	2,085
		5,377	3,266
25 OTHER INCOME			
Income from financial assets			
Markup on bank deposits		**16,497**	27,987
Markup on term finance certificates		**10,804**	7,275
Markup on loan to associated company		**1,952**	
Unrealized (loss)/gain on remeasurement of short term investment	16.1.1	**(3,583)**	4,514
Realized capital loss on short term investments		**(370)**	-
Dividend income on short term investments		**12,369**	-
		37,669	39,776
Income from non-financial assets			
Gain on sale of operating fixed assets		**2,380**	996
Reversal of provison for Workers' Welfare Fund		**-**	54,751
Scrap sales		**6,354**	15,032
Miscellaneous		**8**	701
		8,742	71,480
		46,411	111,256

	2019	2018
	Rupees in '000'	

26 OTHER EXPENSES

	2019	2018
Workers' Profit Participation Fund	**7,087**	32,203
Workers' Welfare Fund	**4,313**	12,237
	11,400	44,440

27 TAXATION

27.1 Relationship between income tax expense and accounting profit before taxation

	2019	2018
Accounting profit before tax	**130,343**	599,628
Tax at the applicable rate of 29% (2018: 30%)	**37,799**	179,888
Tax effect of prior year tax charge	**(454)**	(4,575)
Net tax effect of income subject to final tax regime	**(5,364)**	(8,553)
Effect of		
- Super Tax	**-**	27,400
- change in deferred tax rate	**-**	(12,599)
- change in apportionment ratio of expenses between normal and final tax regime	**10,378**	17,069
- income not chargeable to tax		(16,425)
Reversal of amortization of initial allowance	**-**	(28,658)
Others	**(991)**	4,343
Net tax charge for the year	**41,368**	157,890

27.2 The income tax assessments of the company have been deemed to finalised up to and including the the tax year 2017 with exception of certain pending proceedings as referred in note 8.1.3.

28 EARNINGS PER SHARE - Basic and diluted

	2019	2018
	Rupees in '000'	
Profit after taxation	**88,975**	441,738
	Numbers in '000'	
Weighted average number of ordinary shares	**50,160**	50,160
	Rupees	
Earnings per share	**1.77**	8.81

29 OPERATING SEGMENT

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

- Revenue from sale of cement represents 100% (2018 : 100%) of the total revenue of the Company.

- 94% (2018: 95%) gross sales of the Company relates to customers in Pakistan.

- All non-current assets of the Company at 30 June 2019 are located in Pakistan.

- The amount of revenue from one major customer having sales of more than 10% of total sales amounts to Rs. 700.41 million, excluding sales tax and Federal Excise Duty, during the year ended 30 June 2019 (2018: Rs.732.07 million). The major customer resides in Pakistan.

30 UNUTILIZED CREDIT FACILITIES

As of reporting date, the Company has unutilized facilities for short term running finance available from various banks amounted to Rs. 1,270 million (2018: Rs. 1,270 million).

31 REMUNERATION OF DIRECTORS AND EXECUTIVES

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

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

	2019				2018			
	Chief Executive	Director Executive	Director Non-executive	Executive	Chief Executive	Director Executive	Director Non-executive	Executive
	Rupees in '000'							
Managerial remuneration	**33,839**	**-**	**-**	**159,692**	26,317	-	-	131,680
Bonus	**4,550**	**-**	**-**	**14,418**	2,423	-	-	17,436
Retirement benefits	**-**	**-**	**-**	**10,294**	-	-	-	8,703
Reimbursable perquisites	**2,161**	**-**	**-**	**9,831**	1,683	-	-	8,144
Meeting fee	**-**	**-**	**115**	**-**	-	-	135	-
	40,550	**-**	**115**	**194,235**	30,423	-	135	165,963
Number of persons	**1**		**6**	**42**	1	-	8	3 5

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

32 TRANSACTIONS / BALANCES WITH RELATED PARTIES

The related parties comprise of Frontier Papers Products(Private)Limited, key management personnel of the Company and directors and their close family members and staff provident fund. Transactions with related parties during the year other than those disclosed elsewhere in the financial statements are as follows:

	Note	2019	2018
		Rupees in '000'	
Frontier Paper Products (Private) Limited			
Balance at the beginning of the year		**7,371**	213
Purchases during the year		**483,413**	338,285
Payments during the year		**(474,567)**	(331,127)
Balance at the end of the year		**16,216**	7,371
Loan outstanding at the end of the year		**40,000**	-
Interest Charged during the year		**1,952**	-
Interest outstanding at the end of the year		**995**	-
Key Management personnel			
Repayment of advances by key management personnel		**55**	1,459
Balance at the end of the year		**285**	340
Provident fund contribution payable	32.1	**4,093**	3,878

32.1 The investments out of provident funds have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

	2019	2018
	Metric Tons	

33 GENERAL INFORMATION

33.1 CAPACITY, PRODUCTION

	2019	2018
Production Capacity - (Cement)	**869,400**	869,400
Production Capacity - (Clinker)	**828,000**	828,000
Actual Production Cement	**680,133**	793,063
Actual Production Clinker	**593,312**	744,402

The capacity utilization of the Company during the current year remained under utilized due to market situation.

33.2 NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2019	2018
Total number of employees as at June 30	**835**	830
Average number of employees during the year	**838**	830

34 FINANCIAL INSTRUMENTS

34.1 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

i) Credit risk

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

The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk the Company has developed a policy of obtaining advance payments from its customers. Except for customers relating to the Government and certain small and medium sized enterprises, the management strictly adheres to this policy. For any balances receivable from such small and medium sized enterprises, the management continuously monitors the credit exposure towards them and makes provisions against those balances considered doubtful of recovery. Further, credit risk on liquid funds is low because the counter parties are banks with reasonably high credit ratings.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company's internal credit management purposes, a financial asset is conidered as defaulted when it is past due for 90 days or more.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

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

	2019		2018	
	Carrying amount	**Maximum exposure**	**Carrying amount**	**Maximum exposure**
	(Rupees in '000')			
At amortised cost				
-Trade debts	**68,006**	**68,006**	75,428	75,428
-Long term deposits	**6,486**	**6,486**	6,805	6,805
-Long term loan and advances	**12,606**	**12,606**	14,534	14,534
-Short term loan to associated company	**40,000**	**40,000**	-	-
-Loans, advances, deposits and accrued mark-up	**16,124**	**16,124**	18,858	18,858
-Bank balances	**163,703**	**163,703**	472,138	472,138
	306,925	**306,925**	587,763	587,763
At fair value through profit or loss				
-Short term investments	**189,436**	**189,436**	206,895	206,895
At fair value through other comprehensive income				
-Long term investment	**319,650**	**319,650**	-	-
	816,011	**816,011**	794,658	794,658

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

	2019	2018
	Rupees in '000'	
Dealer / distributor	**70,656**	78,036
End-user customers	**2,300**	2,343

As of the reporting date, the risk profile of the trade receivables as of the reporitng date is as follows:

	2019		2018	
	Gross Carrying amount	**Life time expected Credit losses**	**Gross Carrying amount**	**Life time expected Credit losses**
Past due 1-90 days	**66,025**	**-**	73,197	-
More than 90 days	**6,932**	**4,951**	7,182	4,951
	72,957	**4,951**	80,379	4,951

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

The company does not require collateral in respect of trade debt. The company does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

The bank balances along with credit ratings are tabulated below:

	2019	2018
	Rupees in '000'	
A-1	**9,565**	12,950
A-1+	**98,944**	263,106
A-2	**55,162**	196,041
Others	**32**	40
	163,703	472,138

ii) Liquidity risk

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

	2019					
	Carrying amount	**Contractual cash flows**	**Six months or less**	**Six to twelve months**	**One to five years**	**More than five years**
	---- (Rupees in '000') ----					
Non-Derivative						
Financial liabilities						
Liabilities against assets subject to finance lease	**43,159**	**55,988**	**6,777**	**6,777**	**42,434**	**-**
Accrued markup	**363**	**363**	**363**	**-**	**-**	**-**
Unclaimed dividend	**14,501**	**14,501**	**14,501**	**-**	**-**	**-**
Unpaid dividend	**185**	**185**	**185**	**-**	**-**	**-**
Trade and other payables	**208,465**	**208,465**	**208,465**	**-**	**-**	**-**
	266,673	**279,502**	**230,291**	**6,777**	**42,434**	**-**

	2018					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	---- (Rupees in '000') ----					
Non-Derivative						
Financial liabilities						
Liabilities against assets subject to finance lease	18,403	22,297	2,570	2,570	17,157	-
Accrued markup	106	106	106	-	-	-
Unclaimed dividend	30,052	30,052	30,052	-	-	-
Unpaid dividend	377	377	377	-	-	-
Trade and other payables	509,035	509,035	509,035	-	-	-
	557,973	561,867	542,140	2,570	17,157	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at 30 June 2018 (and includes both principal and interest payable thereon).

iii) Market risk

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

a) Currency risk

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

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

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

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks and term deposits with banks. At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	Note	2019	2018
		Rupees in '000'	
Financial assets			
Variable rate instrument			
Bank balances - saving and deposit accounts	19.1	**89,284**	326,241
Short term loan to a related party		**40,000**	-
Term finance certificates	16.2	**99,970**	99,990
Financial liabilities			
Variable rate instrument			
Liabilities against asset subject to finance lease	5	**43,159**	18,403

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased /(decreased) profit or loss by 1.86 million (2018: 4.08 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for current and last year.

c) Other price equity risk

Other price risk is the risk of changes in the fair value of investment in mutual funds as the result of changes in the levels of net asset value of units held by the Company.As at June 30,2019, had there been increase / decrease in net asset value by 1%, with all other variables held constant,the profit before tax for the year would have been higher / lower by Rs.0.895 million (2018: Rs. 1.069 million).

Collateral

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

34.2 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

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

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

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

Fair values of assets that are traded in active markets are based on quoted market prices. For all other assets the Company determines fair values using valuation techniques unless the instruments do not have a market quoted price in an active market and whose fair value cannot be reliably measured.

Valuation techniques used by the Company include discounted cash flow model. Assumptions and inputs used in the valuation technique mainly include risk-free rate, equity risk premium, long term growth rate and projected rates of increase in revenues, cost of sales, other income and expenses. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the balance sheet date that would have been determined by market participants acting at arm's length.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of judgment and estimation in the determination of fair value. Judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates, etc.

The table below analyses assets measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

	June 30, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
	Rupees in '000'			
Assets				
Financial Asset				
Units of open-end mutual funds	**89,466**	**-**	**-**	**89,466**
Privately Placed Term Finance Certificates	**-**	**99,970**	**-**	**99,970**
Investment in ordinary shares of Frontier Papers Products (Private) Limited		**-**	**319,650**	**319,650**

	June 30, 2018			
	Level 1	Level 2	Level 3	Total
	Rupees in '000'			
Assets				
Financial Asset				
Units of open-end mutual funds	106,905	-	-	106,905
Privately Placed Term Finance Certificates	-	99,990	-	99,990
Investment in ordinary shares of Frontier Papers Products (Private) Limited	-	-	-	-

34.3 Capital risk management

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

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

The Company is not required to maintain any regulatory capital.

35 GENERAL

35.1 The Board of Directors of the Company, in their meeting held on September 30, 2019 have proposed a final cash dividend of Rs.0.50 per share i.e. 5% for the year ended June 30, 2019 (2018: 20%). This proposed dividend is to be approved by the members of the Company in their forthcoming Annual General Meeting, schuduled to be held on October 28, 2019.

These financial statements do not include the effect of the aforesaid proposed cash dividend amounting to Rs. 25.080 million (2018: Rs. 100.320 million) which will be accounted for in the financial statements for the year ending June 30, 2020.

35.2 These financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on September 30, 2019

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

MOHAMMED YASIN FECTO	**ROHAIL AJMAL**	**ABDUL SAMAD**
CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

مکمل تعاون حاصل رہا۔

منجانب بورڈ

محمد یسین فیکٹو
چیف ایگزیکیٹو

روحیل اجمل
ڈائریکٹر

کراچی: 30 ستمبر 2019

آڈیٹرز

موجودہ آڈیٹرز میسرز رحمٰن سرفراز رحیم اقبال، چارٹرڈ اکاؤنٹنٹس ریٹائر ہونے جا رہے ہیں اور اپنی اہلیت کی بنیاد پر انہوں نے ایک مرتبہ پھر اپنی خدمات پیش کی ہیں۔ بورڈ کی آڈٹ کمیٹی کی جانب سے ان کی ایک مرتبہ پھر کمپنی کے قانونی آڈیٹروں کے بطور برائے مالی سال 30 جون 2020 تعیناتی کی سفارش کی گئی ہے اور بورڈ بھی آڈٹ کمیٹی کی جانب سے کی گئی سفارش کی توثیق کی خواہش رکھتا ہے۔

ترتیب حصص داری

کمپنیز ایکٹ 2017 کے سیکشن (f)(2)227 کے تحت جدول برائے ترتیب حصص داری برائے مالی سال 30 جون 2019 رپورٹ ہذا کے ساتھ منسلک کیا جا چکا ہے۔

تقسیم منافع

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

	روپے ہزاروں میں
منافع بعد از ٹیکس	88,975
غیر تقسیم شدہ منافع گزشتہ	3,158,561
رقم دستیاب برائے تقسیم منافع	3,247,536
تقسیم منافع	
حتمی ڈیوڈنڈ بصورت نقدی برائے مالی سال 30 جون 2018 ادا شدہ بشرح 20% یعنی	100,320
مبلغ 2.0 روپے فی حصص	
غیر تقسیم شدہ منافع آگے منتقل شدہ	3,147,216

مابعد اثرات

کمپنی کے بورڈ کی جانب سے اس کے اجلاس مؤرخہ 30 ستمبر 2019 میں یہ تجویز پیش کی گئی ہے کہ حتمی طور پر ڈیونڈ بطور نقدی مبلغ 5% یعنی (50 پیسے فی حصص) ادا کیے جائیں۔ اور اس کی منظوری 28 اکتوبر 2019ء کو ممبران کے ہونے والے سالانہ اجلاس میں لی جائے گی۔

اظہار تشکر

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

آپ کی کمپنی کی جانب سے دوران سال رواں 2,027 ملین روپے قومی خزانے میں جمع کروائے گئے، یہ رقم قومی خزانے میں سیلز ٹیکس، فیڈرل ایکسائز ٹیکس اور انکم ٹیکس کی مدات جمع کروائی گئی، جبکہ گزشتہ سال ان مدات میں قومی خزانے میں جمع کروائی گئی رقم 2,216 ملین روپے تھی۔ اس کے علاوہ کمپنی وطن عزیز میں 3.0 ملین امریکی ڈالر کا قیمتی زرمبادلہ بھی لے کر آئی جو سیمنٹ کی برآمدات سے حاصل کیا گیا تھا۔ اس کے علاوہ کمپنی نے انکم ٹیکس اور رائلٹی کی مد میں بھی قومی خزانے میں رقم جمع کروائی اور اپنے سپلائروں اور اسٹاف سے ایف بی آر کی جانب سے ٹیکس جمع کیے۔

کمپنی کی کریڈٹ ریٹنگ

زیرنظر مالی سال کے دوران ایک مستند ادارے پاکستان کریڈٹ ریٹنگ ایجنسی (پی اے سی آر اے) نے کمپنی کی کریڈٹ ریٹنگ کو برقرار رکھتے ہوئے کمپنی کو طویل المیعاد قرضوں کے سلسلے میں -A اور قلیل المیعاد قرضوں کے سلسلے میں A2 کی ریٹنگ دی گئی ہے اور کمپنی کو متوازن قرار دیا گیا ہے۔

کان کنی لیز کی تنسیخ اور نوٹس برائے ریکوری

آڈیٹروں کی جانب سے ممبران کی توجہ نوٹ نمبر 8.1.1 کان کنی کی تنسیخ اور نوٹس برائے ریکوری کی جانب مبذول کروائی گئی ہے جو کہ کمپنی کو ڈپٹی ڈائریکٹر (پروٹیکشن/فاریسٹس) کیپٹل ڈیولپمنٹ اتھارٹی (سی ڈی اے) کی جانب سے موصول ہوا ہے جس میں کمپنی سے مطالبہ کیا گیا ہے کان کنی کے عمل کے دوران ہونے والے مبینہ نقصان کے مداوے کے سلسلے میں 427 ملین روپے ادا کیے جائیں۔ مذکورہ خط کمپنی کو اس وقت دیا گیا جب کہ 15 مارچ 2015 کو ڈائریکٹر انڈسٹریز اینڈ لیبر، آئی سی ٹی، اسلام آباد مائننگ کی لیز منسوخ کر چکے تھے اور سی ڈی اے کی جانب سے این او سی واپس لی جا چکی تھی۔

اس معاملے کو سینئر مجسٹریٹ سی ڈی اے، اسلام آباد کے سامنے اٹھایا گیا ہے۔ کمپنی نے اپنی درخواست میں یہ مؤقف اپنایا ہے کہ کمپنی کی جانب سے کان کنی کا کام متعلقہ حکام سے حاصل کیے گئے لائسنس کے تحت قانونی طریقے سے کیا گیا اور یہ کہ ہرجانہ کسی پیشگی نوٹس کے بغیر ہی بھیج دیا گیا ہے اور اس سلسلے میں کمپنی کو اپنا مؤقف بیان کرنے کا موقع نہیں دیا گیا۔ مزید برآں اس بات کی کوئی صراحت بھی نہیں پائی جاتی کہ ہرجانے کی رقم کا تخمینہ کس قاعدے کے تحت لگایا گیا ہے۔

سینئر مجسٹریٹ کی جانب سے آرڈر پاس کیا گیا ہے جس کے تحت معاملے کو اس وقت التواء میں رکھا گیا ہے جب تک کہ عدالت عالیہ سے مائننگ کی تنسیخ کے سلسلے اپیل پر فیصلہ نہیں آجاتا۔ کمپنی کی جانب سے مائننگ کی تنسیخ کے مقدمے کی بھرپور پیروی کی جارہی ہے اور قانونی ماہرین کی رائے کی بنیاد پر کمپنی کو اس بات کا یقین ہے کہ اس سلسلے میں فیصلہ ہمارے حق میں آئے گا۔ اس طرح کمپنی کو یہ ہرجانہ بھی ادا نہیں کرنا پڑے گا۔

اس دوران کان کنی کی تمام سرگرمیاں معطل ہیں، تاہم کمپنی کی جانب سے پیداواری عمل کو جاری رکھنے اور مال کو روانہ کرنے کے متبادل انتظامات کیے گئے ہیں۔

صنعتی تعلقات

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

ڈائریکٹروں کے نام		حاضری
جناب جمیل احمد خان	چیئرمین / آزاد ڈائریکٹر	1/2
جناب محمد انور حبیب	غیر انتظامی ڈائریکٹر	3/4
جناب روحیل اجمل	غیر انتظامی ڈائریکٹر	2/2
جناب صفدر عباس موراوالا	غیر انتظامی ڈائریکٹر	2/2
جناب الطاف اے حسین	غیر انتظامی ڈائریکٹر	1/2

انسانی وسائل اور ادائیگیوں سے متعلق کمیٹی

بورڈ آف ڈائریکٹرز کی جانب سے سی سی جی 2017 کے قواعد کی پاسداری کرتے ہوئے انسانی وسائل اور ادائیگیوں کی کمیٹی تشکیل دی جا چکی ہے۔ یہ کمیٹی تین ممبران پر مشتمل ہے اور یہ تمام ڈائریکٹرز غیر انتظامی ہیں۔ جبکہ کمیٹی کا چیئر مین ایک آزاد ڈائریکٹر ہے۔ بورڈ کی جانب سے کمیٹی ممبران کو ان کے کام کی شرائط سے با قاعدہ آگاہ کیا جا چکا ہے۔ دوران سال کمیٹی ایک (1) اجلاس منعقد کیا گیا جس میں کمیٹی کے تمام ممبران نے شرکت کی ہے۔

ڈائریکٹروں کا تربیتی پروگرام

کمپنی کے سات (7) ڈائریکٹروں میں سے پانچ (5) ڈائریکٹرز پہلے ہی تربیتی پروگرام میں شرکت کر چکے ہیں۔

کارپوریٹ معاشرتی ذمہ داری

ایک ذمہ دار کارپوریٹ شہری ہونے کے ناطے آپ کی کمپنی کو ان تمام افراد جو کہ دن رات اس کے لیے محنت کرتے ہیں، جو اس کے اردگرد آباد ہیں اور مجموعی طور پر پورے معاشرے کے سلسلے میں اپنی معاشرتی ذمہ داریوں سے پوری طرح آگاہ ہے۔ اپنی معاشرتی ذمہ داریوں کو با حسن خوبی نبھانے کے لیے آپ کی کمپنی کی جانب سے دوران سال میں جو اقدامات اٹھائے گئے ان میں سے چیدہ چیدہ اقدامات یہ تھے:

☆ غربا کے لیے شیلٹر ہوم تعمیر کرنے کے سلسلے میں عطیات فراہم کیے گئے۔ یہ منصوبہ اسلام آباد کی انتظامیہ کی جانب سے وفاقی دارلخلافہ اسلام آباد میں شروع کیا گیا ہے۔

☆ قریب دیہات میں لڑکیوں کے ایک اسکول کی تعمیر و تزئین و آرائش کا کام کیا گیا۔

☆ مقامی انتظامیہ کے ساتھ مل کر خان پور ڈیم نہر کی صفائی میں حصہ لیا گیا اور اس سلسلے میں سیمنٹ اور افرادی قوت مہیا کی گئی۔

☆ کمپنی کے قرب جوار کے دیہاتوں کو پینے کا صاف پانی کا صاف مہیا کیا گیا جس کے لیے پانی کا ذخیرہ اور پائپ لائن کا انتظام بھی کمپنی کی جانب سے ہی کیا گیا تھا۔ پانی کی بلا تعطل فراہمی کو ممکن بنانے کے لیے کمپنی کی جانب سے بجلی کا ایک پمپ بھی نصب کیا گیا۔

☆ کمپنی کی جانب سے صحت، معاشرتی فلاح و بہبود اور تعلیم کے سلسلے میں 8.9 ملین روپے کے عطیات فراہم کیے گئے (2018 میں 5 ملین عطیات دیے گئے تھے)۔

قومی خزانے میں حصہ

ڈائریکٹروں کے نام	حاضری
جناب محمد یسین فیکٹو	5/5
جناب الطاف اے حسین*	2/2
جناب عامر غنی	3/5
جناب روہیل اجمل	5/5
جناب صفدر عباس موراوالا*	1/2
جناب اعجاز علی*	0/2
جناب محمد انور حبیب	4/5
جناب خالد یعقوب	5/5
جناب جمیل احمد خان	2/5
محترمہ سائرہ ابراہیم باوانی	1/2

وہ ڈائریکٹرز جو علالت یا کسی دیگر وجوہات کی بنا پر ان اجلاسوں میں شرکت نہیں کی انہیں اس سلسلے میں رخصت دے دی گئی تھی۔

*یہ ڈائریکٹرز دوران سال اپنی مدت مکمل کرنے کے بعد ریٹائر ہو چکے ہیں اور ان کی جانب سے بطور ڈائریکٹر اپنی خدمات کو دوبارہ پیش نہیں کیا گیا۔

غیر انتظامی ڈائریکٹروں کے لیے مشاہرے کی پالیسی

کمپنی کے تمام ڈائریکٹرز ماسوائے سی ای او غیر انتظامی ڈائریکٹرز ہیں۔ سی ای او کے مشاہرے کی منظوری حصص داران سے ان کے اجلاس میں لی جاتی ہے۔ جبکہ غیر انتظامی ڈائریکٹروں کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے مروجہ پالیسی کے تحت مشاہرہ ادا کیا جاتا ہے۔ سی ای او اور غیر انتظامی ڈائریکٹروں کو ادا کیے جانے والے مشاہرے کی تفصیلات مالیاتی دستاویزات کے ساتھ منسلک نوٹ نمبر 31 میں درج کی گئی ہیں۔

بورڈ کی کمیٹیاں

آڈٹ کمیٹی

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے بورڈ کی آڈٹ کمیٹی قائم کی جا چکی ہے جو کہ سی سی جی قواعد 2017 کے قواعد کے عین مطابق ہے۔ بورڈ آڈٹ کمیٹی کے ممبران کو ان کے کام کی شرائط سے باقاعدہ طور پر آگاہ کر دیا گیا تھا۔

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

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

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

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

7۔ پروویڈنٹ فنڈ ٹرسٹ برائے مالی سال 30 جون 2019 کے آڈٹ شدہ اکاؤنٹس کی روشنی میں پروویڈنٹ فنڈ انویسٹمنٹ کی قدر 399 ملین روپے بنتی ہے جو کہ مالی سال 2018 کے مطابق 385 ملین روپے تھی۔

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

کمپنی سے متعلق گزشتہ چھ سال کی اہم مالیاتی اور کاروباری معلومات رپورٹ ہٰذا کے صفحہ نمبر 20 پر کی گئی ہے۔

مناسب اندرونی مالیاتی کنٹرول

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی اثاثوں کو محفوظ بنانے، کمپنی کے تمام کاروباری افعال کو مستعدی اور موثر انداز سے چلانے، تمام مروجہ قوانین کی پاسداری کرنے اور بروقت مالیاتی رپورٹنگ کو ممکن بنانے کے لیے ایک مستعد اور محفوظ اندرونی کنٹرول کا نظام وضع کیا گیا ہے۔ کمپنی کا اندرونی کنٹرول کا نظام ایسے تجربہ کار اسٹاف پر مشتمل ہے جو کہ باقاعدگی کے ساتھ کنٹرول کے اس نظام کا جائزہ لیتے رہتے ہیں اور مزید موثر بنانے کی تگ و دو کرتے رہتے ہیں۔ اندرونی آڈٹ کا ڈپارٹمنٹ اس بات کا ذمہ دار ہے کہ موجودہ سسٹم میں پائی جانے والی کسی بھی خامی کی نشاندہی بورڈ کو کرے اور اس میں اصلاح کے لیے آڈٹ کمیٹی کو بروقت مطلع کرے کہ اس سلسلے میں کس قسم کے اقدامات اٹھائے جاسکتے ہیں۔

متعلقہ پارٹیوں کے ساتھ لین دین کے معاملات

زیر نظر مالی سال کے دوران متعلقہ پارٹیوں کے ساتھ لین دین کے تمام معاملات شفافیت پر مبنی تھے اور ان کے سلسلے میں مروجہ قوانین اور قواعد کی رو سے آڈٹ کمیٹی اور بورڈ سے باقاعدہ منظوری بھی حاصل کر لی گئی تھی۔ متعلقہ پارٹیوں کے ساتھ لین دین کے معاملات کے سلسلے میں تفصیلات کو نوٹ 32 بیان کیا گیا ہے اور اس کے علاوہ مالیاتی دستاویزات میں متعلقہ مقامات پر بھی اس کی وضاحت کر دی گئی ہے۔

بورڈ کی ساخت

بورڈ کے ممبران کی تعداد اور بورڈ کی ساخت کو ضابطہ پاسداری کے ساتھ منسلک کیا جاچکا ہے۔
دوران رواں مالی سال بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد کیے گئے۔ ان اجلاسوں میں شرکت کرنے والے ڈائریکٹروں کی حاضری ذیل میں پیش کی جارہی ہے:

اقدامات اٹھائے گئے ہیں اور انتہائی مسرت کے ساتھ ممبران کے علم میں درج ذیل امور لانا چاہتے ہیں:

فرنٹیئر پیپر پروڈکٹس (پرائیویٹ) لمیٹڈ (FPPL) میں سرمایہ کاری

کمپنی کی جانب سے 15,000,000 رائٹ شیئرز بقدر 10 روپے فی حصص بعوض 150 ملین روپے سبسکرائب کیے گئے ہیں جن کا اجرا ایف پی پی ایل کیا جانب سے کیا گیا ہے، اس سلسلے میں غیر معمولی سالانہ اجلاس عام منعقدہ 01 دسمبر 2018 میں ممبران سے منظوری حاصل کر لی گئی تھی۔ رائٹ شیئرز سبسکرائب کرنے کے علاوہ کمپنی کی جانب سے ایف پی پی ایل کو کم مدتی قرض کی مد میں 100 ملین روپے کی سہولت مہیا کی گئی۔ جس کی منظوری بھی مذکورہ بالا اجلاس میں حصص داروں سے حاصل کر لی گئی تھی۔ رائٹ شیئرز سے حاصل ہونے والی رقوم کو ایف پی پی ایل کی جانب قبل از وقت قرضوں کی ادائیگی کے لیے استعمال میں لایا گیا ہے تاکہ اس کی مالی حالت کو بڑھایا جا سکے اور اس سے اس کے مارکیٹ کے حصے میں اضافہ ہو۔ ملک میں شرح سود میں اضافے کے موجودہ رجحان کو مدنظر رکھتے ہوئے یہ اقدامات ایف پی پی ایل کو تمویلی لاگت کے بوجھ سے بھی محفوظ رکھیں گے جس کے ثمرات ایف پی پی ایل اور بالآخر کمپنی کے ممبران تک پہنچیں گے۔

نئے پروجیکٹس میں سرمایہ کاری

بورڈ کمپنی کے ممبران کی منظوری کے بعد منسلکہ کمپنیوں میں سرمایہ کاری کے لیے اقدامات اٹھا رہا ہے۔ مشترکہ منصوبوں کے سلسلے میں شراکت داروں کے ساتھ کیے جانے والے پروجیکٹس کی بابت مطلوبہ منظوری حاصل کرنے اور پروجیکٹس پر ابتدائی کام مکمل کرنے کے سلسلے میں انتظامیہ مسلسل رابطے قائم کیے ہوئے ہے۔ ابتدائی مراحل کی تکمیل اور قانونی لوازمات مکمل کیے جانے کے بعد کمپنیاں وجود میں لائی جائیں گی اور اسی طرح وقت آنے پر ممبران کی جانب سے منظور شدہ سرمایہ کاری بھی کی جائے گی کمپنیز (انویسٹمنٹ ان ایسوسی ایٹڈ کمپنیز اور ایسوسی ایٹڈ انڈرٹیکنگز) ریگولیشنز 2017 کے رول (2)4 کے تحت اس سلسلے میں حالیہ پیش رفت کو منسلکہ اسٹیٹمنٹ میں ظاہر کر دیا گیا ہے جو کہ سالانہ اجلاس عام کے نوٹس کے ساتھ منسلک ہے۔

کارپوریٹ گورننس

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

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

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

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

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

- ☆ مارکیٹ میں زبردست مسابقت کا ماحول جس کی ایک بنیادی وجہ سیمنٹ کی صنعت کی پیداواری صلاحیت میں ہونے والا حالیہ اضافہ ہے۔
- ☆ خام مال کی لاگت بالخصوص درآمد کیے جانے والے کوئلے کی قیمتوں میں اضافے کا رجحان اور شرح مبادلہ
- ☆ ڈیٹا کی سیکیوریٹی اور پرائیویسی

کمپنی کی جانب سے اندرونی اور بیرونی شراکت داروں کے ساتھ مل کر ایسے اقدامات اٹھائے جارہے ہیں کہ ان خطرات کو قابل برداشت حد میں رکھا جاسکے۔

کمپنی کے کاروباری افعال کے ماحولیات پر اثرات

کمپنی سیمنٹ سازی اور فروخت کے کاروبار سے منسلک ہے اور سیمنٹ سازی کے عمل میں خارج ہونے والے مادے اس ماحول کے لیے خطرناک ثابت ہو سکتے ہیں جہاں کمپنی سیمنٹ سازی کر رہی ہو۔ کمپنی ان خطرات سے بخوبی واقف ہے اور علاقے کو لاحق ان خطرات کو کم از کم کرنے کے لیے اقدامات بھی کیے گئے ہیں۔ کمپنی کا پلانٹ جدید ترین سہولیات سے آراستہ ہے اور کنٹرول کے تمام تر عالمی اور مقامی معیارات پر پورا اترتا ہے۔ کمپنی کی جانب سے ویسٹ ہیٹ ریکوری پلانٹ بھی نصب کیا گیا ہے تاکہ ضائع ہونے والی حرارت کو بچایا جاسکے اور اس سے بنائی جانے والی توانائی کو اپنے سسٹم میں استعمال کیا جاسکے۔

مستقبل پر نظر

زیر نظر مالی سال کے دوران مقامی مارکیٹ میں سیمنٹ کی طلب دباؤ کا شکار رہی اور رواں مالی سال کی پہلی سہ ماہی میں بھی یہی رجحان دیکھا جارہا ہے۔ شمالی مارکیٹ میں رسد میں اضافے کے باعث پیدا ہونے والے سخت مسابقتی ماحول کی وجہ سے قیمت میں تیزی سے کمی ریکارڈ کی گئی ہے۔ کرنٹ اکاؤنٹ خسارے میں کمی لانے کے لیے مالیاتی اور زرعی پالیسیوں کے سلسلے میں سخت اقدامات اٹھائے گئے ہیں جس کے باعث جی ڈی پی کی شرح نمو میں کمی ریکارڈ کی گئی ہے اور معاشی سرگرمیاں بھی سست روی کا شکار رہی ہیں۔ حالیہ بجٹ میں اٹھائے جانے والے اقدامات کے باعث بھی کاروباری ماحول متاثر ہوا ہے بالخصوص رئیل اسٹیٹ سیکٹر میں سست روی کی وجہ سے سیمنٹ کی طلب میں کمی آئی ہے۔ بجٹ میں کیے گئے اقدامات کے بعد اور ایسے ماحول میں جہاں کہ طلب میں پہلے ہی کافی کمی آچکی ہے۔ فیڈرل ایکسائز ڈیوٹی 1,500 روپے سے 2,000 روپے فی ٹن کے اضافے کی وجہ سے سیمنٹ سیکٹر کے لیے صارفین تک اضافی لاگت کو منتقل کرنا بہت مشکل ہو جائے گا۔ ایکسل لوڈ رجیم کے نفاذ سے نہ صرف ٹرانسپورٹ کی لاگت میں زبردست اضافہ ہوا ہے بلکہ ٹرکوں کی دستیابی بھی متاثر ہوئی ہے۔ سیاسی عدم استحکام کی وجہ سے بھی کاروباری ماحول پر منفی اثرات مرتب ہوئے ہیں۔

اگر لاگت کی جانب دیکھا جائے تو بین الاقوامی مارکیٹ میں کوئلے کی قیمت میں انتہائی سطح سے اب کمی آنا شروع ہوئی ہے اور کوئلہ اب 75 سے 80 ڈالر سی این ایف کراچی پر توازن اختیار کرنے لگا ہے۔ آئی ایم ایف سے کیے گئے معاہدوں کے تحت حکومت کی جانب سے توانائی کی قیمتوں میں کیے جانے والے اضافے کی وجہ سے بھی لاگت میں اضافہ ہوا ہے۔ دیگر خام مال جیسا کہ ڈیزل اور سیمنٹ کی بوری کی قیمت میں اضافے کی وجہ سے بھی صنعت کی منفعت پر منفی اثرات مرتب ہونگے۔ انتظامیہ بڑھتی ہوئی پیداواری لاگت سے مکمل طور پر آگاہ ہے اور انتظامیہ کی جانب سے مسلسل اس قسم کے اقدامات اٹھائے جارہے ہیں کہ پیداواری افعال کی کارکردگی میں بہتری لائی جائے اور پیداواری لاگت میں کمی لائی جائے۔

سرمایہ کاری منصوبوں پر نظر

غیر معمولی سالانہ اجلاس عام منعقدہ 01 دسمبر 2018 کے دوران منسلکہ کمپنیوں سرمایہ کاری کے لیے منظوری حاصل کرنے کے بعد بورڈ کی جانب سے اس فیصلے پر عمل درآمد کے لیے

مقامی فروخت سے حاصل ہونے والی خالص آمدن دوران سال کم ہوکر4,332ملین روپے ہوگئی جوکہ گزشتہ مالی سال کے دوران4,547ملین روپے ریکارڈ کی گئی تھی یعنی اس میں4.71% کی کمی واقع ہوئی ہے۔گوکہ قیمتوں میں اضافہ ہوا ہےلیکن فیڈرل ایکسائز ڈیوٹی میں اضافہ نے قیمت کی مد میں حاصل ہونے والےفوائد کےاثرات کوزائل کردیا ۔کمپنی کی جانب سے آمدن از برآمدات میں14.55% کا اضافہ ہوا ہے جبکہ برآمدات کے حجم میں7.21% کی کمی واقع ہوئی ہے۔قیمتوں میں اضافے کی وجہ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں آنے والی کمی تھی جس کے باعث برآمدات پر قیمت کے کمپنی کی آمدن پر مثبت اثرات مرتب ہوئے۔

کمپنی کی مجموعی خالص آمدن از فروخت گزشتہ سال کی4.903ملین روپے کی آمدن کے مقابلے میں کم ہوکر4.740ملین روپے ریکارڈ کی گئی ہے۔جبکہ فروختگی کے حجم میں 13.76% کی کمی ریکارڈ کی گئی ہے۔

منفعت

دوران سال رواں کمپنی کی لاگت برائے فروختگی میں6.98% اضافہ ہوا جبکہ حجم برائے فروخت میں13.76% کی کمی ریکارڈ کی گئی ہے ان دونوں کا مجموعی اثر لاگت میں 20.74% اضافے کی صورت میں ظاہر ہوا۔ان اثرات کی بنیادی وجوہات میں بین الاقوامی مارکیٹ میں کوئلے کی قیمت میں اضافہ،ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں زبردست کمی اور کے پی ٹی کے مقابلے میں پی آئی بی ٹی ایل پر ذخائر کے زیادہ اخراجات شامل ہیں۔ان عوامل کی وجہ سے فی ٹن کلنکر میں کوئلے کی قیمت میں603روپے کا اضافہ ہوا جوکہ گزشتہ مالی سال کے دوران لاگت کا25.29% ہے۔توانائی کے اخراجات میں1.69 روپے فی کلوواٹ اضافے کے ساتھ ساتھ پورٹ سے فیکٹری تک کوئلہ لانے کے اخراجات اور سیمنٹ کی بوری کی قیمت میں اضافہ وہ عوامل ہیں جن کی وجہ سے مجموعی پیداواری لاگت میں اضافہ ریکارڈ کیا گیا ہے۔
لاگت کے اخراجات میں ہونے والے اضافے نے سیمنٹ کی قیمتوں میں ہونے والے اضافے کے اثرات کو زائل کردیا۔جس کا نتیجہ یہ نکلا کہ کمپنی کا خام منافع کم ہوکر594ملین روپے رہا جبکہ گزشتہ سال کے دوران خام منافع1,027ملین روپے تھا۔ان عوامل کی وجہ سے خام منافع کا تناسب فروختگی کے مقابلے میں12.54% رہا۔جب کہ گزشتہ سال یہ تناسب 20.95% تھا۔
انتظامیہ کی جانب سے اخراجات کی کمی کے لیے کیے جانے والے سخت اقدامات کی وجہ سے انتظامی اخراجات اور اخراجات برائے ترسیل مال کنٹرول میں رہے۔دیگر آمدن میں کمی ریکارڈ کی گئی ہے جس کی وجہ گزشتہ سال دیگر آمدن کو زیادہ ظاہر کرنے والے پرووژنز کی اصلاح تھی۔

کمپنی نے رواں مالی سال کے دوران130ملین روپے کا منافع قبل از ٹیکس کمایا جبکہ گزشتہ سال قبل از ٹیکس کمایا جانے والا منافع600ملین روپے تھا۔

کم منافع کی وجہ سے ٹیکس پرووژن بھی کم ہوگیا ہے اور اس طرح کمپنی نے89ملین روپے بعد از ٹیکس کا منافع کمایا ہے جوکہ گزشتہ مالی سال کے دوران442ملین روپے درج کیا گیا تھا۔

دوران سال رواں آپ کی کمپنی کی آمدن فی حصص 1.77 روپے رہی جب کہ گزشتہ سال آمدن فی حصص8.81روپے تھی۔

بنیادی خطرات اور غیر یقینی صورتحال

کمپنی کو اپنے کام کی نوعیت کے اعتبار سے چند مسائل اور غیر یقینی صورتحال کا سامنا ہوسکتا ہے چونکہ کمپنی اسی ماحول میں اپنے کاروباری افعال سرانجام دیتی ہے اور ان مسائل کی وجہ سے کمپنی کے کاروباری افعال متاثر بھی ہوسکتے ہیں۔تاہم درج ذیل مسائل کو ان مسائل میں انتہائی اہم گردانا جاتا ہے:

مقامی	616,317	720,108	(14.41)
برآمدات	66,295	71,447	(07.21)
مجموعی	682,612	791,555	(13.76)

کمپنی کی جانب سے دوران سال رواں گزشتہ سال کے مدمقابل کلنکر اور سیمنٹ کی پیداوار میں بالترتیب %20.30 اور %14.24 کی کمی واقع ہوئی۔ اس کمی کی وجوہات میں مارکیٹ میں طلب کی کمی اور سال کے آغاز سے موجود کلنکر کا ذخیرہ شامل ہیں۔

مقامی سطح پر کمپنی کی فروختگی کے حجم میں زیر نظر مالی سال کے دوران سیمنٹ کی صنعت میں %1.95 اور شمالی علاقوں میں واقع پلانٹس میں %4.72 کی کمی کے مقابلے میں %14.41 کی کمی ریکارڈ کی گئی ہے۔ شمالی علاقوں میں واقع پلانٹس کی برآمدات میں آنے والی %18.06 کی کمی کے مقابلے میں کمپنی کی برآمدات میں %7.21 کی کمی واقع ہوئی ہے۔

مالیاتی کارکردگی کا جائزہ

ذیل میں کمپنی کی مالیاتی کارکردگی سے متعلق اہم جھلکیاں بمقابلہ گزشتہ مالی سال پیش کی جارہی ہیں:

	روپے ہزاروں میں ماسوائے آمدن فی حصص کے	
	2019	2018
کل فروختگی مقامی	4,332,388	4,546,512
کل فروختگی برآمدات	408,108	356,272
مجموعی کل فروختگی	4,740,496	4,902,784
لاگت برائے فروختگی	4,146,193	3,875,479
خام منافع	594,303	1,027,305
منافع قبل از ٹیکس	130,343	599,628
منافع بعد از ٹیکس	88,975	441,738
آمدن فی حصص (روپے میں)	1.77	8.81

آمدن از فروختگی

دوران سال رواں کمپنی کی کل مقامی مجموعی آمدن از فروختگی میں گزشتہ سال کے مقابلے میں %4.35 کی کمی واقع ہوئی ہے جب کہ اس عرصے کے دوران مقامی سطح پر سیمنٹ کی فروخت میں %14.41 کی کمی ریکارڈ کی گئی ہے۔ مقامی سطح پر سیمنٹ کی قیمتوں میں اضافہ ضرور ہوا لیکن معیشت کی سست روی کی وجہ سے طلب میں کمی رہی جس کے فروخت کے حجم پر منفی اثرات مرتب ہوئے۔

ڈائریکٹرز رپورٹ برائے ممبران

معزز ممبران گرامی

بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کی سالانہ مالیاتی رپورٹ بمعہ آڈٹ شدہ مالیاتی دستاویزات برائے مالی سال 30 جون 2019 آپ کی خدمت میں پیش کر رہے ہیں۔

جائزہ

دوران سال رواں مجموعی طور پر سیمنٹ کی صنعت کی جانب سے روانگی مال میں 2.15% سے اضافہ ریکارڈ کیا گیا اور فروختگی کا مجموعی حجم 46.88 ملین ٹن رہا جبکہ مجموعی فروختگی گزشتہ سال اسی عرصے کے دوران 45.89 ملین ٹن رہی تھی۔ مقامی سطح پر سیمنٹ کی صنعت کی مجموعی فروختگی کے حجم میں 1.95% کی کمی ہوئی اور فروختگی کا مجموعی حجم 40.35 ملین ٹن رہا جبکہ گزشتہ سال اسی عرصے کے دوران یہ حجم 41.15 ملین ٹن تھا۔ جبکہ دوسری جانب برآمدات کے سلسلے میں سیمنٹ کی صنعت میں 37.72% کا اضافہ ریکاڈ کیا گیا ہے، جس کے تحت فروختگی کا کل حجم 6.54 ملین ٹن رہا جو کہ گزشتہ سال اسی عرصے کے دوران 4.75 ملین ٹن تھا۔

شمال میں واقع پلانٹس سے مجموعی طور پر فروختگی کا حجم کم ہوکر 34.89 ملین ٹن تک جا پہنچا جس میں 5.85% کی کمی ریکارڈ کی گئی ہے جس میں سے مقامی سطح پر ہونے والی فروختگی کا حجم 32.36 ملین ٹن تھا جب کہ برآمدات کا حجم 2.52 ملین ٹن تھا۔ اس طرح شمال میں واقع پلانٹس میں مقامی سطح پر فروختگی کے حجم میں 4.72% کی کمی ریکارڈ کی گئی ہے جب کہ برآمدات میں 18.06% کی کمی واقع ہوئی ہے۔ جنوبی علاقوں میں واقع پلانٹس کی کارکردگی شمالی علاقوں میں واقع پلانٹس کے مقابلے میں بہتر رہی کیونکہ ان کی مجموعی فروخت کے حجم میں 35.61% کا اضافہ ہوا جس میں سے مقامی فروخت میں 11.19% اور برآمدات میں 140.87% کا اضافہ ہوا۔

آپریٹنگ کارکردگی کا جائزہ

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

	ٹنوں میں		
	2019	2018	تبدیلی (%)
پیداوار			
کلنکر	593,312	744,402	(20.30)
سیمنٹ	680,133	793,063	(14.24)
مال کی روانگی			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PROXY FORM

The Company Secretary,
Fecto Cement Limited
35, Darul Aman Housing Society, Block 7/8, Shahrah-e-Faisal,Karachi.

I/We
____
of ___________ being a member of **FECTO CEMENT LIMITED** and holder of____________________________
Ordinary Shares as per the Share Register Folio No_____________ and/or CDC Participant ID No. ______________
and Account / Sub-Account No. hereby appoint __________________________________
of ___________who is also a member of the Company vide Registration Folio Number ___________________ as my/our proxy for me & on my/our behalf at the 38th Annual General Meeting of the Company to be held on Monday, October 28, 2019 at 2:45 noon at Company's registered office 35, Darul Aman Housing Society, Block 7/8, Shahrah-e-Faisal, Karachi and any adjournment thereof.

Revenue Stamp
of PKR 5/-

Signature of Shareholder
Folio / CDC Nos.

Witnesses:

(1) Signature ______________________	(2) Signature ______________________
Name ______________________	Name ______________________
Address ______________________	Address ______________________
CNIC/ Passport No. ______________________	CNIC/ Passport No. ______________________

Notes:

1. A member entitled to attend the meeting may appoint a proxy in writing to attend the meeting on the member's behalf.

2. If a member is unable to attend the meeting, they may complete and sign this form and send it to the Company Secretary, The Fecto Cement Limited, 35, Darul Aman Housing Society, Block 7/8, Shahrah-e-Faisal, Karachi-75350 so as to reach no less than 48 hours before the time appointed for holding the Meeting.

3. 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 member.

-For CDC Account Holders / Corporate Entities

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

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

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

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

(iv) In case of a 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.

تشکیل نیابت داری

جناب کمپنی سیکریٹری
فیکٹو سیمنٹ لمیٹڈ
35 دارالامان ہاؤسنگ سوسائٹی، بلاک 7/8 شاہراہِ فیصل کراچی۔

میں/ہم: ____________________

ساکن: ____________________ بحیثیت فیکٹو سیمنٹ لمیٹڈ کے رکن وحامل: ____________________

عام حصص بمطابق شیئر رجسٹرڈ فولیونمبر: __________ اور/یاسی ڈی سی کے شراکتی آئی ڈی نمبر: ____________________

اور ذیلی کھاتہ نمبر: __________ محترم/محترمہ: ____________________

ساکن: ____________________

جوکہ خود بھی فیکٹو سیمنٹ لمیٹڈ کا رکن ہے، کو اپنی جگہ بروز پیر 28/اکتوبر 2019ء، بوقت دوپہر 2:45 بجے بمقام کمپنی کے رجسٹرڈ آفس 35/دارالامان ہاؤسنگ سوسائٹی، بلاک 7/8 شاہراہِ فیصل کراچی، میں منعقد ہونے والے 38واں سالانہ اجلاسِ عام یا اس کے التوائی اجلاس میں رائے دہندگی کے لیے اپنا نمائندہ مقرر کرتا/کرتی ہوں۔

گواہ نمبر 1:

دستخط: ____________________

نام: ____________________

پتا: ____________________

سی این آئی سی یا پاسپورٹ نمبر: ____________________

دستخط: ____________________

جگہ: __________ تاریخ: __________

ریونیو ٹکٹ چسپاں کریں

دستخط کمپنی میں پہلے سے موجود نمونے کے مطابق ہونے چاہئیں

گواہ نمبر 2:

دستخط: ____________________

نام: ____________________

پتا: ____________________

سی این آئی سی یا پاسپورٹ نمبر: ____________________

ضروری نوٹ:

ا۔ کوئی بھی رکن جو کہ اجلاس میں شرکت کا اہل ہے، اپنی جگہ کسی کو بھی اجلاس میں شرکت کے لیے نامزد کرسکتا ہے۔

۲۔ مکمل ودستخط شدہ پراکسی فارم کمپنی کے رجسٹرڈ دفتر فیکٹو سیمنٹ لمیٹڈ 35 دارالامان ہاؤسنگ سوسائٹی، بلاک 7/8 شاہراہِ فیصل کراچی میں اجلاس کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہونا چاہیے۔

۳۔ کوئی بھی شخص اُس وقت تک پراکسی کا کردار نہیں ادا کرسکتا/سکتی جب تک کہ وہ کمپنی کا/کی رکن نہ ہو، البتہ کارپوریشنز کسی بھی ایسے فرد کو نامزد کرسکتی ہیں جو کمپنی کا رکن نہ ہو۔

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

ا۔ پراکسی فارم کے لیے دوافراد گواہ ہوں گے جن کے نام، پتے، اور شناختی کارڈ نمبر فارم پر درج ہونے چاہئیں۔

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

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

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

FECTO CEMENT LIMITED
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Shahrah-e-Faisal, Karachi-75350
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