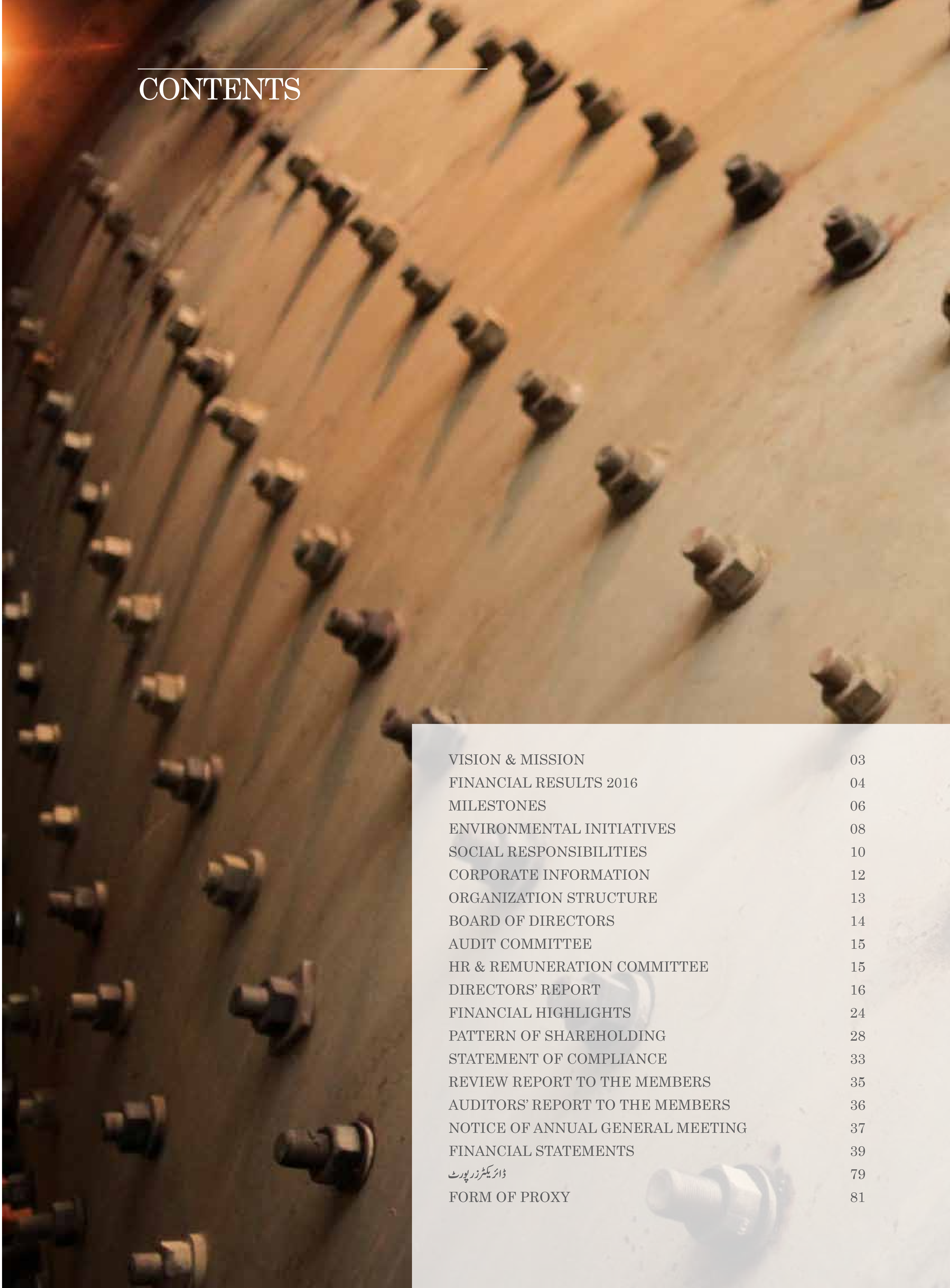
Annual Report 2016

PIONEER CEMENT LIMITED.

www.pioneercement.com



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A day time view of our Pyro Process

VISION & MISSION

Pioneer Cement Limited (PCL) is committed to make sustained efforts towards optimum utilization of its resources through good corporate governance for serving the interests of all stakeholders.

STRATEGIC GOALS

- Customers' satisfaction
- Efficient deployment of resources
- Research and development
- Maximization of profits
- Environmental initiatives

BUSINESS ETHICS

- Transparency and justice
- Sound business policies and compliance of law
- Judicious use of Company's resources
- Avoidance of conflict of interest
- Integrity at all levels

CORE VALUE

- Professional ethics
- Respect and courtesy
- Recognition of human asset
- Teamwork
- Innovations and improvement

QUALITY POLICY

Pioneer Cement Meets and Exceeds the Product Quality Requirements to Achieve Customers' Satisfaction

We are committed to produce high quality cement as per International and Pakistan standards. The management ensures that products of Pioneer Cement meet and exceed the product quality requirements to achieve customers' satisfaction.

The Company is committed to abide by all applicable legal and regulatory requirements and shall strive for continual improvement including prevention of pollution by establishing and monitoring its quality and environmental objectives.

The Board of Directors and the management are committed to communicate and maintain this policy at all levels of the Company and achieve continual improvement through teamwork.

FINANCIAL RESULTS 2016

Dividend Rs. 6.25 Per share (62.5%)

Net Sales Revenue	Rs. 9,366.53 million
Gross Profit	Rs. 4,005.20 million
Operating Profit	Rs. 3,864.08 million
EBITDA	Rs. 4,245.85 million
Profit After Taxation	Rs. 2,518.78 million
Earnings Per Share	Rs. 11.09
Breakup Value Per Share	Rs. 46.97
Market Value Per Share as at June 30, 2016	Rs. 107.40

QUARTER 01

Gross profit ratio	**36.19%**
Operating profit ratio	**35.46%**
Profit after tax ratio	**21.57%**
Earnings per share	**Rs. 1.90**
Market value per share as at September 30, 2015	**Rs. 86.74**

QUARTER 02

Gross profit ratio	**42.51%**
Operating profit ratio	**40.24%**
Profit after tax ratio	**23.43%**
Earnings per share	**Rs. 2.45**
Market value per share as at December 31, 2015	**Rs. 90.86**
Cash dividend per share	**Rs. 2.50**
Dividend payout ratio	**102.04%**

QUARTER 03

Gross profit ratio	**42.89%**
Operating profit ratio	**41.06%**
Profit after tax ratio	**30.83%**
Earnings per share	**Rs. 3.33**
Market value per share as at March 31, 2016	**Rs. 98.92**

QUARTER 04

Gross profit ratio	**48.07%**
Operating profit ratio	**46.98%**
Profit after tax ratio	**30.55%**
Earnings per share	**Rs. 3.41**
Market value per share as at June 30, 2016	**Rs. 107.40**
Cash dividend per share	**Rs. 3.75**
Dividend payout ratio	**109.97%**

MILESTONES

1986 – Incorporation as a public limited company

1992 – Start of commissioning of production line-I and listing of shares

1994 – Commencement of production with capacity of 2000 tons clinker per day

2001 – Switchover from furnance oil to coal firing system

2004 – Start of commissioning of production line-II

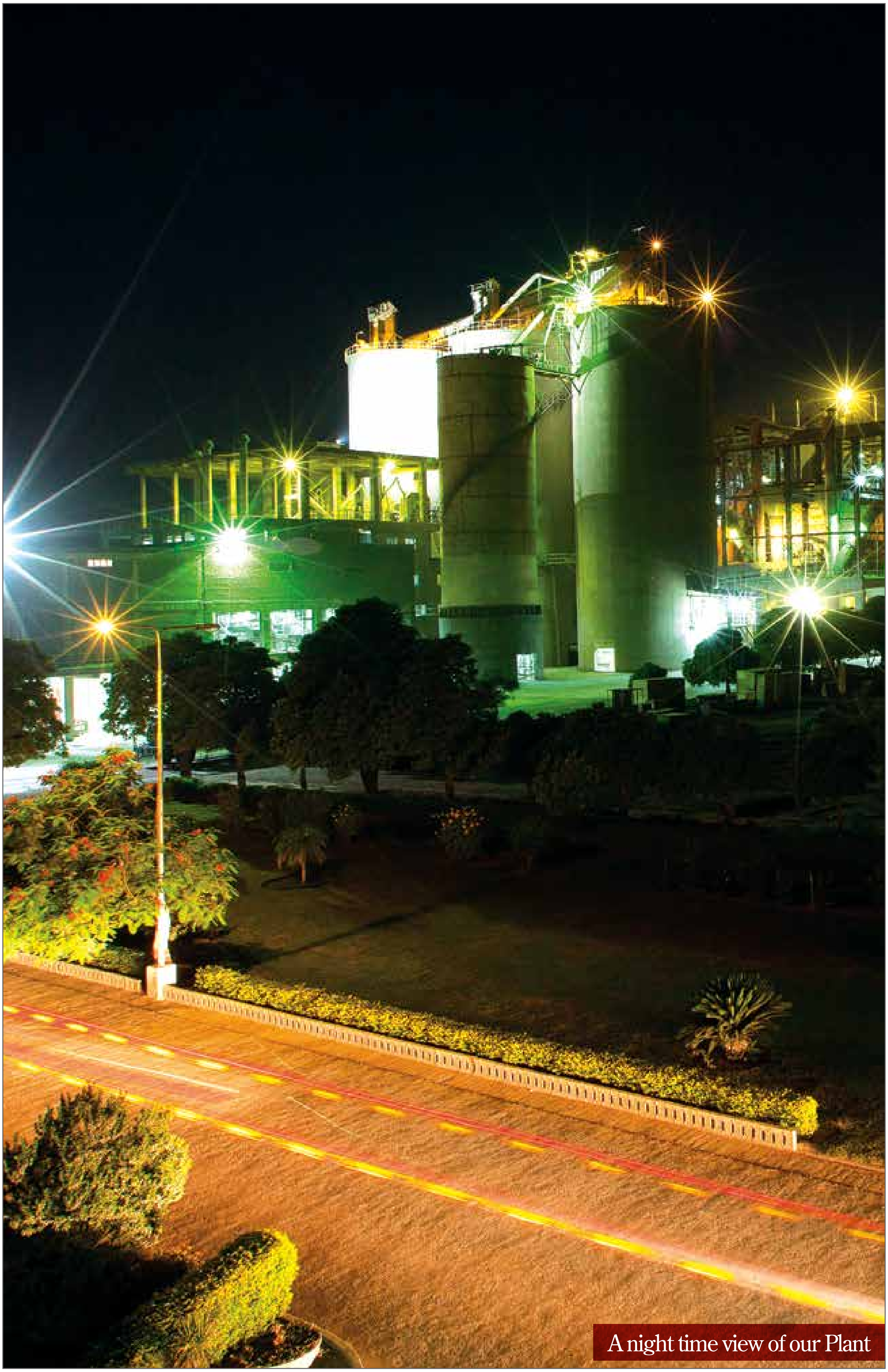
2005 – Capacity optimization of production line-I to 2350 tons clinker per day

2006 – Commencement of production line-II with capacity of 4300 tons of clinker per day

2007 – Achieved ‘Brand of the Year’ award

2014 – Received ‘Professional Excellence Awards’ from ICAP

2016 – Dividend of Rs. 6.25 per share (62.5%) with all times high Profit after tax of Rs. 2,519 million



A night time view of our Plant

ENVIRONMENTAL INITIATIVES

Ensuring environment friendly operations, products and services

Cement industry is considered to be highly unfriendly to the environment because of its inherent processes. However, with the development of technology, our modern plants are equipped with dust collecting equipments which help to reduce the pollution.

Due to conversion from oil firing system to coal firing, there were chances that Pioneer Cement may suffer on account of pollution. The management realized that for introducing environmental ethics to meet the challenges, ISO 14001 is the need of the day. Therefore, the management with the efforts of its employees succeeded in meeting the environmental objectives and targets after evaluating legal requirements, organizational aspects, technological options and other requirements.

The Company was awarded ISO 9001:2008 for quality management and ISO 14001:2004 for Environmental Management System after successful completion of audit by TUV Austria.. This shows the commitment of the management towards environmental protection and prevention of pollution. Pioneer Cement has been playing its role towards the development of a better society and a better future through continuous improvement in the Environmental Management System.

During 2014, your Company was awarded Green Office Diploma of WWF Pakistan on complying with the criteria set for reducing the consumption of natural resources.

TÜV AUSTRIA
ISO 9001:2008
NO: 01013475

TÜV AUSTRIA
ISO 14001:2004
NO: 20 104 141403975

WWF GREEN OFFICE
A WWF INITIATIVE TO REDUCE ECOLOGICAL FOOTPRINT

DIPLOMA

Pioneer Cement Limited.

P.B. No. 50, Jouharabad, District Khushab

This Diploma has been awarded for Compliance with the Green Office Criteria. The purpose of the criteria is to reduce the consumption of natural resources.

Pioneer Cement Limited implements an environmental management system. The system has WWF- Pakistan Green Office Label.

30-09-2014

This diploma is valid for one year from the date of issue.

Hammad Naqi Khan
CEO

Anwar Nasim
Sr. Director Operations & CR

CERTIFICATE

Management System as per
EN ISO 9001 : 2008

In accordance with TÜV AUSTRIA HELLAS procedures, it is hereby certified that

Pioneer Cement Limited
P.O. Box # 50 Jauharabad, Chenki District - Khushab
Pakistan.

Applies a Quality Management System in line with the above Standard for the following Scope

Manufacturing of Port Land Cement.

Certificate Registration No.: 01013479

Valid until: 2016-01-16
Initial certification: 2013-01-17

Certification Body
at TÜV AUSTRIA HELLAS

Athens, 2013-07-16

This certification was conducted in accordance with TÜV AUSTRIA HELLAS auditing and certification procedures and is subject to regular surveillance audits.

TÜV AUSTRIA GROUP

CERTIFICATE

Management system as per
EN ISO 14001:2004

In accordance with TÜV AUSTRIA CERT procedures, it is hereby certified that

Pioneer Cement Limited

Chenki Jauharabad, District Khushab
Jauharabad - Pakistan

applies a management system in line with the above standard for the following scope

manufacturer of ordinary portland and sulphate resistant cement

Valid until 2017-12-21

Certification Body
at TÜV AUSTRIA CERT GmbH

Vienna, 2014-10-13

This certification was conducted in accordance with TÜV AUSTRIA CERT auditing and certification procedures and is subject to regular surveillance audits.
TÜV AUSTRIA CERT GmbH Krugerstraße 16 A-1015 Wien www.tuv.at

SOCIAL RESPONSIBILITIES

PCL has been giving due importance to its social responsiblities particularly in areas surrounding the plant

- Primary schools for boys and girls were constructed and are being managed by the Company
- A dispensary was established to cater the medical needs of the workers as well as villagers residing in the vicinity of the plant
- A mosque has been constructed in Chenki village and is being maintained by the Company
- A 15 km metaled road adjoining plant was widened for the convenience of residents of Jabbi and Chenki villages
- Donations were extended for construction of educational block in District Public School, Khushab and Divisional Public School, Jauharabad. We also provide technical support to Vocational Training Institute, Quaidabad
- PCL plays an active role in Khushab District Industrial Association
- In addition to fulfilling social obligations in the adjoining areas, the Company also made donations to organizations like TB Centre, Family Support Programs, Emergency Response Centre and SOS schools
- We also contributed towards the construction of a new visiting faculty residence at the Institute of Business Administration, Karachi

CORPORATE INFORMATION

Board of Directors

Mr. Shafiuddin Ghani Khan (Chairman)
Syed Mazher Iqbal (CEO & MD)
Mr. Aly Khan
Mr. Jamal Nasim
Mr. Mohammad Aftab Alam
Mr. Rafique Dawood
Mirza Ali Hassan Askari
Shaikh Javed Elahi

Audit Committee

Mr. Rafique Dawood (Chairman)
Mr. Aly Khan
Mr. Shafiuddin Ghani Khan
Mr. Jamal Nasim
Mr. Mohammad Aftab Alam

HR & Remuneration Committee

Mr. Shafiuddin Ghani Khan (Chairman)
Syed Mazher Iqbal (CEO & MD)
Mr. Aly Khan
Mr. Mohammad Aftab Alam

Company Secretary

Mr. Waqar Naeem

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
The Bank of Punjab
United Bank Limited

Statutory Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Cost Auditors

Ale Imran & Co
Chartered Accountants

Legal Advisor

Hassan & Hassan

Registered Office

135-Ferozepur Road, Lahore
Tel: +92 (42) 37503570-72
Fax: +92 (42) 37503573-4
Email: pioneer@pioneercement.com

Factory

Chenki, District Khushab
Telephone: +92 (454) 898101-3
Fax: +92 (454) 898104
Email: factory@pioneercement.com

Regional Offices

Karachi Office
4th Floor, KDLB Building West Wharf, Karachi
Tel: +92 (21) 32201232-3
Fax: +92 (21) 32201234
Email: pclkhi@pioneercement.com

Multan Office
10-Officers Colony, Bosan Road,
Opp. Jinnah High School, Multan
Tel: +92 (61) 6510404
Fax: +92 (61) 6510405

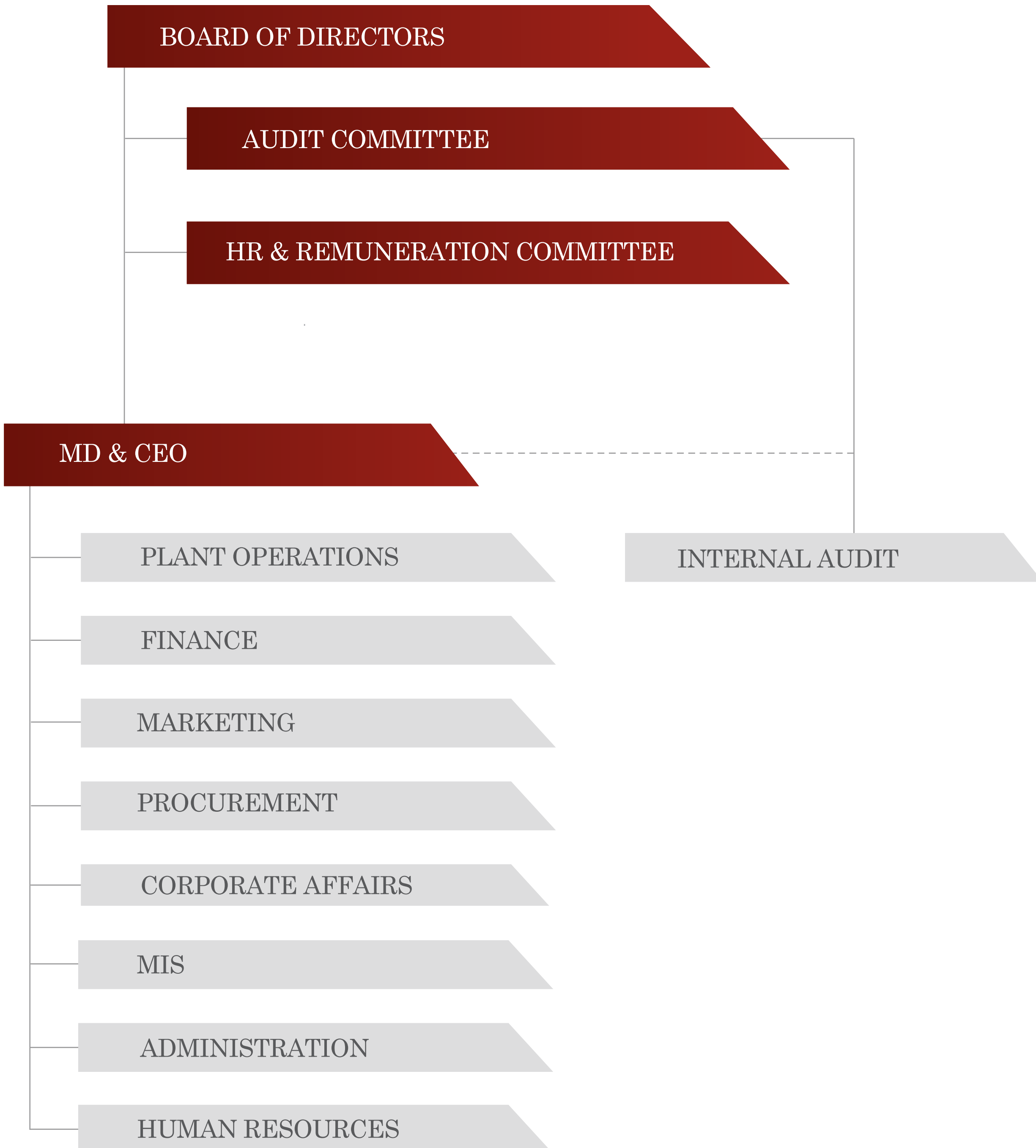
Faisalabad Office
Office No. 3, 2nd Floor, Sitara Tower,
Bilal Chowk, New Civil Lines, Faisalabad,
Tel: +92 (41) 2630030, 2640406-7
Fax: +92 (41) 2630923

Sargodha Office
Office No. 6, 2nd Floor, Rehman Trade Centre,
University Road, Sargodha
Telephone: +92 (483) 725050
Fax: +92 (483) 722331

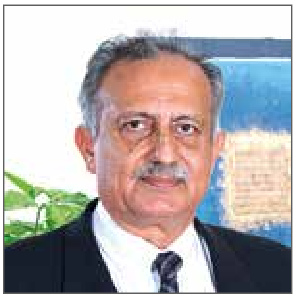
Share Registrar

Corplink (Pvt) Limited
Wings Arcade, 1-K Commercial,
Model Town, Lahore
Telephone: +92 (42) 35839182, 35916714
Fax: +92 (42) 35869037
Email: corplink786@yahoo.com,
shares@pioneercement.com

ORGANIZATION STRUCTURE



BOARD OF DIRECTORS



Mr. Shafiuddin Ghani Khan
Chairman

Syed Mazher Iqbal
CEO & MD

Mr. Aly Khan
Director



Mr. Mohammad Aftab Alam
Director

Mr. Jamal Nasim
Director

Mr. Rafique Dawood
Director


Shaikh Javed Elahi
Director

Mirza Ali Hassan Askari
Director

AUDIT COMMITTEE

Left to Right

Mr. Shafiuddin Ghani Khan, Mr. Aly Khan, Mr. Rafique Dawood (Chairman), Mr. Jamal Nasim, Mr. Mohammad Aftab Alam

HR & REMUNERATION COMMITTEE

Left to Right

Mr. Shafiuddin Ghani Khan (Chairman), Mr. Aly Khan, Mr. Mohammad Aftab Alam, Syed Mazher Iqbal (CEO & MD)

DIRECTORS' REPORT

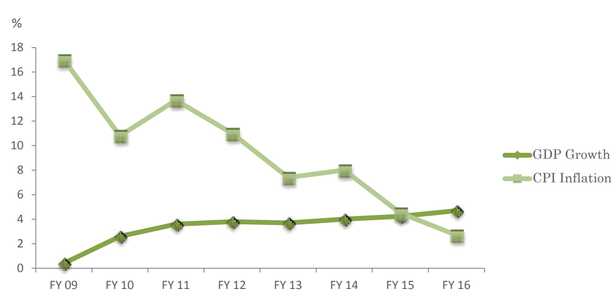
In the name of Allah, the most Gracious, the most Merciful.

The Directors of your Company are pleased to present their report on the audited financial statements for the year ended June 30, 2016.

The Economy

The overall economic performance of the country remained positive during the financial year (FY) under review. Key economic highlights of FY 2015-16 were as under:

- Average CPI inflation for July-April FY 2016 was 2.7% versus 4.81% in the corresponding period whereas it was 8.6% in FY 2014
- Large Scale Manufacturing sector marked a significant growth of 4.70% during July-March FY 2016 compared to 2.81% in previous year. Automobiles, chemicals, pharmaceuticals, rubber and cement sectors remained highly positive.
- State Bank discount rate was reduced to 5.75% to encourage growth and investment
- Trade deficit increased by 2.1% during July-April FY16. Exports declined by 9.5% and stood at USD 18.2 billion compared to USD 20.1 billion in July-April FY 2015. Imports also dropped by 4.6% while non-oil imports including plant and machinery increased during the current financial year.
- Foreign exchange reserves at the year end further improved to USD 23,085 million vs USD 18,706 million at end of corresponding fiscal year.
- GDP growth for the current fiscal year remained at 4.71% vs 4.24% in previous fiscal year



The Cement Industry

Financial year ended June 30, 2016 was the fifth consecutive year of growth for domestic cement industry. During the year under review it achieved a net volumetric growth of 9.80% over the previous fiscal year with total dispatches of 38.87 million tons. Domestic demand increased to 33.00 million tons from 28.21 million tons in previous fiscal year, registering a growth of 17%. However, export market declined further and volumes dropped to 5.87 million tons, a decline of 18.36% over previous year.

Dispatches	2016	2015	Variance	
	-------- Million Tons --------			%
Local	33.0	28.21	4.79	17.00
Export	5.87	7.19	(1.32)	(18.36)
Total	38.87	35.40	3.47	9.80

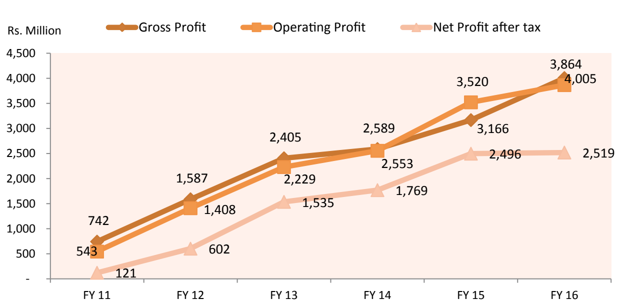
Business Performance

Alhamdolillah, your Company continued to produce historic results for the last many years. During the year under review, your Company earned record gross revenue of Rs. 11,915.84 million, against Rs 10,614.96 million earned in previous year showing a growth of 12.26% due to stable prices and increase in volumetric sale.

Stable domestic sales prices along with decline in power and coal prices helped earning a record gross profit of Rs. 4,005.20 million. The gross profit rate of 42.76% achieved during the year is an increase of 13.81% over gross profit rate of 37.57% earned last year.

Your Company earned a record profit before tax (PBT) of Rs.3,846.61 million, an increase of Rs 345.15 million over last year PBT of Rs 3,501.46 million. Last year PBT included a one-time gain of Rs 557.90 million on liabilities written back.

Performance of Last Six Years



Production and Sales Volume

In accordance with the increased local demand, clinker production was increased by 16.80% over last year resulting in plant capacity utilization of 59.38% vs. capacity utilization of 50.84% in last year. Similarly, Cement production increased to 1,344,890 tons, which is 11.12% higher than last year. The domestic dispatches increased to 1,309,874 tons, an increase of 14.56% over last year. However exports declined from 68,241 tons last year to 46,289 tons due to declining demand and reduced margins offered by exports.

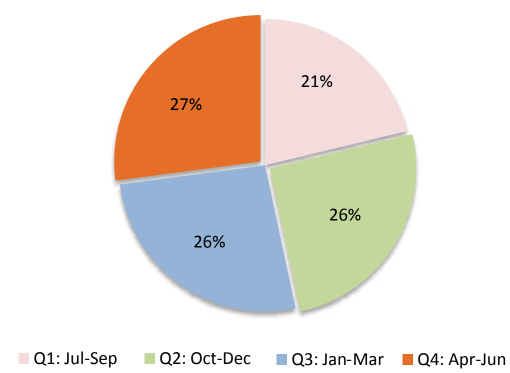
A summary of the production and sales volume is given below:

Production	2016	2015	Variance	
	-------------- Tons -------------			%
Capacity	1,995,000	1,995,000	-	-
Clinker	1,184,659	1,014,240	170,419	16.80
Cement	1,344,890	1,210,345	134,545	11.12

Dispatches	2016	2015	Variance	
	-------------- Tons -------------			%
Domestic	1,309,874	1,143,411	166,463	14.56
Exports	46,289	68,241	(21,952)	(32.17)
Total	1,356,163	1,211,652	144,511	11.93

The dispatches made by your Company during the year grew every quarter. Dispatches during the fourth quarter were recorded at 367,426 tons compared to 288,055 tons for the Jul-Sep first quarter. Share of each quarter in total dispatches of the current year is presented in graphical form as follows:

Quarter wise Dispatches (2015-16)



DIRECTORS' REPORT

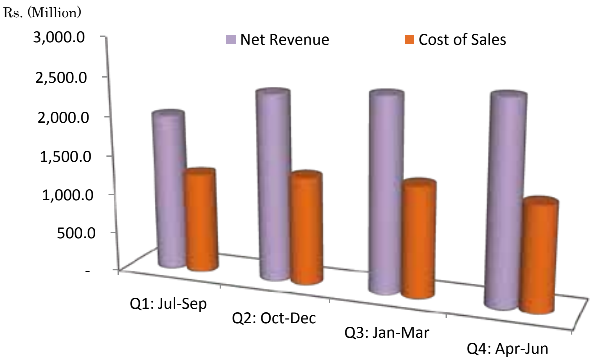
Revenues and Cost of Production

The net sales revenue earned amounting Rs. 9,366.53 million, is an increase of 11.17% over last year. The increase is attributed to increase in domestic sales and stable domestic prices.

	2016	2015	Variance	
	-------- Rupees in '000 --------			%
Net Revenue	9,366,533	8,425,768	940,765	11.17
Cost of Sales	5,361,331	5,260,265	101,066	1.92

Net sales revenue and Cost of sales for the four quarters of the financial year 2015-16 is as follows:

Net Sales Revenue



Operating and Financing Costs

The cost of sales of Rs. 5,361.33 million is an increase of 1.92% over last year's cost of sales of Rs. 5,260.26 million. The production cost per ton of cement of Rs. 3,953 is a reduction of 8.94% over last year cost per ton of Rs. 4,341. The reduction in cost of production was mainly attributable to saving from fuel & power prices supported by efficient operations.

The distribution cost of Rs. 59.98 million is a slight increase of 5.29% over last year mainly attributable to increase in sales, while administration cost amounting Rs 81.5 million is an increase of 14.82% over last year, mainly on account of office rent and salaries & wages.

Operating expenses mainly comprises contributions to workers profit participation and workers welfare funds which are linked to before tax profit of the Company. Last year expense was higher as it included loss on replacement of assets amounting Rs 50.69 million.

During the year, the Company has repaid all the loans / financial liabilities to the banks and is presently a debt free company. Resultantly, finance cost significantly reduced to Rs. 17.47 million, a reduction of 68.98% over last year expense of Rs 56.32 million.

Profitability

Gross profit for the year of Rs. 4,005.20 million is an increase of 26.53% over Rs. 3,165.5 million earned last year. This was made possible by higher domestic sales volume, stable retention prices and reduction in coal prices and power cost as a result of fuel price adjustments following declining oil prices. The operating profit of Rs. 3,864.08 million is an increase of Rs. 343.78 million over last year. Other income in the corresponding year included an amount of Rs. 557.90 million on account of final settlement of foreign currency loans. Excluding this one-time gain, operating profit for the year increased by Rs. 901.68 million an increase of 30.44% over comparative period in real terms.

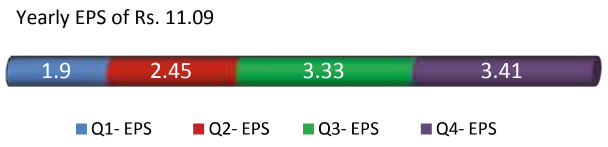
Despite an increase in effective tax rate from 28.71% last year to 34.52% in current year, your Company earned a net profit after tax of Rs 2,518.78 million compared to Rs 2,496.14 million earned last year, which included a one-time gain of Rs 557.90 million , as mentioned above.

A summary of the profitability of PCL is shown below:

	2016	2015	Variance	
	-------- Rupees in '000 --------			%
Gross Profit	4,005,202	3,165,503	839,699	26.53
Operating Profit	3,864,079	3,520,299	343,780	9.77
Net Profit	2,518,788	2,496,135	22,643	0.91
Earnings Per Share	11.09	10.99	0.10	0.91

Earnings Per Share

Net profit after tax of Rs. 2,518.78 million results into earnings per share of Rs. 11.09 which is record in the history of Pioneer Cement Limited. Rs. 11.09 per share earned during the year was contributed by the four quarters as shown below:

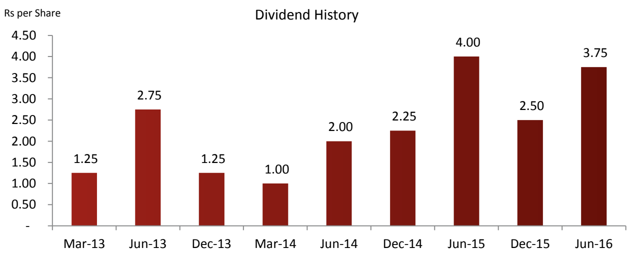


Dividends

The Board of Directors in its meeting held on September 27th, 2016 has recommended a final cash dividend @ 37.5% i.e. Rs. 3.75 per share for the year. This will be in addition to the interim cash dividend of 25% (or Rs. 2.5 per share) paid by the Company resulting in an aggregate cash dividend of 62.5% (Rs. 6.25 per share).

Your Company has maintained a history of dividend payments. For financial year 2015, your Company declared cumulative dividend of Rs. 6.25 per share resulting in payout of 56.87%. With a final dividend of Rs. 3.75, payout for the current year again amounts to Rs. 6.25 (56.36%).

Recent history of dividends declared and paid by the Company relevant to respective quarters is as follows:



The Board

The Board comprises of six non-executive directors including two independent directors. The Chairman is a non executive director while the Board has two executive directors. The position of the Chairman and the CEO are kept separate in line with the recommendation of the Code of Corporate Governance.

Board of Directors Meetings

During the year under review the Board of Directors held four meetings and the meetings attended by each director are summarized below:

Name of Directors		Number of Meetings Attended
Mr. Shafiuddin Ghani Khan	(Chairman)	4
Syed Mazher Iqbal	(CEO & MD)	4
Mr. Aly Khan**		2
Mr. Mohammad Aftab Alam		4
Mr. Jamal Nasim		3
Mr. Rafique Dawood		4
Mirza Ali Hassan Askari		3
Shaikh Javed Elahi		3
Mr. Faisal Imran Hussain Malik*		1

* Resigned on October 12, 2015
** Appointed in place of Mr. Faisal Imran Hussain Malik

Board Committees

In line with the requirements of the Code of Corporate Governance, the Board of Directors has formed two committees; these are the Audit Committee and the Human Resource & Remuneration Committee.

DIRECTORS' REPORT

Audit Committee

The Audit Committee comprises of five non-executive directors including two independent directors. During the year four meetings were held and the attendance was as follows:

Name of Directors		Number of Meetings Attended
Mr. Rafique Dawood	(Chairman)	4
Mr. Shafiuddin Ghani Khan		4
Mr. Aly Khan		2
Mr. Mohammad Aftab Alam		4
Mr. Jamal Nasim		3

Human Resource & Remuneration Committee

The committee is responsible for recommending the human resource management policies and evaluation and selection of appropriate employees to the Board.

The committee consists of three non-executive directors and one executive director as follows:

Mr. Shafiuddin Ghani Khan (Chairman)
Syed Mazher Iqbal
Mr. Aly Khan
Mr. Mohammad Aftab Alam

During the year, one meeting of Human Resource & Remuneration Committee was held which was attended by the members.

Corporate and Financial Reporting Framework

The Board reviews the strategic direction of the Company on regular basis. The business plan and budgetary targets set by the Board are also reviewed regularly. The Board is committed to maintaining a high standard of corporate governance and ensures comprehensive compliance of the Code of Corporate Governance enforced by the Securities and Exchange Commission of Pakistan.

The Board is pleased to confirm the following:

a. The financial statements prepared by the management of PCL present fairly its state of affairs, the result of its operations, its cash flows position and changes in its equity.

b. Proper books of account have been

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

d. International Accounting Standards as applicable in Pakistan have been followed in preparation of the financial statements and any departure from the Standards, if any, has been adequately disclosed.

e. The existing system of internal controls and procedures is regularly reviewed. This is formulized by the Board's Audit Committee and is updated when required.

f. There are no significant doubts upon Company's ability to continue as a going concern.

g. There has been no material departure from the best practices of corporate governance.

h. The Statement of Ethics and Business Strategy is prepared and circulated amongst the directors and employees.

i. The Board has adopted a mission statement and a statement of overall corporate strategy.

j. As required by the Code of Corporate Governance, statements regarding the following are annexed:

   i. Key operating and financial data for six years

   ii. Statement of Pattern of Shareholding

   iii. Statement of shares held by associated companies, undertakings and related persons

   iv. Statement of other information

CORPORATE SOCIAL RESPONSIBILITY

Health, Safety and Environment

The management is committed to provide its staff a safe, healthy and nurturing environment and accordingly has successfully achieved certification of ISO 9001:2008 and ISO 14001:2004. Further, your Company has also been awarded Green Office Diploma after complying with the criteria of reducing consumption of natural resources.

Gaseous and Dust Emission

The Company is dedicated to maintain a pollution free atmosphere and accordingly electrostatic precipitator and dust collectors have been installed at the production facility of the Company. Further, efficient coal firing burners have been installed that help in reducing environment pollution from nitrogen oxide and carbon monoxide.

The under construction Waste Heat Recovery Power Plant will utilize emitted hot exhaust gasses to generate electricity which will have positive impacts on environment as a whole.

Employee Safety

Employees of the Company have been provided with the required tools and protection devices for protection from inherent noises. A separate Safety Department has been developed to promote the compliance with the safety rules and practices and to ensure compliance therewith. Such rules and practices are reviewed and evaluated periodically and all necessary measures are taken to avoid any undesired event.

Community Investment and Welfare Scheme

The Company as a corporate citizen is constantly contributing towards the welfare of the society. The Company is playing an active role in various community development and maintenance programs including a mosque, medical dispensary and primary school at Chenki (the production facility) and financial support to Divisional Public School at Jauharabad. The Company continuously coordinates with the communities in the vicinity of the plant to meet their socio-economic needs. Residents of plant vicinity will fetch additional benefits from the expansion and enhancement plans of your Company. With the construction of carpeted road and other infrastructural developments, general living standards of the adjacent communities will definitely improve.

Contribution to National Exchequer

The Company contributed an amount of Rs. 3,834.76 million (2015: Rs. 3,020.3 million) into the Government Treasury on account of income taxes, levies, sales tax and excise duty. At the reporting date, an amount of Rs. 308.1 million is payable to government departments which will be paid in due course.

EMPLOYEE WELFARE

Provident Fund / Gratuity

The Company operates a funded Provident Fund Scheme for all permanent employees while all contracted employees below the age of 60 years are provided with an unfunded Gratuity Scheme. The un-audited fair value of the investments of the Provident Fund as on June 30, 2016 was Rs.150.27 million (2015: Rs.128.28 million - audited).

Medical and Hospitalization

All eligible employees of the Company including their spouse and children are provided with medical and hospitalization facilities as per the Company policy in order to provide them peace of mind to concentrate on discharging their professional duties with zest and zeal.

Human Capital

The Company recognizes its human resource as one of the valuable assets. Employees with high performance are awarded to create a conducive environment and to motivate other employees for better performance. Multiple in-house seminars, training sessions and conferences were also arranged during the year to promote HR policies & objectives and to educate the employees in this regard.

Directors' Training Program

Code of Corporate Governance requires all listed companies to make appropriate arrangements to conduct orientation and training courses for their directors. During the year, four directors of the Company attended such programs conducted by recognized institutes.

Evaluation of Board's Own Performance

Board of Directors has developed criteria to evaluate and improve its own performance. The criteria is circulated among the directors focusing on financial policies, compliance with laws and regulations, approval of capital & revenue budgets and business plans. Feedbacks and recommendations are provided by the board members which are then incorporated for future evaluations.

Implementation of Enterprise Resource Planning

During the year, your Company has successfully implemented "Oracle E - Business Suit R-12" modules comprising Financials, Order Management, Sale & Dispatches, Procurement and Inventory Management. All the applications are integrated and secured making the information flow smooth and reliable. We will be carrying out second phase comprising Manufacturing, Human Resource and other modules as well.

Auditors

Messrs Grant Thornton Anjum Rahman will retire at the conclusion of the 30th Annual General Meeting. They have, however, offered themselves for reappointment. The Board hereby recommends Messrs Grant Thornton Anjum Rahman for reappointment as suggested by Audit Committee.

Future Outlook

Pakistan economy is expected to grow at 5.7% in fiscal year 2016-17 with contribution of 3.48% from agriculture, 7.69% from industry and 5.73% from service sector. Inflation is expected to remain under 6% subject to monetary policy and exchange rate parities. Exports are expected to grow by 10.8% and imports are anticipated to increase by 14.8% to reach at USD 24.7 billion and USD 45.2 billion respectively.

Cement sector anticipates continued increase in demand associated with CPEC and allied construction projects. Recently announced land acquisition for Bhasha Dam is also a good omen for the cement industry. If Hydel power generation projects are taken up, it will further boost the consumption of cement in domestic market. Considering these factors, multiple players have already announced capacity expansion intents and others may follow.

Installation of 12MW Waste Heat Recovery Power Plant (WHRPP) is at final stages and we expect to complete the project within the stipulated timelines by December 2016. It will help reduce power cost resulting in substantial savings to the Company.

Your Company is in final stages of selection of supplier for installation of a new production line having capacity of 7,000 tons clinker per day at the existing site. The negotiations are also being made with financial institutions to support the financial requirements.

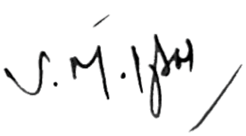
Your Company has also undertaken a project to boost cement grinding capacity in order to meet expected market demand. Order has been placed with a Chinese supplier. Project estimated cost is Rs. 800 million including installation charges and other overheads. In-sha-Allah, the additional capacity will become operational in second half of current financial year.

Acknowledgement

The directors would like to take this opportunity to express their gratitude to all the stakeholders including our customers, financial institutions, sponsors and the shareholders for their trust and cooperation.

The Board also recognizes the devotion and efforts put in by the employees in achieving record financial results and anticipate same zeal and conviction to take your Company to new horizons.

On behalf of the Board



Syed Mazher Iqbal
CEO & MD
September 27, 2016

FINANCIAL HIGHLIGHTS
SIX YEARS AT A GLANCE

	2016	2015	2014	2013	2012	2011
	Tons '000'					
Production and Sales						
Clinker Production	1,185	1,014	1,189	1,086	1,179	1,189
Cement Production	1,345	1,210	1,194	1,232	1,178	1,285
Cement / Clinker Dispatches						
Domestic Market	1,310	1,143	1,048	1,033	989	1,003
International Market	46	68	141	201	200	275
	1,356	1,211	1,190	1,234	1,189	1,278
Capacity Utilization (based on installed capacity)	59%	51%	60%	54%	59%	60%
	Rs. in Million					
Financial position						
Assets Employed						
Property plant and equipment	10,384.03	7,330.67	7,509.38	7,860.70	8,131.18	8,613.96
Other long term assets	116.16	109.54	105.66	39.69	38.29	49.21
Current assets	4,267.51	4,674.14	4,262.03	3,701.77	1,941.05	1,184.19
Total Assets	14,767.70	12,114.35	11,877.07	11,602.16	10,110.52	9,847.36
Financed by						
Shareholders' equity	7,820.70	6,720.32	5,134.77	4,442.68	3,136.46	2,466.63
Surplus on revaluation of fixed assets - net of tax	2,849.47	1,612.76	1,667.55	1,726.53	1,781.54	2,058.78
Long term liabilities	2,345.31	2,138.38	3,543.53	3,719.64	3,602.80	3,475.60
Other Current liabilities	1,752.22	1,642.89	1,531.21	1,713.31	1,589.72	1,846.36
Total Funds Invested	14,767.70	12,114.35	11,877.07	11,602.16	10,110.52	9,847.36
Turnover and profit						
Net turnover	9,366.53	8,425.77	8,024.78	7,568.43	6,487.13	5,272.89
Gross profit	4,005.20	3,165.50	2,588.97	2,405.39	1,586.96	741.73
Operating profit	3,864.08	3,520.30	2,553.20	2,228.94	1,408.39	542.89
Profit before taxation	3,846.61	3,501.46	2,430.02	2,248.40	924.34	71.82
Profit after taxation	2,518.78	2,496.14	1,768.86	1,535.14	601.52	120.65
EBITDA	4,245.85	3,869.60	2,949.98	2,606.20	1,775.29	922.07
Earnings per share (Rs.)	11.09	10.99	7.79	6.76	2.65	0.54
Breakup value per share (Rs.)	46.97	36.69	29.95	27.16	21.65	19.92
Cash flow summary						
Net cash generated from operating activities	3,149.41	2,556.73	2,267.29	2,801.56	1,189.93	895.76
Net cash (used in) / generated from investing activities	(2,279.26)	457.13	(810.13)	(854.20)	(30.98)	(32.03)
Net cash outflow from financing activities	(1,851.59)	(1,812.35)	(2,031.54)	(751.47)	(1,040.21)	(769.43)
(Decrease) / increase in cash and cash equivalents	(1,431.43)	1,201.51	(574.39)	1,195.88	118.74	94.30
Cash and cash equivalents at beginning of the year	2,091.91	890.40	1,464.79	268.91	150.17	55.87
Cash and cash equivalents at end of the year	660.48	2,091.91	890.40	1,464.79	268.91	150.17

FINANCIAL HIGHLIGHTS
SIX YEARS AT A GLANCE

	2016	2015	2014	2013	2012	2011
Profitability ratios (%)						
Gross profit to sales	42.76	37.57	32.26	31.78	24.46	14.07
Operating profit to sales	41.25	41.78	31.82	29.45	21.71	10.30
Net profit before tax to sales	41.07	41.56	30.28	29.71	14.25	1.36
Net profit after tax to sales	26.89	29.63	22.04	20.28	9.27	2.29
EBITDA to sales	45.33	45.93	36.76	34.44	27.37	17.49
Return on equity (after tax)	110.89	109.89	77.87	67.58	26.48	5.31
Return on capital employed	32.96	33.74	28.70	27.27	25.07	9.97
Liquidity ratios (Times)						
Current ratio	2.44:1	2.78:1	1.43:1	1.08:1	0.43:1	0.27:1
Acid test ratio	1.81:1	1.93:1	0.86:1	0.7:1	0.1:1	0.08:1
EBITDA to current Liabilities	2.42:1	2.30:1	0.99:1	0.76:1	0.4:1	0.21:1
Cash to current liabilities	0.38:1	1.24:1	0.3:1	0.43:1	0.06:1	0.03:1
Cash flow from operating activities to sales	0.34:1	0.30:1	0.28:1	0.37:1	0.18:1	0.17:1
Activity / turnover ratios (Times)						
Inventory turnover	4.24	3.36	3.61	3.71	4.24	4.77
No. of days to inventory (Days)	86.08	108.66	101.13	98.33	86.04	76.46
Debtors turn over	109.94	173.40	180.57	235.26	323.69	238.03
No. of days in receivables (Days)	3.32	2.10	2.02	1.55	1.13	1.53
Creditors turnover	6.02	5.81	5.84	6.03	6.51	5.69
No. of days in payables (Days)	60.63	62.81	62.52	60.48	56.08	64.18
Operating cycle (Days)	28.77	47.95	40.63	39.40	31.09	13.82
Total assets turnover (%)	63.43	69.55	67.57	65.23	64.16	53.55
Fixed assets turnover (%)	105.75	113.85	105.93	96.28	79.78	61.21
Investment valuation ratios (Rs.)						
Earnings per share	11.09	10.99	7.79	6.76	2.65	0.54
Price / earning ratio (Times)	9.68	7.76	5.99	4.34	3.47	10.22
Market value per share as on June 30	107.40	85.29	46.66	29.37	9.20	5.52
Cash dividend per share	6.25	6.25	4.25	4.00	-	-
Dividend payout ratio (%)	56.36	56.87	54.56	59.17	-	-
Capital structure ratios (Times)						
Financial leverage ratio (%)	57.24	17.34	17.62	17.27	6.91	9.32
Debt / equity ratio	18:82	20:80	34:66	38:62	42:58	43:57
Interest coverage ratio	221.17	62.50	16.45	13.09	4.29	1.52

ANALYSIS OF BALANCE SHEET

	2016	2015	2014	2013	2012	2011
	--------------------------	--------------------------	-------------Rs.	in Million-------------	--------------------------	--------------------------
Share capital and reserves	7,820.70	6,720.32	5,134.77	4,442.68	3,136.46	2,466.63
Surplus on revaluation of fixed assets	2,849.47	1,612.76	1,667.55	1,726.53	1,781.54	2,058.78
Long term liabilities	2,345.31	2,138.38	3,543.54	3,719.64	3,602.80	3,475.60
Current liabilities	1,752.22	1,642.89	1,531.21	1,713.31	1,589.72	1,846.36
Total equity and liabilities	14,767.70	12,114.35	11,877.07	11,602.16	10,110.52	9,847.36
Non current assets	10,500.19	7,440.21	7,615.05	7,900.39	8,169.48	8,663.17
Current assets	4,267.51	4,674.14	4,262.02	3,701.77	1,941.05	1,184.19
Total assets	14,767.70	12,114.35	11,877.07	11,602.16	10,110.52	9,847.36
	--------------------------	--------------------------	--------------------------	% --------------------------	--------------------------	--------------------------
Vertical analysis						
Share capital and reserves	52.96	55.47	43.23	38.29	31.02	25.05
Surplus on revaluation of fixed assets	19.30	13.31	14.04	14.88	17.62	20.91
Long term liabilities	15.88	17.65	29.84	32.06	35.63	35.29
Current liabilities	11.87	13.56	12.89	14.77	15.73	18.75
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	100.00
Non current assets	71.10	61.42	64.12	68.09	80.80	87.97
Current assets	28.90	38.58	35.88	31.91	19.20	12.03
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Horizontal analysis (i)						
Cumulative						
Share capital and reserves	217.06	172.45	108.17	80.11	27.16	100.00
Surplus on revaluation of fixed assets	38.41	(21.66)	(19.00)	(16.14)	(13.47)	100.00
Long term liabilities	(32.52)	(38.47)	1.95	7.02	3.66	100.00
Current liabilities	(5.10)	(11.02)	(17.07)	(7.21)	(13.90)	100.00
Total equity and liabilities	49.97	23.02	20.61	17.82	2.67	100.00
Non current assets	21.21	(14.12)	(12.10)	(8.80)	(5.70)	100.00
Current assets	260.37	294.73	259.91	212.60	63.91	100.00
Total assets	49.97	23.02	20.61	17.82	2.67	100.00
Horizontal analysis (ii)						
Year vs Year						
Share capital and reserves	16.37	30.88	15.58	41.65	27.16	11.20
Surplus on revaluation of fixed assets	76.68	(3.28)	(3.42)	(3.09)	(13.47)	(2.92)
Long term liabilities	9.67	(39.65)	(4.73)	3.24	3.66	(4.73)
Current liabilities	6.65	7.29	(10.63)	7.77	(13.90)	(21.04)
Total equity and liabilities	21.90	2.00	2.37	14.75	2.67	(4.63)
Non current assets	41.13	(2.30)	(3.61)	(3.29)	(5.70)	(3.65)
Current assets	(8.70)	9.67	15.13	90.71	63.91	(11.23)
Total assets	21.90	2.00	2.37	14.75	2.67	(4.63)

ANALYSIS OF PROFIT AND LOSS ACCOUNT

	2016	2015	2014	2013	2012	2011
	Rs. in Million					
Net turnover	9,366.53	8,425.77	8,024.78	7,568.43	6,487.13	5,272.89
Cost of sales	(5,361.33)	(5,260.27)	(5,435.81)	(5,163.05)	(4,900.17)	(4,531.16)
Gross profit	4,005.20	3,165.50	2,588.97	2,405.39	1,586.96	741.73
Distribution cost	(59.98)	(56.97)	(53.14)	(89.96)	(78.80)	(150.58)
Administrative expenses	(81.54)	(71.02)	(63.87)	(62.28)	(61.91)	(52.32)
Other income / (charges)	0.40	482.79	81.25	(24.21)	(37.86)	4.07
Operating profit	3,864.08	3,520.30	2,553.20	2,228.94	1,408.39	542.89
Finance cost	(17.47)	(56.32)	(155.18)	(170.28)	(328.02)	(357.92)
Exchange gain / (loss)	-	37.48	31.99	189.74	(156.03)	(113.15)
Profit before taxation	3,846.61	3,501.46	2,430.02	2,248.40	924.34	71.82
Taxation	(1,327.83)	(1,005.32)	(661.16)	(713.26)	(322.82)	48.83
Profit after taxation	2,518.78	2,496.14	1,768.86	1,535.14	601.52	120.65
Vertical analysis	%					
Net turnover	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	(57.24)	(62.4)	(67.74)	(68.22)	(75.54)	(85.93)
Gross profit	42.76	37.57	32.26	31.78	24.46	14.07
Distribution cost	(0.64)	(0.7)	(0.66)	(1.19)	(1.21)	(2.86)
Administrative expenses	(0.87)	5.7	(0.80)	(0.82)	(0.95)	(0.99)
Other income / (charges)	0.00	(0.8)	1.01	(0.32)	(0.58)	0.08
Operating profit	41.25	41.78	31.82	29.45	21.71	10.30
Finance cost	(0.19)	0.4	(1.93)	(2.25)	(5.06)	(6.79)
Exchange gain / (loss)	-	(0.7)	0.40	2.51	(2.41)	(2.15)
Profit before taxation	41.07	41.56	30.28	29.71	14.25	1.36
Taxation	(14.18)	(11.9)	(8.24)	(9.42)	(4.98)	0.93
Profit after taxation	26.89	29.63	22.04	20.28	9.27	2.29
Horizontal analysis						
Cumulative						
Net turnover	77.64	59.79	52.19	43.53	23.03	100.00
Cost of sales	18.32	16.09	19.97	13.95	8.14	100.00
Gross profit	439.98	326.78	249.05	224.30	113.96	100.00
Distribution cost	(60.15)	(62.17)	(64.71)	(40.26)	(47.67)	100.00
Administrative expenses	55.77	35.74	22.08	19.03	18.32	100.00
Other income / (charges)	(90.06)	11,776.70	1,898.77	(695.57)	(1,031.44)	100.00
Operating profit	611.76	548.43	370.30	310.57	159.42	100.00
Finance cost	(95.11)	(84.26)	(56.64)	(52.42)	(8.35)	100.00
Exchange gain / (loss)	(100.00)	(133.12)	(128.27)	(267.69)	37.89	100.00
Profit before taxation	5,255.60	4,775.05	3,283.30	3,030.43	1,186.95	100.00
Taxation	(2,819.45)	(2,158.99)	(1,454.11)	(1,560.81)	(761.17)	100.00
Profit after taxation	1,987.69	1,968.91	1,366.11	1,172.39	398.56	100.00
Year vs Year						
Net turnover	11.16	5.00	6.03	16.67	23.03	36.15
Cost of sales	1.92	(3.23)	5.28	5.36	8.14	14.60
Gross profit	26.53	22.27	7.63	51.57	113.96	815.94
Distribution cost	5.32	7.20	(40.93)	14.16	(47.67)	(5.20)
Administrative expenses	14.75	11.20	2.56	0.60	18.32	(33.63)
Other income / (charges)	(99.92)	494.20	(435.61)	(36.06)	(1,031.44)	(79.15)
Operating profit	9.77	37.88	14.55	58.26	159.42	81.47
Finance cost	(68.93)	(63.70)	(8.87)	(48.09)	(8.35)	(8.85)
Exchange gain / (loss)	(100.00)	17.16	(83.14)	(221.61)	37.89	(32.44)
Profit / (loss) before taxation	9.86	44.09	8.08	143.24	1,186.95	(91.64)
Taxation	32.08	52.05	(7.30)	120.94	(761.17)	(81.81)
Profit after taxation	0.91	41.12	15.22	155.21	398.56	(79.58)

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2016

Number of Shareholders	Shareholders From	Shareholders To	Total
1701	1	100	50,004
1805	101	500	465,887
1274	501	1,000	939,739
1251	1,001	5,000	2,726,913
226	5,001	10,000	1,698,784
89	10,001	15,000	1,115,505
35	15,001	20,000	646,926
31	20,001	25,000	744,571
25	25,001	30,000	704,791
19	30,001	35,000	637,225
19	35,001	40,000	724,542
7	40,001	45,000	305,664
14	45,001	50,000	681,664
2	50,001	55,000	109,000
14	55,001	60,000	824,791
4	60,001	65,000	253,000
8	65,001	70,000	544,908
5	70,001	75,000	370,834
8	75,001	80,000	622,090
6	80,001	85,000	496,993
3	85,001	90,000	266,626
6	90,001	95,000	555,667
13	95,001	100,000	1,295,000
5	100,001	105,000	510,605
2	105,001	110,000	215,284
3	115,001	120,000	352,752
3	120,001	125,000	372,250
2	125,001	130,000	254,271
1	130,001	135,000	132,300
4	140,001	145,000	567,500
5	145,001	150,000	744,000
3	150,001	155,000	458,500
2	155,001	160,000	316,150
1	160,001	165,000	161,000
1	165,001	170,000	168,500
1	170,001	175,000	175,000
1	190,001	195,000	192,000
4	195,001	200,000	799,077
1	200,001	205,000	203,500
1	210,001	215,000	211,682
4	220,001	225,000	894,472
1	225,001	230,000	230,000
1	230,001	235,000	233,500
1	235,001	240,000	238,500
2	240,001	245,000	486,435
1	250,001	255,000	253,500
2	275,001	280,000	555,469
1	285,001	290,000	286,755
1	290,001	295,000	293,000
1	295,001	300,000	300,000
1	305,001	310,000	306,683
1	320,001	325,000	322,353
1	340,001	345,000	344,000

Number of Shareholders	---- Shareholders ---- From	To	Total
2	345,001	350,000	700,000
1	350,001	355,000	351,000
1	365,001	370,000	367,225
1	375,001	380,000	377,500
2	395,001	400,000	800,000
1	405,001	410,000	410,000
1	415,001	420,000	417,500
2	425,001	430,000	859,444
1	450,001	455,000	453,500
2	500,001	505,000	1,002,001
1	520,001	525,000	520,500
1	535,001	540,000	535,500
1	570,001	575,000	574,000
1	575,001	580,000	578,000
1	600,001	605,000	603,500
1	610,001	615,000	614,000
1	615,001	620,000	619,500
1	630,001	635,000	633,000
1	635,001	640,000	636,500
1	695,001	700,000	700,000
1	805,001	810,000	809,382
1	830,001	835,000	833,500
1	950,001	955,000	954,000
1	980,001	985,000	983,000
1	1,045,001	1,050,000	1,046,000
2	1,095,001	1,100,000	2,198,500
1	1,145,001	1,150,000	1,145,500
1	1,175,001	1,180,000	1,180,000
1	1,200,001	1,205,000	1,204,400
1	1,265,001	1,270,000	1,267,242
1	1,305,001	1,310,000	1,309,000
1	1,315,001	1,320,000	1,318,000
1	1,325,001	1,330,000	1,327,000
1	1,495,001	1,500,000	1,500,000
1	1,690,001	1,695,000	1,693,485
1	1,715,001	1,720,000	1,719,552
1	1,755,001	1,760,000	1,757,500
1	2,000,001	2,005,000	2,005,000
1	2,005,001	2,010,000	2,007,956
1	2,610,001	2,615,000	2,614,544
1	2,750,001	2,755,000	2,753,000
1	2,935,001	2,940,000	2,936,500
2	2,995,001	3,000,000	6,000,000
1	3,275,001	3,280,000	3,278,000
1	3,995,001	4,000,000	4,000,000
1	4,645,001	4,650,000	4,649,500
1	5,115,001	5,120,000	5,119,000
1	6,790,001	6,795,000	6,793,000
1	7,955,001	7,960,000	7,959,707
1	8,810,001	8,815,000	8,810,500
1	106,860,001	106,865,000	106,863,193
6,680			**227,148,793**

CATEGORY OF SHAREHOLDING AND SHARES HELD

AS AT JUNE 30, 2016

	Shares Held	%
Directors, Chief Executive Officers, their spouse and minor children	104,819	0.0461
Associated Companies, undertakings and related parties	-	-
NIT and ICP	36,500	0.0161
Banks, DFIs and NBFIs	3,500,470	1.5410
Insurance Companies	14,560,300	6.4100
Modarabas and Mutual Funds	38,862,573	17.1089
Shareholders holding 10% or more	106,863,193	47.0455
General Public		
a. Local	22,432,741	9.8758
b. Foreign	51,040	0.0225
Others (to be specified)		
1- Leasing Companies	80,140	0.0353
2- Investment Companies	180,316	0.0794
3- Joint Stock Companies	18,975,824	8.3539
4- Pension Funds	1,781,757	0.7844
5- Foreign Companies	125,222,971	55.1282
6- Others	1,359,342	0.5984

OTHER INFORMATION
AS AT JUNE 30, 2016

		Shares Held	Percentage
Associated Companies, Undertakings and Related Parties		-	-
Mutual Funds (Name Wise Detail)			
1	CDC - TRUSTEE ABL STOCK FUND	377,500	0.1662
2	CDC - TRUSTEE AKD INDEX TRACKER FUND	26,500	0.0117
3	CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	2,614,544	1.1510
4	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1,098,500	0.4836
5	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	350,000	0.1541
6	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	2,007,956	0.8840
7	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	350,000	0.1541
8	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	417,500	0.1838
9	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	603,500	0.2657
10	CDC - TRUSTEE ALFALAH GHP STOCK FUND	453,500	0.1996
11	CDC - TRUSTEE ALFALAH GHP VALUE FUND	161,000	0.0709
12	CDC - TRSUTEE APF-EQUITY SUB FUND	57,500	0.0253
13	CDC - TRSUTEE APIF-EQUITY SUB FUND	85,000	0.0374
14	CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND	65,000	0.0286
15	CDC - TRUSTEE ASKARI EQUITY FUND	40,000	0.0176
16	CDC - TRUSTEE ASKARI HIGH YEILD SCHEME - MT	6,500	0.0029
17	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	109,000	0.0480
18	CDC - TRUSTEE ATLAS STOCK MARKET FUND	700,000	0.3082
19	CDC - TRUSTEE FAYSAL SAVING GROWTH FUND - MT	500	0.0002
20	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	19,000	0.0084
21	CDC - TRUSTEE FIRST HABIB STOCK FUND	22,500	0.0099
22	CDC - TRUSTEE HBL - STOCK FUND	1,180,000	0.5195
23	CDC - TRUSTEE HBL IPF EQUITY SUB FUND	46,500	0.0205
24	CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	93,500	0.0412
25	CDC - TRUSTEE HBL MULTI - ASSET FUND	230,000	0.1013
26	CDC - TRUSTEE HBL PF EQUITY SUB FUND	40,500	0.0178
27	CDC - TRUSTEE KSE MEEZAN INDEX FUND	132,300	0.0582
28	CDC - TRUSTEE LAKSON EQUITY FUND	1,267,242	0.5579
29	CDC - TRUSTEE LAKSON TACTICAL FUND	142,500	0.0627
30	CDC - TRUSTEE MCB PAKISTAN ISLAMIC STOCK FUND	351,000	0.1545
31	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	2,936,500	1.2928
32	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	30,000	0.0132
33	CDC - TRUSTEE MEEZAN BALANCED FUND	578,000	0.2545
34	CDC - TRUSTEE MEEZAN ISLAMIC FUND	8,810,500	3.8787
35	CDC - TRUSTEE NAFA INCOME OPPORTUNITY FUND -MT	33,500	0.0147
36	CDC - TRUSTEE NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND	154,000	0.0678
37	CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND	535,500	0.2357
38	CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - I	66,000	0.0291
39	CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II	83,500	0.0368
40	CDC - TRUSTEE NAFA ISLAMIC STOCK FUND	344,000	0.1514
41	CDC - TRUSTEE NAFA MULTI ASSET FUND	140,500	0.0619
42	CDC - TRUSTEE NAFA STOCK FUND	1,046,000	0.4605
43	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	429,444	0.1891
44	CDC - TRUSTEE NIT INCOME FUND - MT	36,500	0.0161
45	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	79,000	0.0348
46	CDC - TRUSTEE PICIC GROWTH FUND	4,649,500	2.0469
47	CDC - TRUSTEE PICIC INCOME FUND - MT	15,000	0.0066
48	CDC - TRUSTEE PICIC INVESTMENT FUND	2,753,000	1.2120
49	CDC - TRUSTEE PICIC ISLAMIC STOCK FUND	82,500	0.0363
50	CDC - TRUSTEE PICIC STOCK FUND	25,000	0.0110
51	CDC - TRUSTEE PIML STRATEGIC MULTI ASSET FUND	5,000	0.0022
52	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1,204,400	0.5302
53	CDC - TRUSTEE AL-AMEEN ISLAMIC RET, SAV. FUND-EQUITY SUB FUND	410,000	0.1805
54	CDC - TRUSTEE FIRST HABIB ISLAMIC BALANCED FUND	24,000	0.0106
55	CDC - TRUSTEE HBL ISLAMIC STOCK FUND	147,000	0.0647
56	CDC - TRUSTEE NAFA ASSET ALLOCATION FUND	192,000	0.0845
57	CDC - TRUSTEE NAFA SAVING PLUS FUND - MT	60,500	0.0266
58	CDC - TRUSTEE PAK. INT. ELEMENT ISLAMIC ASSET ALLOCATION FUND	238,500	0.1050
59	MCFSL - TRUSTEE ASKARI ISLAMIC ASSET ALLOCATION FUND	26,000	0.0114
60	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	520,500	0.2291
61	MSCFSL - TRUSTEE NAFA INCOME FUND - MT	147,000	0.0647

OTHER INFORMATION
AS AT JUNE 30, 2016

		Shares Held	Percentage
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	SYED MAZHAR IQBAL	0	0.0000
2	MR. MOHAMMAD AFTAB ALAM (CDC)	100	0.0000
3	MIRZA ALI HASSAN ASKARI (CDC)	100	0.0000
4	MR. SHAFIUDDIN GHANI KHAN (CDC)	100	0.0000
5	MR. ALY KHAN	1	0.0000
6	SHEIKH JAVED ELLAHI	35,178	0.0155
7	MR. JAMAL NASEEM (CDC)	50,000	0.0220
8	MR. RAFIQUE DAWOOD (CDC)	19,340	0.0085
Executives:		250	0.0001
Public Sector Companies & Corporations:		-	-
Banks, DFIs, NBFIs, Insurance Companies, Takaful, Modarabas and Pension Funds		19,933,354	8.7755%
Shareholders holding five percent or more voting intrest in the listed company			
1	VISION HOLDING MIDLE EAST LIMITED (CDC)	106,863,193	47.0455

	Sale	Purchase
Trades in PCL shares by directors, executives including their spouses and minor childern	-	-

STATEMENT OF COMPLIANCE
WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE
YEAR ENDED JUNE 30, 2016

This statement is being presented to comply with the Code of Corporate Governance (Code) contained in Listing Regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

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

   Independent Non-Executive Directors

   Mr. Rafique Dawood
   Mr. Jamal Nasim

   Non Executive Directors

   Mr. Shaffiuddin Ghani Khan
   Mr. Aly Khan
   Mr. Mohammad Aftab Alam
   Mirza Ali Hassan Askari

   Executive Directors

   Syed Mazher Iqbal
   Shaikh Javed Elahi

   The independent directors meet the criteria of independence under clause i(b) of the Code.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

3. All the resident directors of the Company are registered taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. A casual vacancy occurring on the board on October 12, 2015 and was filled up by the directors within 9 days.

5. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The Board has developed a vision/ mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive and non executive directors have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The directors are conversant with their duties and responsibilities. However, orientation courses are being arranged as per requirement of the Code.

10. There was no change in the position of Company Secretary and Chief Financial Officer of the Company. Head of Internal Audit resigned during the year and was reappointed subsequently.

11. The Directors’ Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an Audit Committee. It comprises two independent and three non-executive directors. Chairman of Audit Committee is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

17. The Board has formed an HR and Remuneration Committee. It comprises four members and three of them are non-executive directors.

18. The Board has set up an effective internal audit function, and who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company and they are involved in the internal audit function on full time basis.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and that they or any of the partners of the firm, their spouse 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 guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the Company's shares, was determined and intimated to directors, employees and stock exchanges.

22. Material/ price sensitive information has been disseminated among all market participants at once through stock exchanges.

23. We confirm that all other material principles enshrined in the Code have been complied with.

On behalf of the Board of Directors.

S. M. Iqbal

Syed Mazher Iqbal
CEO & MD

September 27, 2016
Lahore

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REVIEW REPORT TO THE MEMBERS

On Statement of Compliance with the Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of Pioneer Cement Limited (the Company) for the year ended June 30, 2016 to comply with the requirements of Rule 5.19 of the Rule Book of Pakistan Stock Exchange where the Company is listed.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2016.

CHARTERED ACCOUNTANTS
Engagement Partner: Imran Afzal
Lahore
Dated: September 27, 2016

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Pioneer Cement Limited ("the Company") as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a. in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b. in our opinion:

   i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   ii. the expenditure incurred during the year was for the purpose of the Company's business; and

   iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c. in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and

d. in our opinion, 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.

CHARTERED ACCOUNTANTS
Engagement Partner: Imran Afzal
Lahore
Dated: Spetember 27, 2016

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of Pioneer Cement Limited will be held at 135 Ferozepur Road, Lahore on Friday, October 28, 2016 at 11:00 a.m. to transact the following business:-

1. To confirm the minutes of the last Annual General Meeting held on October 29, 2015.

2. To receive, consider and adopt the audited accounts for the year ended June 30, 2016 and the reports of the directors and auditors thereon.

3. To appoint auditors for the year ending June 30, 2017 and to fix their remuneration as recommended by the Board.

4. To approve the final dividend of Rs.3.75 (i.e. 37.50%) per share as recommended by the Board of Directors and Rs.2.50 (i.e. 25%) per share interim dividend already announced and paid during the year, making a total dividend of Rs.6.25 (i.e. 62.50%) per share for the year ended June 30, 2016.

5. To transact any other business as may be placed before the meeting with the permission of the Chairman.

By Order of the Board

WAQAR NAEEM
Company Secretary

Lahore
September 27, 2016

NOTES

1. a. The share transfer books of the Company will remain closed from October 22, 2016 to October 28, 2016 (both days inclusive) for the purpose of holding AGM.

   b. The share transfer books of the Company will remain closed from November 11, 2016 to November 17, 2016 (both days inclusive) for entitlement of above dividend. Transfer received at the Company's Registrars office M/s. Corplink (Pvt) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore at the close of business on November 10, 2016 will be treated in time for the purpose of above entitlement to the transferees.

2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received by the Company at the registered office not less than 48 hours before the meeting.

   a. The shareholders through CDC are requested to bring original Computerized National Identity Card (CNIC)/Passport for the purpose of identification to attend the meeting.

   b. In case of corporate entity, the Board's Resolution or power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

3. Shareholders having physical share certificates are requested to immediately notify the change in address, if any.

4. Pursuant to the directive of the Securities and Exchange Commission of Pakistan (SECP), Dividend Warrants shall mandatorily bear the CNIC number of shareholders. All shareholders who have not yet submitted copy of their CNIC and NTN Certificate to the Company are requested to send the same at the earliest to Company's Registrars M/s. Corplink (Pvt.) Limited to mention the same on the dividend warrants. Shareholders who hold shares in Central Depository System are requested to send the valid copies of CNIC and NTN Certificates to their CDC Participants/CDC Investor Account Services.

   In case of non availability of a valid copy of the CNIC in the records of the Company, the Company will be constrained to withhold the dividend warrants which will be released by the Share Registrars only upon compliance with the SECP directives.

   According to clarification of FBR, withholding tax will be deducted separately on 'Filer' and 'Non-Filer' status of principal shareholder as well as joint holder(s) based on their shareholding proportions.

   In the light of above, kindly arrange to provide us shareholding proportions of yourself as principal shareholder and your joint holder(s) in respect of ordinary shares held, enabling us to compute withholding tax on each shareholder accordingly.

   Additionally, pursuant to the provisions of the Finance Act 2016 effective July 01, 2016, the rates of deduction of income tax from dividend payments under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:

a.	Rate of tax deduction for filer of income tax returns	12.50%
b.	Rate of income tax for non-filer of income tax returns	20.00%

   Where the required documents are not submitted, the Company will be constrained to treat the non-complying shareholders as a non-filer thereby attracting a higher rate of withholding tax.

Financial Statements
for the year ended June 30, 2016

BALANCE SHEET
AS AT JUNE 30, 2016

Rupees in thousand	Note	2016	2015
ASSETS			
Non current assets			
Fixed assets			
Property, plant and equipment	5	10,384,030	7,330,673
Investment property	6	68,910	67,410
Intangible assets	7	7,799	2,805
		10,460,739	7,400,888
Long term deposits	8	39,449	39,323
		10,500,188	7,440,211
Current assets			
Stores, spare parts and loose tools	9	922,941	1,093,169
Stock in trade	10	181,319	331,586
Trade debts - unsecured	11	108,481	61,125
Loans and advances	12	35,254	17,771
Trade deposits and short term prepayments	13	1,991	2,390
Other receivables	14	549	70,011
Short term investments	15	2,356,497	1,006,176
Cash and bank balances	16	660,479	2,091,913
		4,267,511	4,674,141
TOTAL ASSETS		14,767,699	12,114,352
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	17	3,500,000	3,500,000
Issued, subscribed and paid-up capital	18	2,271,489	2,271,489
Reserves		5,549,208	4,448,828
		7,820,697	6,720,317
Surplus on revaluation of fixed assets - net of tax	19	2,849,469	1,612,760
Non current liabilities			
Long term financing - secured	20	–	337,369
Deferred liabilities	21	2,341,138	1,759,859
Long term deposits		4,177	3,930
		2,345,315	2,101,158
Current liabilities			
Trade and other payables	22	939,277	843,291
Accrued interest / mark up	23	442	8,778
Short term borrowings - secured	24	644,597	621,174
Current portion of non current liabilities	25	–	37,218
Provision for taxation - net		71,316	77,690
Sales tax payable		96,586	91,966
		1,752,218	1,680,117
Total Liabilities		4,097,533	3,781,275
TOTAL EQUITY AND LIABILITIES		14,767,699	12,114,352

CONTINGENCIES AND COMMITMENTS 26

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive Officer

Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

Rupees in thousand	Note	2016	2015
Sales - net	27	9,366,533	8,425,768
Cost of sales	28	5,361,331	5,260,265
Gross profit		4,005,202	3,165,503
Distribution cost	29	59,982	56,969
Administrative expenses	30	81,545	71,023
Other income	31	(285,922)	(808,977)
Other operating expenses	32	285,518	326,189
		141,123	(354,796)
Operating profit		3,864,079	3,520,299
Finance cost	33	17,471	56,323
Exchange gain - net		–	(37,481)
		17,471	18,842
Profit before taxation		3,846,608	3,501,457
Taxation	34	1,327,830	1,005,322
Profit after taxation		2,518,778	2,496,135
Basic and diluted earnings per share (Rs.)	35	11.09	10.99

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

Rupees in thousand	2016	2015
Profit after taxation	2,518,778	2,496,135
Other comprehensive income:		
Items that may be reclassified to profit and loss account	–	–
Items that will not be reclassified to profit and loss account subsequently	–	–
Other comprehensive income for the year	–	–
Total comprehensive income for the year	2,518,778	2,496,135

The surplus arising on revaluation of fixed assets is presented under a separate head below equity in accordance with the requirements of Companies Ordinance 1984.

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

Rupees in thousand	Note	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	41	4,797,061	3,778,791
Income tax paid		(1,360,900)	(932,593)
Paid to Workers' Profit Participation Fund		(219,048)	(280,506)
Workers' Welfare Fund paid		(56,293)	–
Gratuity and compensated absences paid		(11,412)	(8,962)
		(1,647,653)	(1,222,061)
Net cash from operating activities		3,149,408	2,556,730
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(1,557,314)	(291,594)
Intangible assets acquired		(6,740)	(3,228)
Proceeds from disposal of fixed assets		4,815	6,758
Decrease in long term deposits - net		126	525
(Increase) / decrease in short term investments - net		(1,170,143)	744,665
Net cash (used in) / generated from investing activities		(2,729,256)	457,126
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term musharaka finance repaid		(374,587)	(300,000)
Decrease in long term loans - net		–	(580,999)
Increase in short term borrowing - secured - net		23,423	621,174
Finance cost paid		(25,808)	(505,109)
Dividend paid		(1,474,614)	(1,047,413)
Net cash used in financing activities		(1,851,586)	(1,812,347)
Net (decrease) / increase in cash and cash equivalents		(1,431,434)	1,201,509
Cash and cash equivalents at the beginning of the year		2,091,913	890,404
Cash and cash equivalents at the end of the year	16	660,479	2,091,913

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive Officer

Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

Rupees in thousand	Issued, subscribed and paid-up capital	Reserves: Capital – Share premium	Reserves: Revenue – Accumulated profit	Sub total	Total equity
Balance as at July 01, 2014	2,271,489	197,517	2,665,768	2,863,285	5,134,774
Final dividend for the year ended June 30, 2014	–	–	(454,298)	(454,298)	(454,298)
Interim dividend for the year ended June 30, 2015	–	–	(511,085)	(511,085)	(511,085)
Transactions with owners	–	–	(965,383)	(965,383)	(965,383)
Profit after taxation for the year	–	–	2,496,135	2,496,135	2,496,135
Other comprehensive income for the year	–	–	–	–	–
Total comprehensive income for the year	–	–	1,530,752	1,530,752	1,530,752
Surplus on revaluation of fixed assets realized-net	–	–	54,791	54,791	54,791
Balance as at June 30, 2015	2,271,489	197,517	4,251,311	4,448,828	6,720,317
Final dividend for the year ended June 30, 2015	–	–	(908,595)	(908,595)	(908,595)
Interim dividend for the year ended June 30, 2016	–	–	(567,872)	(567,872)	(567,872)
Transactions with owners	–	–	(1,476,467)	(1,476,467)	(1,476,467)
Profit after taxation for the year	–	–	2,518,778	2,518,778	2,518,778
Other comprehensive income for the year	–	–	–	–	–
Total comprehensive income for the year	–	–	1,042,311	1,042,311	1,042,311
Surplus on revaluation of fixed assets realized-net	–	–	58,069	58,069	58,069
Balance as at June 30, 2016	2,271,489	197,517	5,351,691	5,549,208	7,820,697

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive Officer

Director

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Pioneer Cement Limited (the Company) was incorporated in Pakistan as a public company limited by shares on February 09, 1986. Its shares are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacture and sale of cement. The registered office of the Company is situated at 135, Ferozepur Road, Lahore . The Company's production facility is situated at Chenki, District Khushab in Punjab Province.

1.2 The Company commenced its operations with an installed clinker production capacity of 2,000 tons per day. During 2005, the capacity was optimized to 2,350 tons clinker per day. In financial year 2006, another production line of 4,300 tons per day capacity was completed which started commercial operations from April 2006.

2 STATEMENT OF COMPLIANCE

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

3 BASIS OF PREPARATION

3.1 The financial statements have been prepared under the 'historical cost convention' except for freehold land, factory building, plant & machinery, coal firing system, investment property and short term investments which have been carried at revalued amounts / fair value as referred to in notes 4.4 & 4.10. These financial statements are presented in Pakistani Rupee which is the functional currency of the Company.

3.2 Significant accounting judgments, estimates and assumptions

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

a) recognition of taxation and deferred tax (note 4.17);
b) determining the residual values, useful lives and revalued amounts of property, plant and equipment (note 4.4);
c) post employment benefits (note 4.14);
d) impairment of inventories / adjustment of inventories to their net realizable value (note 4.8);
e) provision for doubtful debts / other receivables (note 4.9);
f) impairment of assets (note 4.24);
g) investment property (note 4.4.2); and
h) contingencies (note 26.1).

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Standards, amendments or interpretations that became effective during the year

The Company has adopted following new standards and amendments to published standards which became effective during the current year.

Standard			**Effective Date**
IFRS 10	–	Consolidated Financial Statements	01-Jan-15
IFRS 11	–	Joint Arrangements	01-Jan-15
IFRS 12	–	Disclosure of Interests in Other Entities	01-Jan-15
IFRS 13	–	Fair Value Measurement	01-Jan-15
IAS-28	–	Investments in Associates and Joint Ventures	01-Jan-15

The adoption of above amendments to IAS and IFRS did not have any significant effect on the financial statements.

4.2 Standards that are not yet effective

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

Standard			**Effective Date**
IFRS 2	–	Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	01-Jan-18
IFRS 10	–	Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)	01-Jan-16
IFRS 10	–	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11	–	Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01-Jan-16
IAS 1	–	Presentation of Financial Statements - Disclosure Initiative (Amendment)	01-Jan-16
IAS 7	–	Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	01-Jan-17
IAS 12	–	Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)	01-Jan-17
IAS 16	–	Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	01-Jan-16
IAS 16	–	Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	01-Jan-16
IAS 27	–	Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	01-Jan-16

The Company is in process of assessing impact of these standards and amendments to the published standards on the financial statements of the Company.

4.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP).

In addition to the above, following standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan;

Standard			Effective Date
IFRS 9	–	Financial Instruments: Classification and Measurement	January 1, 2018
IFRS 14	–	Regulatory Deferral Accounts	January 1, 2016
IFRS 15	–	Revenue from Contracts with Customers	January 1, 2018
IFRS 16	–	Leases	January 1, 2019

The Company is in process of assessing impact of these standards on the financial statements of the Company.

4.4 Property, plant and equipment

4.4.1 Operating fixed assets

Owned:

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for factory building, plant and machinery and coal firing system which are stated at revalued amount less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any, and freehold land is stated at revalued amount. Valuations are performed with sufficient frequency to ensure that fair value of a revalued asset does not differ materially from its carrying amount.

Depreciation is calculated at the rates specified in note 5.1 to these financial statements on straight line method except for plant and machinery and coal firing system on which depreciation is charged on the basis of units of production method. Depreciation on additions is charged from the month in which the asset is available for use and on disposal up to the preceding month of disposal. Assets' residual values and useful lives are reviewed and adjusted, if appropriate at each balance sheet date.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of an asset represented by the difference of the sale proceeds and the carrying amount of the asset is recognized in the profit and loss account.

Assets subject to finance lease:

These are stated initially at lower of present value of minimum lease payments under the lease agreements and the fair value of the assets acquired on lease. The outstanding obligations under the lease less finance charges allocated to future periods are shown as liability. Financial charges are calculated at the interest rate implicit in the lease and are charged to the profit and loss account. Depreciation is charged to profit and loss account applying the same basis as for owned assets.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized.

4.4.2 Investment Property

Property not held for own use or leased out under operating lease is classified as investment property. Investment properties are initially measured at cost, including transaction cost. Subsequent to initial recognition, investment properties are stated at fair value considering the effects of market conditions at reporting date. Gains or losses arising from change in fair value of properties are included in profit or loss in the year which they arise. Fair values are determined based on an annual evaluation performed by an independent valuer.

4.4.3 Capital work in progress

These are stated at cost less impairment loss, if any. It consists of expenditures incurred and advances paid to acquire fixed assets in the course of their construction and installation.

4.5 Leasehold improvements

Leasehold improvements are stated at capitalized cost less accumulated amortization and accumulated impairment losses, if any. These are amortized using the straight line method reflecting the pattern in which the economic benefits of the assets are consumed by the Company.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of an asset represented by the difference of the sale proceeds and the carrying amount of the asset is recognized in the profit and loss account.

4.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. These are amortized using the straight line method reflecting the pattern in which economic benefits of the asset are consumed by the Company.

4.7 Stores, spare parts and loose tools

These are valued at lower of weighted average cost and net realizable value. Cost comprises of invoice value and other direct costs. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

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

4.8 Stock in trade

These are stated at the lower of cost and net realizable value. The methods used for the calculation of cost are as follows:

i)	Raw and packing material	– at weighted average cost comprising of purchase price, transportation and other overheads.
ii)	Work in process and finished goods	– at weighted average cost comprising quarrying cost, transportation, government levies, direct cost of raw material, labour and other manufacturing overheads.

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

4.9 Trade debts and other receivables

Trade debts and other receivables are stated at original invoice amount less provision for doubtful debts, if any. Provision for doubtful debts / other receivables is recognized in profit and loss account, based on the management's assessment of counter party's credit worthiness. Trade debts and other receivables are written off when considered irrecoverable.

4.10 Short term investments - held for trading

Financial assets are classified as held for trading and included in the category financial assets at fair value through profit or loss and are acquired for the purpose of selling and purchasing in near term. These investments are initially recognized at cost being the fair value of the consideration given. Subsequent to initial recognition these are recognized at fair value unless fair value cannot be reliably measured. Any surplus and deficit on revaluation of investment is recognized in profit and loss account. All purchases and sales of investment are recognized on trade date, which is the date that the Company commits to purchase or sell the investments.

4.11 Cash and cash equivalent

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash at banks in current and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.12 Surplus on revaluation of fixed assets

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

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

4.13 Long term and short term borrowings

These are recorded at the proceeds received and stated at net of repayments. Financial charges are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of unpaid amounts.

4.14 Employees' benefits

Defined contribution plan

The Company operates an approved contributory provident fund for all its permanent employees and equal monthly contributions are made both by the Company and the employees at the rate of 10 percent of basic salary.

Defined benefit plan – contractual workers'

The Company operates unfunded gratuity scheme for its contractual workers'. The provision has been made to cover the maximum liability at the balance sheet date.

Compensated absences

All the permanent and contractual workers' are entitled for compensated absences plan. Accrual for compensated absences is made to the extent of the value of accrued absences of the employees at the balance sheet date using their current salary levels.

4.15 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services, whether billed or not.

4.16 Provisions

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

4.17 Taxation

Current:

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, tax losses, rebates and exemptions available, if any, or minimum taxation at the specified applicable rate for the turnover or Alternative Corporate Tax, whichever is higher and tax paid on final tax regime and super tax. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred:

Deferred income tax is provided using the balance sheet liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses and unused tax credits, if any, to the extent it is probable that future taxable profits will be available against which these can be utilized. The Company recognizes deferred tax liability on surplus on revaluation of fixed assets which is adjusted against the related surplus.

Deferred income tax assets and liabilities are measured at the tax rate that is expected to apply to the periods when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in proportion to the respective revenues.

4.18 Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When receivables and payables are stated with the amount including the sales tax; and
- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in that case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable;

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

4.19 Foreign currency translations

Transactions in foreign currencies are translated into Pakistani Rupee at the rates of exchange approximating those ruling on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into Pakistani Rupee at the rates of exchange ruling at the balance sheet date. Any resulting gain or loss arising from changes in exchange rates is taken to profit and loss account.

4.20 Financial instruments

All financial assets and liabilities are recognized at the time when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Financial liabilities are derecognized from the balance sheet when the obligation is extinguished, discharged, cancelled or expired.

Any gain / (loss) on the recognition and derecognition of the financial assets and liabilities is included in the profit and loss account for the year to which it arises.

4.21 Offsetting of financial assets and financial liabilities

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

4.22 Revenue recognition

- Revenue from sale is recognized when the significant risks and rewards of ownership of the goods have passed to the customers, which coincide with the dispatch of goods to customers.
- Return on bank deposits is recognized on time proportion basis using effective interest method.
- Scrap sales are recognized on physical delivery to customer.
- Rental income arising from investment property is accounted for on accrual basis over the lease period and is included in revenue due to its operating nature.
- Other revenues are accounted for on accrual basis.

4.23 Borrowing costs

Borrowing and other related costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets to the extent the carrying amount of the assets does not exceed its recoverable value, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

4.24 Impairment

At each balance sheet date, the carrying amount of assets is reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense in the profit and loss account. Recoverable amount is estimated as higher of fair value less cost to sell and value in use.

4.25 Dividend and appropriation reserves

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

4.26 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

4.27 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

Rupees in thousand		Note	2016	2015
5	PROPERTY, PLANT AND EQUIPMENT			
	Operating property, plant and equipment	5.1 & 5.1.1	8,852,173	7,269,621
	Capital work - in - progress	5.2	1,531,857	61,052
			10,384,030	7,330,673

5.1 Operating Property, Plant and Equipment

Rupees in thousand

		Cost / Revaluation						Depreciation					Written Down Value
	Note	As at July 01, 2015	Additions / transfers	Revaluation surplus	Disposals/ transfers	As at June 30, 2016	Rate %	As at July 01, 2015	Disposals / transfers	Revaluation surplus	For the year	As at June 30, 2016	As at June 30, 2016
Owned													
Freehold land	5.1.1	68,328	–	7,592	–	75,920	–	–	–	–	–	–	75,920
Factory building on freehold land	5.1.1	1,734,156	48,834*	572,973	–	2,355,963	5	1,068,541	–	244,477	53,394	1,366,412	989,551
Leasehold improvements		10,833	–	–	–	10,833	33.3	10,833	–	–	–	10,833	–
Roads and quarry development		56,008	–	–	–	56,008	20	56,008	–	–	–	56,008	–
Plant and machinery line I	5.1.1	4,225,864	17,028	1,345,971	(424)**	5,588,439	Units of production method	2,773,568	–	926,274	145,686	3,845,528	1,742,911
Plant and machinery line II	5.1.1	5,971,160	8,520	1,367,139	–	7,346,819	Units of production method	1,080,234	(11)	282,055	153,531	1,515,809	5,831,010
Coal firing system	5.1.1	289,743	–	91,936	–	381,679	Units of production method	169,470	–	56,316	8,015	233,801	147,878
Furniture and fixture		26,633	1,143	–	(58)	27,718	10	22,164	(53)	–	1,170	23,281	4,437
Office equipment		44,426	1,530	–	–	45,956	10	20,254	–	–	3,729	23,983	21,973
Computers and accessories		24,260	2,313	–	–	26,573	33	19,756	–	–	2,278	22,034	4,539
Vehicles		72,839	7,141	–	(5,629)	74,351	20	33,801	(5,629)	–	12,225	40,397	33,954
		12,524,250	86,509	3,385,611	(6,111)	15,990,259		5,254,629	(5,693)	1,509,122	380,028	7,138,086	8,852,173
Total - 2015-16		12,524,250	86,509	3,385,611	(6,111)	15,990,259		5,254,629	(5,693)	1,509,122	380,028	7,138,086	8,852,173

* Transferred from capital work in progress.

** These assets have been replaced and resultantly transferred to stores & spares at net realizable value.

Rupees in thousand

	Note	Cost / Revaluation					Rate	Depreciation					Written Down Value
		As at July 01, 2014	Additions / transfers	Revaluation surplus	Disposals / transfers	As at June 30, 2015	%	As at July 01, 2014	Disposals / transfers	Revaluation surplus	For the year	As at June 30, 2015	As at June 30, 2015
Owned													
Freehold land	5.1.1	68,328	-	-	-	68,328	-	-	-	-	-	-	68,328
Factory building on freehold land	5.1.1	1,830,295	-	-	(96,139)***	1,734,156	5	1,022,019	(27,196)***	-	73,718	1,068,541	665,615
Leasehold improvements		10,833	-	-	-	10,833	33.3	8,727	-	-	2,106	10,833	-
Roads and quarry development		56,008	-	-	-	56,008	20	56,008	-	-	-	56,008	-
Plant and machinery line I	5.1.1	4,217,360	8,504	-	-	4,225,864	Units of production method	2,663,652	-	-	109,916	2,773,568	1,452,296
Plant and machinery line II	5.1.1	5,615,776	53,927	-	(65,503)****	5,971,160	Units of production method	912,213	42,458**	-	138,368	1,080,234	4,890,926
			144,725*						(12,805)****	-			
			222,235**										
Coal firing system	5.1.1	289,743	-	-	-	289,743	Units of production method	162,608	-	-	6,862	169,470	120,273
Furniture and fixture		25,430	1,364	-	(161)	26,633	10	21,129	(148)	-	1,183	22,164	4,469
Office equipment		43,235	1,356	-	(165)	44,426	10	16,689	(73)	-	3,638	20,254	24,172
Computers and accessories		20,046	4,244	-	(30)	24,260	33	18,565	(30)	-	1,221	19,756	4,504
Vehicles		61,743	19,956	-	(8,860)	72,839	20	32,953	(8,860)	-	9,708	33,801	39,038
		12,238,797	89,351	-	(170,858)	12,524,250		4,914,563	(49,112)	-	346,720	5,254,629	7,269,621
			144,725*										
			222,235**										
Assets subject to finance lease													
Plant and machinery line II	5.1.1	222,235	-	-	(222,235)	-	Units of production method	40,619	(42,458)**	-	1,839	-	-
Total - 2014-15		12,461,032	89,351	-	(393,093)	12,524,250		4,955,182	(49,112)	-	348,559	5,254,629	7,269,621
			144,725*										
			222,235**						(42,458)**				

* Transferred from capital work-in-progress.

** Transferred from assets subject to finance lease.

*** This represents cost of raw material shed having book value of Rs.68.943 million, collapsed due to storm and had been adjusted against claim receivable from insurance company.

**** This represents assets amounting to Rs.52.698 million (WDV) which had been replaced and included in stores and spares at their net realizable value

5.1.1 Plant & Machinery and Coal firing system of the Company were first revalued in the financial year ended June 30, 2005 by M/s Sipra resulting in surplus of Rs. 968.173 million over its written down value of Rs. 3,032.848 million. The second revaluation, which also included freehold land and factory buildings in addition to the plant and machinery and coal firing system, was carried out in the financial year ended June 30, 2008, by Hamid Mukhtar & Company, representatives in Pakistan for GAB Robins Group, International Loss Adjusters on the basis of market values. This valuation created a surplus of Rs. 2,240.714 million over its written down value of Rs. 7,156.572 million. During the year ended 30 June 2012, third revaluation of freehold land, factory building and plant & machinery has been carried out by M/s Surval (PBA approved valuer). This resulted in a reduction in revaluation surplus amounting to Rs. 162.539 million over the written down value of Rs. 8,243.393 million. Fourth revaluation of freehold land, factory building, plant & machinery and coal firing system has been conducted during the year ended June 30,2016 by Hamid Mukhtar & Company creating revaluation surplus of Rs. 1,876 million over net book value of these assets amounting to Rs. 6,862 million.

5.1.2 Had there been no revaluation, written down values of such assets would have been as follows:

Rupees in thousand	2016		2015
	Cost	Net book value	Net book value
Freehold land	31,411	31,411	31,411
Factory building	1,317,226	359,076	340,347
Plant and machinery - line I	4,224,362	1,533,058	1,661,494
Plant and machinery - line II including leased items	3,511,494	2,714,608	2,796,265
Coal firing system	357,802	176,911	186,808
	9,442,295	4,815,064	5,016,325

5.1.3 Depreciation for the year has been allocated as follows:

Rupees in thousand	Note	2016	2015
Cost of sales	28	373,624	340,159
Distribution cost	29	2,444	2,653
Administrative expenses	30	3,960	5,747
		380,028	348,559

5.1.4 The cost of operating fixed assets includes fully depreciated assets amounting to Rs. 788.552 million (2015: Rs. 122.155 million).

5.1.5 The following assets were disposed off during the year:

Rupees in thousand

Particulars	Cost	Accumulated deprecation	Written down value	Sale proceeds	Gain	Disposal mode	Particulars of buyer
Aggregate amount of assets disposed off having book value less than Rs 50,000/- each	5,687	5,682	5	4,815	4,810	Negotiations & Company's Policy	Various
2016	5,687	5,682	5	4,815	4,810		
2015	9,216	9,111	105	6,758	6,653		

Rupees in thousand		2016	2015
5.2	**Capital work in progress**		
	Opening balance as at July 01	61,052	3,533
	Additions during the year	1,519,639	202,244
	Transferred to operating fixed assets	(48,834)	(144,725)
	Closing balance	1,531,857	61,052
	Represented by:		
	Waste Heat Recovery Power Plant	1,308,289	772
	Other plant and machinery items	7,155	6,640
	Factory buildings under construction	44,571	8,430
	Office premises under construction	171,842	45,210
	Closing balance	1,531,857	61,052

6 INVESTMENT PROPERTY

		2016	2015
	Book value	5,425	3,980
	Surplus on revaluation	61,985	61,985
	Carrying amount as on 01 July	67,410	65,965
	Fair value adjustment during the year	1,500	1,445
		68,910	67,410

6.1 The property was reclassified from owner-occupied property to investment property during financial year 2013 and comprises of an office building in Karachi leased out under operating lease agreement.

6.2 Investment property is stated at fair value, which has been determined based on valuations performed by M/s Surval, as at June 30, 2016.

6.3 Net profit arising from investment property amounts to Rs.4.073 million (2015: Rs. 3.943 million). Breakup is given below:

Rupees in thousand	2016	2015
Rental income	5,627	5,373
Operating expenses	(1,554)	(1,430)
Net profit	4,073	3,943

7. INTANGIBLE ASSETS

Rupees in thousand	Cost				Accumulated Amortisation			
	As at July 01	Additions	As at June 30	Rate of amortization	As at July 01	for the year	As at June 30	Written down value as at June 30
Computer softwares	4,326	6,740	11,066	20 - 33.3	1,521	1,746	3,267	7,799
Total- 2015-16	4,326	6,740	11,066		1,521	1,746	3,267	7,799
Computer softwares	1,098	3,228	4,326	20 - 33.3	769	752	1,521	2,805
Total- 2014-15	1,098	3,228	4,326		769	752	1,521	2,805

Rupees in thousand		Note	2016	2015
7.1	The amortization charge for the year has been allocated as follows:			
	Cost of sales	28	873	–
	Distribution cost	29	436	376
	Administrative expenses	30	437	376
			1,746	752
8	LONG TERM DEPOSITS			
	Security deposits - considered good			
	- Utilities		35,741	35,741
	- Others		3,708	3,582
			39,449	39,323

8.1 These are non-interest bearing and cover terms of more than one year.

9	STORES, SPARE PARTS AND LOOSE TOOLS			
	Stores		292,523	671,844
	Spare parts		431,961	445,585
	Loose tools		6,737	6,745
			731,221	1,124,174
	Spare parts in transit		235,653	12,928
			966,874	1,137,102
	Less : Provision for slow moving stores and spare parts		(43,933)	(43,933)
			922,941	1,093,169

9.1 Stores and spares include items which can be capitalized but are not distinguishable from other stores and spares.

Rupees in thousand		Note	2016	2015
10	STOCK IN TRADE			
	Raw material	28.1	24,200	25,341
	Packing material		45,945	39,480
	Work in process	28	92,788	202,999
	Finished goods	28	18,386	63,766
			181,319	331,586
11	TRADE DEBTS - unsecured			
	Considered good	11.1	108,481	61,125
	Considered doubtful	11.2	13,175	13,175
			121,656	74,300
	Less: Provision for bad and doubtful debts	11.3	(13,175)	(13,175)
			108,481	61,125

11.1 As at June 30, 2016 the aging of trade debts is as follows.

Rupees in thousand	Total	Neither past due nor impaired	Past due but not impaired					Past due and impaired
			Less than 30 days	30 - 90 days	90 - 180 days	180 - 365 days	1 to 2 years	More than 2 years
2016	121,656	–	103,940	1,101	564	2,350	526	13,175
2015	74,300	–	60,566	92	296	–	171	13,175

Rupees in thousand		Note	2016	2015
11.2	**Age analysis of impaired trade debts**			
	Not past due		–	–
	Past due 0 - 365 days		–	–
	1 - 2 years		–	–
	More than 2 years		13,175	13,175
			13,175	13,175
11.3	**Provision for bad and doubtful debts**			
	Opening balance		13,175	12,948
	Provision for the year		–	227
	Closing balance		13,175	13,175
12	LOANS AND ADVANCES			
	Advances - unsecured & considered good			
	Employees		2,330	2,050
	Bank's margin against letter of credit		5,041	1,966
	Suppliers		19,750	4,030
	Contractors		5,121	636
	Service providers		3,012	9,089
			35,254	17,771

12.1 These are non interest bearing and are generally for a term of less than 12 months.

		Note	2016	2015
13	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
	Trade deposits		9	9
	Short term prepayments		1,982	2,381
			1,991	2,390
14	OTHER RECEIVABLES			
	Receivable from WAPDA	14.1	19,381	19,381
	Due from provident fund		–	17
	Profit on bank deposits		–	1,019
	Others	14.2	3,522	71,947
			22,903	92,364
	Less: Provision for doubtful receivables	14.1	(22,354)	(22,353)
			549	70,011

14.1 This represents rebate claim under incentive package for industries from Water and Power Development Authority (WAPDA) in accordance with their letter no. 677-97 / GMCS / DG (C) / DD (R&CP) / 57000 dated September 19, 2001. The Company is actively pursuing for above recovery. However, provision of full amount has already been made in the financial statements.

14.2 This include insurance claim amounting to Rs. Nil (June 2015: Rs. 68.943 million) as referred in note 5.1.

Rupees in thousand	2016	2015
15 SHORT TERM INVESTMENTS		
Held for trading:		
ABL Government Securities Fund -		
Units 116,216,941 (June 30, 2015: 100,292,611)	1,167,097	1,006,176
UBL Government Securities Fund -		
Units 8,329,120 (June 30, 2015: Nil)	878,557	–
Meezan Islamic Income Fund -		
Units 4,437,445 (June 30, 2015: Nil)	227,552	–
Meezan Sovereign Fund -		
Units 1,639,588 (June 30, 2015: Nil)	83,291	–
	2,356,497	1,006,176

15.1 The fair value of these investments is determined using their respective redemption Net Assets Value at the reporting date.

Rupees in thousand	Note	2016	2015
16 CASH AND BANK BALANCES			
Cash in hand		3,708	697
Cheques in hand	16.1	278,286	196,358
		281,994	197,055
Balance with banks in:			
- Deposit accounts	16.2	324,601	1,858,899
- Current accounts		53,884	35,959
		378,485	1,894,858
	16.3	660,479	2,091,913

16.1 This represents sales collection in process.

16.2 These carry profits at rates ranging from 4.00 % to 6.25% (2015: 3.97% to 9.75%) per annum.

16.3 Out of this, an aggregate amount of Rs. 30 million (2015: Rs. 921 million) has been deposited with Shariah compliant islamic banks.

17. AUTHORIZED SHARE CAPITAL

2016	2015		2016	2015
No. of shares in '000			Rupees in thousand	
300,000	300,000	Ordinary shares of Rs.10/- each	3,000,000	3,000,000
50,000	50,000	Preference shares of Rs.10/- each	500,000	500,000
350,000	350,000		3,500,000	3,500,000

18. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2016	2015		2016	2015
184,464	184,464	Issued for cash ordinary shares of Rs. 10/- each	1,844,642	1,844,642
27,617	27,617	Issued for consideration other than cash: Ordinary shares of Rs. 10/- each	276,165	276,165
15,068	15,068	Issued as fully paid bonus shares Ordinary shares of Rs. 10/- each	150,682	150,682
227,149	227,149		2,271,489	2,271,489

18.1 Vision Holding Middle East Limited (VHMEL) a company incorporated in British Virgin Island, held 106.863 million (2015: 106.863 million) ordinary shares of Rs. 10 each as on June 30, 2016 comprising 47% of paid up share capital.

Rupees in thousand	Note	2016	2015
19 SURPLUS ON REVALUATION OF FIXED ASSETS - net of tax			
Gross surplus			
Opening balance of surplus on revaluation of fixed assets		2,292,283	2,374,061
Surplus on revaluation carried out during the year		1,876,489	–
Transferred to un-appropriated profit in respect of incremental depreciation charged during the year		(85,395)	(81,778)
	19.1	4,083,377	2,292,283
Less: Deferred tax liability on:			
Opening balance of revaluation		679,523	706,510
Increase on surplus revaluation carried out during the year		581,711	–
Incremental depreciation charge on related assets		(27,326)	(26,987)
		1,233,908	679,523
Closing balance of surplus on revaluation of fixed assets		2,849,469	1,612,760

19.1 This includes surplus on revaluation of freehold land amounting to Rs. 44.509 million (2015: Rs. 36.917 million).

Rupees in thousand		Note	2016	2015
20	LONG TERM FINANCING - secured			
	Meezan Bank Limited	20.1	–	374,587
	Less: Current portion	25	–	(37,218)
			–	337,369

20.1 The Company obtained a Sukuk Bai Muajjal facility of Rs. 900 million during the year 2013 from Meezan Bank Limited (MBL) for settlement of various loans of National Bank of Pakistan (NBP) at a pricing of 3 months KIBOR plus 0.25% for a tenure of 5 months. This facility was converted into Diminishing Musharakah after expiry of 5 months at the same price. This facility was payable within 4.5 years in quarterly installments. The converted facility was secured against mark of lien over bank deposits/ investment in Al Meezan Investment Management Limited inclusive of 5% margin . During the year, this facility has been fully paid off.

Rupees in thousand		Note	2016	2015
21	DEFERRED LIABILITIES			
	Deferred tax liability	21.1	2,248,880	1,679,779
	Gratuity - vested contractual employees	21.2	92,258	80,080
			2,341,138	1,759,859

			2016	2015
21.1	**Deferred tax liability**			
	Credit balance arising due to:			
	- accelerated tax depreciation		1,103,046	1,098,935
	- surplus on revaluation of fixed assets		1,233,908	679,523
			2,336,954	1,778,458
	Debit balance arising due to:			
	- employees benefits and others		(88,074)	(98,679)
			2,248,880	1,679,779

21.2 **Defined benefits plan: Gratuity**

The provision for gratuity payable has also been estimated on the basis of actuarial valuation carried out using Project Unit Credit Method based on below given actuarial assumptions. The present value of defined benefit obligation as per actuarial valuation method does not differ materially from carrying amount of the liability estimated using the policy stated in note 4.14. The principal assumptions used in this valuation are as under:

	2016	2015
Discount rate	7.25%	9.75%
Expected rate of salary increase	6.25%	8.75%
Mortality rates	SLIC 2001-2005	
	Setback 1 year	
Retirement age assumptions	60 years	60 years

Rupees in thousand	Note	2016	2015
22 TRADE AND OTHER PAYABLES			
Creditors	22.1	140,477	105,019
Accrued expenses		445,705	380,664
Advances from customers		88,769	68,571
Deposits		17,159	13,694
Retention money		10,131	318
Excise duty on cement		61,707	47,046
Royalty and excise duty		7,562	6,465
Withholding tax		5,731	2,224
Employees' compensated absences	22.2	17,817	18,762
Workers' profit participation fund	22.3	25,583	38,048
Workers' welfare fund	22.4	78,502	121,050
Unclaimed dividend		40,019	38,166
Others		115	3,264
		939,277	843,291

22.1 These are non-interest bearing and generally have 30 to 90 days of payment terms.

22.2 Employees' compensated absences

	2016	2015
Opening balance	18,762	17,906
Charge for the year	4,055	3,522
	22,817	21,428
Payments made during the year	(5,000)	(2,666)
Closing balance	17,817	18,762

22.3 Workers' profit participation fund

	2016	2015
Opening balance	38,048	130,506
Charge for the year	206,583	188,048
	244,631	318,554
Payments made during the year	(219,048)	(280,506)
Closing balance	25,583	38,048

22.4 The Company has made provision amounting to Rs. 78.502 million (2015: Rs. 71.45 million) during the year.

Rupees in thousand	2016	2015
23 ACCRUED INTEREST/ MARKUP		
Long term financing	–	7,705
Short term borrowing	442	1,073
	442	8,778

Rupees in thousand	Note	2016	2015
24 SHORT TERM BORROWINGS - secured			
Allied Bank Limited	24.1	–	621,174
Meezan Bank Limited	24.2	644,597	–
		644,597	621,174

24.1 The Company has obtained short term cash finance/Money market loan/Finance against imported merchandise and other sub limits from Allied Bank Limited amounting Rs.1,000 million in aggregate (2015: Rs.1,000 million). This facility carries markup at the rate 3 months KIBOR + 0.25% per annum payable to the Bank on quarterly basis, while markup in respect of money market loan transaction would be advisable at the time of transaction. The facility is secured by lien on Company's investment in Government Securities Fund of ABL Asset Management Company with 10% margin.

24.2 Represents Running Musharka/Murabaha/LC sight facility and other sub limits upto Rs. 550 million in aggregate (2015: Rs. 550 million) obtained from Meezan Bank Limited. The facility carries profit rate of 0.25 percent plus 3 months KIBOR on the basis of Meezan Bank's average Musharka investment determined at the time of disbursement and is payable on quarterly basis. The facility is secured against first charge over current assets of the Company with margin of 15 percent. This renewable facility will expire on December 31, 2016.

24.3 During the year, Diminishing Musharah/ Ijarah facility upto Rs. 900 million (2015: Rs. Nil) has been obtained from Meezan Bank Limited for the purpose to finance / retire import bill for installation of waste heat recovery power plant. The facility is secured against exclusive charge over plant & machinery (waste heat recovery power plant). The facility will expire on December 31, 2016. The facility has not been utilized by the Company during the year.

25 CURRENT PORTION OF NON CURRENT LIABILITIES

This represents current portion of long term loans and financing.

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 The issue pertaining to interpretation of sub-section (2) of section 4 of the Central Excise Act, 1944 (the "1944 Act") has been adjudicated by the Honourable Supreme Court of Pakistan vide judgment dated 15-02-2007 (the "Supreme Court Judgment") in appeal nos. 1388 and 1389 of 2002, 410 to 418 of 2005, 266, 267 & 395 of 2005 (the "Appeal"). By way of background it is pointed out that the controversy between the department and the assesses pertained to whether in view of the words of sub-section (2) of section 4 of the 1944 Act "duty shall be charged on the retail price fixed by the manufacturer, inclusive of all charges and taxes, other than sales tax..." retail prices would include the excise duty leviable on the goods. The Honourable Lahore High Court as well as the Honourable Peshawar High Court held that excise duty shall not be included as a component for determination of the value (retail price) for levying excise duty (the "Judgments"). The department being aggrieved of the judgments impugned the same before the Supreme Court of Pakistan vide the Appeals, in pursuance whereof leave was granted to determine in the aforesaid issue. The Honourable Supreme Court of Pakistan vide the Supreme Court Judgment upheld the Judgments and the Appeals filed by the department were dismissed. In the Supreme Court Judgment it has been categorically held that excise duty is not to be included as a component for determination of the value (retail price) for levying excise duty under sub-section (2) of section 4 of the 1944 Act.

In view of the above, during the year ended June 30, 2008, the Company had filed a refund claim amounting to a sum of Rs.734.056 million before Collector, sales tax and federal excise duty, Government of Pakistan (the Department). During the year ended June 30, 2010, the aforesaid refund claim has been rejected by the Department, however, the Company has filed an appeal before Commissioner (Appeals) Inland Revenue, Lahore which has been decided in favour of the Company. Later on, tax department filed an appeal to the Appellate Tribunal Inland Revenue where case has also been decided in favour of the Company. However, same will be accounted for at the time of it's realization.

26.1.2 Demands of sales tax including additional tax and penalty on lime stone and clay amounting to Rs.4.518 million and Rs.8.292 million were raised by the Sales Tax Department. The case for Rs.4.518 million is pending in the Honourable Lahore High Court and case for Rs.8.292 million is decided by the Collector of Sales Tax (Appeal) on February 03, 2007 partially reducing the value of sales tax amount from Rs.8.292 million to Rs.2.8 million. The Company had deposited Rs.2.2 million and filed an appeal against the order of Collector Sales Tax (Appeal) in Sales Tax Tribunal, Lahore. The hearing of the case is yet to be fixed. The management anticipates a favourable outcome of this petition, hence, no provision has been made against the above demands in these financial statements.

26.1.3 The Commissioner Social Security raised a demand of Rs. 0.7 million for non-payment of social security during the year 1994. An appeal was filed against above mentioned decision and the case is pending in the Labour Court, Lahore. The management anticipates a favourable outcome of this petition, hence, no provision has been made in these financial statements.

26.1.4 The Company has challenged in the Honourable Lahore High Court, the applicability of the marking fee on the production of the cement at the rate of 0.15 percent as levied by The Pakistan Standards and Quality Control Act, 1996 on the grounds that this fee is charged without any nexus with services, in fact shows that it is being charged as a tax and thus is in violation of the rights guaranteed under Articles 4, 18, 25 and 77 of the Constitution of Pakistan, 1973. However, the Company on prudence grounds provided for the above fee in these financial statements. The management anticipates a favourable outcome of this petition.

26.1.5 On August 31, 2009, the Competition Commission of Pakistan (CCP) imposed a penalty on the Company via an order dated August 27, 2009 amounting to Rs.364 million, which is 7.5 percent of the turnover as reported in the last published financial statements as of June 30, 2009. CCP has also imposed penalties on 19 other cement manufacturing companies against alleged cartelization by cement manufacturers under the platform of All Pakistan Cement Manufacturers Association (APCMA) to increase cement prices by artificially restricting production.

The penalized cement companies jointly filed a petition in the Honourable Lahore High Court challenging the imposition of penalties by the CCP and any adverse action against the cement companies has been stayed by the Honourable Lahore High Court. The management of the Company is expecting a favourable outcome. Hence, no provision has been made against the above demand in these financial statements.

26.1.6 The Company has not acknowledged accumulated liability of Rs. 108.006 million (2015; Rs. 57.336 million) of Workers' Welfare Fund in the light of the decision of Honourable High Court Lahore dated August 24, 2011 whereby the Honourable High Court Lahore has struck down amendments regarding Workers Welfare Fund Ordinance, 1971 through Finance Act 2006 and 2008 as being unconstitutional. However, the department has filed an appeal against the decision, which is still pending for adjudication and management of the Company is confident of favorable outcome.

26.1.7 The income tax assessments of the Company have been finalized up to and including tax year 2012. While finalizing income tax assessments up to tax year 2012, income tax authorities made certain add backs / disallowances with aggregate impact of Rs. 2,132.986 million creating a demand of Rs. 46.474 million. As a result of appeals filed by the Company before different appellate authorities, most of such add backs have been deleted and demands have been reduced accordingly. However, the Company and Tax Department are currently in appeals before different higher appellate forums against un-favourable decisions. Provision relating to add-backs / disallowance of Rs.1,479.487 million along with demand of Rs. 36.575 million has not been made by the Company in these financial statements as the management is confident of favourable outcomes of such appeals.

26.1.8 The Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice u/s 205(1B) of Income Tax Ordinance, 2001 (ITO, 2001) to the Company showing intention to impose default surcharge for short payment of advance income tax liability for tax year 2015. Writ petition was filed in Lahore High Court on May 30, 2016 against issuance of show cause notice. The Honourable Court disposed off writ petition with the direction that the officer issuing the notice shall proceed to finalize the assessment after taking into account the stance of the petitioner with regard to the Alternate Corporate Tax and applicable rate for the tax year in question within a period of one month of receipt of order. However, assessment has not been finalized yet. The management is confident that assessment would be made in favor of the Company and accordingly no provision has been made in these financial statements.

26.1.9 The Company has filed writ petition before the Lahore High Court on the issue of chargeability of Alternative Corporate Tax (ACT) for the Tax Year 2014. The learned Judge allowed filing of return without payment of ACT on submission of post dated cheque amounting to Rs. 113.724 million with the Commissioner Inland Revenue (to the extent of ACT). The case is still pending in the Honourable Lahore High Court. However, related provision has already been made during 2014 which has already been adjusted against tax liability for year June 30, 2015.

26.1.10 The Company was selected for Tax Audit u/s 177 and 214C of the Income Tax Ordinance, 2001 (the Ordinance) by FBR for audit of the Income Tax affairs for the Tax Year 2014 and tax audit u/s 72B of Sales Tax Act, 1990 for tax year 2014. The said selections had been challenged by the Company in Honorable Lahore High Court. The Honorable Court issued directions to the Department to continue audit proceedings without issuing notices u/s 122(9) of the Ordinance and u/s 11 of the Act. Management expects favorable outcome of petition filed.

26.1.11 Commissioner Inland Revenue passed an order that during the tax period 2008-2009, its supplier namely M/s Al-Noor General Order Supplier allegedly did not deposit the tax paid by it on the supplies and therefore, the Company was not entitled to claim input tax in its monthly sales tax returns and a demand of Rs. 9.064 million was created. During the year, Appellate Tribunal Inland Revenue Lahore decided against the Company. The Company has filed an appeal against the said order in Lahore High Court. The matter is still pending in Lahore High Court. The Management is confident that the outcome of this appeal will be in favour of the Company.

26.1.12 During the year ended June 30, 2013, one of the shareholders filed a suit in the Honourable High Court of Sindh against parties involved in public announcement dated May 22, 2012 pursuant to Listed Companies (Substantial Acquisition of Voting Shares and Take-Overs) Ordinance 2002 including Company and it's CEO, raising objections on legality of the transaction. The management considers that the shares transfer was valid and in accordance with the requirements of the applicable laws and regulations. The case is not fixed for hearing.

26.2 Commitments

26.2.1 Commitments in respect of outstanding letters of credit amount to Rs.79.074 million (2015: Rs.15.926 million).

26.2.2 Cheque amounting to Rs. 113.724 million has been issued to Commissioner Inland Revenue as a collateral against Company's petition pertaining to chargeability of Alternative Corporate Tax as discussed in detail in note 26.1.9.

26.2.3 Contracts for capital expenditure amounts to Rs. 315.138 million (2015: Rs. 966.15 million).

Rupees in thousand		Note	2016	2015
27	SALES - net			
	Local		11,682,046	10,271,542
	Export		233,795	343,418
			11,915,841	10,614,960
	Less:			
	Sales Tax		1,885,160	1,655,683
	Federal Excise duty		588,701	463,806
	Commission		75,447	69,703
			2,549,308	2,189,192
			9,366,533	8,425,768
28	COST OF SALES			
	Raw material consumed	28.1	419,456	367,848
	Packing material consumed		569,322	521,156
	Fuel and power		3,204,094	3,173,365
	Stores and spare parts consumed		178,949	161,357
	Salaries, wages and benefits	28.2	339,500	289,807
	Travelling and conveyance		21,848	23,872
	Insurance		7,654	7,594
	Repairs and maintenance		66,978	37,211
	Depreciation	5.1.3	373,624	340,159
	Amortization of intangible assets	7.1	873	–
	Other manufacturing expenses		23,442	18,004
	Total manufacturing cost		5,205,740	4,940,373
	Work in process			
	Opening balance		202,999	513,380
	Closing balance	10	(92,788)	(202,999)
			110,211	310,381
	Cost of goods manufactured		5,315,951	5,250,754
	Finished goods			
	Opening balance		63,766	73,277
	Closing balance	10	(18,386)	(63,766)
			45,380	9,511
			5,361,331	5,260,265
28.1	**Raw material consumed**			
	Opening balance		25,341	33,696
	Quarrying / transportation / purchases and other overheads		419,096	363,251
			444,437	396,947
	Closing balance	10	(24,200)	(25,341)
			420,237	371,606
	Duty drawback on exports		(781)	(3,758)
			419,456	367,848

Rupees in thousand		Note	2016	2015
28.2	Includes employees' post employment benefits as follows:			
	Defined contribution plan		5,199	4,592
	Gratuity - vested contractual employees		18,587	17,323
	Compensated absences		2,734	1,824
			26,520	23,739

29	DISTRIBUTION COST			
	Salaries, wages and benefits	29.1	32,521	34,680
	Travelling and conveyance		568	553
	Vehicle running expenses		1,683	2,066
	Communication		1,701	1,412
	Printing and stationery		1,524	1,067
	Rent, rates and taxes		4,957	3,508
	Utilities		2,149	2,107
	Repairs and maintenance		1,255	797
	Legal and professional charges		1,478	744
	Insurance		301	354
	Fee and subscription		701	804
	Advertisements / sales promotion		2,257	2,040
	Freight and handling charges	29.2	4,297	2,385
	Entertainment		1,710	1,423
	Depreciation	5.1.3	2,444	2,653
	Amortization	7.1	436	376
			59,982	56,969

29.1	Includes employees' post employment benefits as follows:			
	Defined contribution plan		1,204	1,274
	Compensated absences		–	1,145
			1,204	2,419

29.2 It represents freight and handling charges against export sales

30	ADMINISTRATIVE EXPENSES			
	Salaries, wages and benefits	30.1	56,732	44,361
	Travelling and conveyance		1,399	1,029
	Vehicle running expenses		1,835	2,091
	Communication		1,467	1,318
	Printing and stationery		1,853	2,499
	Rent, rates and taxes		4,231	3,089
	Utilities		18	23
	Repairs and maintenance		1,996	1,831
	Legal and professional charges		976	1,064
	Insurance		380	322
	Auditors' remuneration	30.2	2,894	4,775
	Fee and subscription		3,049	2,071
	Depreciation	5.1.3	3,960	5,747
	Amortization	7.1	437	376
	Entertainment		207	285
	Others		111	142
			81,545	71,023

Rupees in thousand		Note	2016	2015
30.1	Includes employees' post employment benefits as follows:			
	Defined contribution plan		1,973	1,507
	Compensated absences		1,780	552
			3,753	2,059
30.2	**Auditors' remuneration**			
	Annual audit fee		1,000	1,000
	Fee for half yearly review		400	400
	Special certifications and other advisory services		65	160
	Taxation services		1,134	2,920
	Out of pocket expenses		295	295
			2,894	4,775
31	OTHER INCOME			
	Income from financial assets			
	Profit on bank deposits		37,303	43,373
	Income on mutual funds			
	Dividend income		73,900	–
	Remeasurement gain on investments held for trading		100,733	2,738
	Gain on disposal of short term investments		5,545	166,320
			180,178	169,058
	Liabilities written back		52,642	566,597
			270,123	779,028
	Income from non financial assets			
	Scrap sales		2,512	15,153
	Gain on disposal of fixed assets	5.1.5	4,810	6,653
	Fair value gain on investment property	6	1,500	1,445
	Rental income	6.3	6,679	5,373
	Others		298	1,325
			15,799	29,949
			285,922	808,977
32	OTHER OPERATING EXPENSES			
	Workers' profit participation fund		206,583	188,048
	Workers' Welfare Fund		78,502	71,458
	Donation	32.1	433	15,758
	Loss on replacement of assets	5.1	–	50,698
	Others		–	227
			285,518	326,189

32.1 None of the directors were interested in the donee institutions.

			2016	2015
33	FINANCE COST			
	Profit on musharaka finance		12,403	50,251
	Mark-up on:			
	Short-term borrowings		1,265	2,383
	Fee, charges and commission			
	Guarantee Commission		–	136
	Bank charges		3,803	3,553
			3,803	3,689
			17,471	56,323

Rupees in thousand		2016	2015
34	**TAXATION**		
	Current	1,340,440	783,340
	Deferred	(12,610)	221,982
		1,327,830	1,005,322

34.1 Numerical reconciliation between average effective tax rate and the applicable tax rate.

	2016	2015
Accounting profit for the year before tax	3,846,608	3,501,457
- Tax applicable rate of 32% (2015: Rate 33%)	1,215,382	1,155,481
- Impact of deferred tax	(12,610)	221,982
- Impact of ACT	–	(103,627)
- Impact of super tax	115,967	86,624
- Tax effect under lower rate of tax	11,646	(329,222)
- Others	(2,555)	(25,916)
Taxation	1,327,830	1,005,322
Average effective tax rate	35%	29%

35 EARNINGS PER SHARE - BASIC AND DILUTED

	2016	2015
There is no dilution effect on the basic earning per share of the Company, which is based on:		
Profit after taxation (Rupees in '000')	2,518,778	2,496,135
Weighted average number of ordinary shares in issue ('000')	227,149	227,149
Earnings per share - basic and diluted (Rupees)	11.09	10.99

36 TRANSACTIONS WITH RELATED PARTIES

The related parties include major shareholders of the Company, entities having directors in common with the Company, directors of the Company, other key management personnel, employees benefit plans and Workers' Profit Participation Fund. Transactions with related parties, other than transactions with such parties reflected elsewhere in these financial statements, are as under:

Rupees in thousand		Note	2016	2015
Relation with the Company	Nature of Transaction			
Key management personnel	Remuneration	38	121,219	90,133
Workers' Profit Participation Fund	Payments to WPPF		219,048	280,506
Staff retirement contribution plan	Contribution to staff provident fund		8,376	7,374
Balances:				
Staff provident fund receivable			–	17
WPPF payable			(25,583)	(38,048)

Certain assets are being used by employees of the Company in accordance with their terms of employment.

37 FINANCIAL RISKS AND MANAGEMENT OBJECTIVES

37.1 Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, sustain future development of the business and maximize shareholders value. The Company closely monitors the return on capital along with the level of distributions to ordinary shareholders. No changes were made in the objectives, policies or processes during the year ended June 30, 2016.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital, capital and revenue reserves.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The management of the Company continuing with operational and infrastructure rehabilitation program with the objective of converting and maintaining the Company into profitable entity and has taken financial measures to support such rehabilitation program. In order to improve liquidity and profitability of the Company, the management is planning to take certain appropriate steps such as increase sales through export of cement to neighbouring countries, cost control and curtailing financing cost by means of debt management.

37.2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans, borrowings, deposits and investments. The Company is exposed to interest rate risk, liquidity risk and credit risk. The sensitivity analyses in the following sections relate to the position as at June 30, 2016 and 2015.

37.3 Liquidity risk

Liquidity risk reflects the Company's inability of raising funds to meet commitments. The Company's management closely monitors the Company's liquidity and cash flow position and foresees positive cash flows in the future as well.

The table below summarizes the maturity profile of the Company's financial liabilities at balance sheet date based on contractual undiscounted payment dates and present market interest rates:

Rupees in thousand	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
June 30, 2016						
Long term financing	–	–	–	–	–	–
Long term deposits	–	–	–	4,177	–	4,177
Deferred liabilities	–	–	–	92,258	–	92,258
Trade and other payables	75,000	820,877	43,400	–	–	939,277
Accrued interest / mark up	442	–	–	–	–	442
Short term borrowings	–	–	644,597	–	–	644,597
	75,442	820,877	687,997	96,435		1,680,751
June 30, 2015						
Long term financing	–	–	37,218	337,369	–	374,587
Long term deposits	–	–	–	3,930	–	3,930
Deferred liabilities	–	–	–	80,080	–	80,080
Trade and other payables	55,735	730,746	56,810	–	–	843,291
Accrued interest / mark up	8,778	–	–	–	–	8,778
Short term borrowings	–	–	621,174	–	–	621,174
	64,513	730,746	715,202	421,379	–	1,931,840

37.4 Yield / mark-up rate

Yield / mark-up rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market yield / mark-up rates. Sensitivity to yield / mark-up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company exposure to the risk of changes in market interest rates relates primarily to the long-term financing, short-term finances and bank balances in deposit accounts.

The effective yield / mark up rate on the financial assets and liabilities are disclosed in their respective notes to the financial statements.

37.5 Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on material assets and liabilities, with all other variables held constant, of the Company's deposits with banks and profit before tax. The analysis excludes the impact of movement in market variables on the carrying values of employees retirement obligation, provision and on non-financial assets and liabilities of the Company. Further, interest rate sensitivity does not have an asymmetric impact on the Company's result.

Rupees in thousand	Increase/ decrease in basis points	Effect on bank deposits	Effect on profit before tax
2016			
Pak Rupee	+100	3,785	(37,981)
Pak Rupee	-100	(3,785)	37,981
2015			
Pak Rupee	+100	18,949	(35,015)
Pak Rupee	-100	(18,949)	35,015

37.6 Credit risk and concentration of 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. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company is mainly exposed to credit risk on trade debts, loans and advances, other receivables and bank balances aggregating to Rs. 3,164.077 million (2015: Rs.3,269.901 million). The Company seeks to minimize its credit risk exposure through having exposure only to customers considered credit worthy.

Rupees in thousand	2016	2015
Long term deposits	39,449	39,323
Trade debts	108,481	61,125
Advances	2,330	2,050
Other receivables	549	70,011
Short term investments	2,356,497	1,006,176
Cheques in hand	278,286	196,358
Bank balances	378,485	1,894,858
	3,164,077	3,269,901

Credit quality of financial assets

The credit risk on liquid funds is limited because the counter parties are banks and mutual funds of asset management companies with reasonably high credit ratings. The credit quality of cash at bank (in current and deposit accounts) and short term investments as per credit rating agencies are as follows:

Rupees in thousand	2016	2015
Bank balances		
Banks having A1+ rating- PACRA	284,297	134,382
Banks having A1 rating- PACRA	–	–
Banks having A-1 rating- JCR- VIS	94,188	1,760,476
Unrated	–	–
	378,485	1,894,858
Short term investments		
Funds having AA rating	83,291	–
Funds having A rating	2,045,654	1,006,176
Funds having A- rating	227,552	–
	2,356,497	1,006,176

37.7 Foreign exchange risk management

Foreign currency risk arises mainly where balances exists due to the transactions with foreign undertakings. The Company was exposed to foreign exchange risk with respect to foreign currency loans As all foreign currency liabilities had been paid including markup and interests, the Company is not exposed to foreign currency exchange risk at the reporting date.

37.8 Other price risk

Equity price risk is the risk arising from uncertainties about future values of investment securities. As at balance sheet date, the Company is exposed to equity price risk as the Company holds investments in mutual funds (Note 15).

37.9 Fair value of financial instruments

Fair value is the amount for which asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction.

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

37.10 Fair value hierarchy

The Company uses following hierarchy for determining and disclosing fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly; and

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Assets measured at fair value

Rupees in thousand		Total	Level 1	Level 2	Level 3
Mutual fund units	2016	2,356,497	–	2,356,497	–
Mutual fund units	2015	1,006,176	–	1,006,176	–

As at June 30, 2016 and June 30, 2015, the Company held no liabilities that are measured at fair value or when value change from carrying value as a resulting remeasurement.

37.11 Financial instruments by categories

Rupees in thousand 2016	Cash and cash equivalents	Loans and advances	Available for sale	Held for trading	Total
Financial Assets					
Long term deposits	–	39,449	–	–	39,449
Trade debts - unsecured	–	108,481	–	–	108,481
Loans and advances	–	2,330	–	–	2,330
Trade deposits	–	9	–	–	9
Short term investments	–	–	–	2,356,497	2,356,497
Other receivables	–	549	–	–	549
Cash and bank balances	660,479	–	–	–	660,479
	660,479	150,818	–	2,356,497	3,167,794
2015					
Financial Assets					
Long term deposits	–	39,323	–	–	39,323
Trade debts - unsecured	–	61,125	–	–	61,125
Loans and advances	–	2,050	–	–	2,050
Trade deposit	–	9	–	–	9
Short term investments	–	–	–	1,006,176	1,006,176
Other receivables	–	70,011	–	–	70,011
Cash and bank balances	2,091,913	–	–	–	2,091,913
	2,091,913	172,518	–	1,006,176	3,270,607

Rupees in thousand	2016	2015
Financial liabilities at amortized cost		
Long term financing - secured	–	337,369
Trade and other payables	939,277	843,291
Accrued interest / mark up	442	8,778
Short term borrowings - secured	644,597	621,174
	1,584,316	1,810,612

38 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND EXECUTIVES

The aggregate amounts charged in the financial statements for the year are as follows:

Rupees in thousand	Chief Executive Officer		Executive Director		Exeutives	
	2016	2015	2016	2015	2016	2015
	1	1	1	1	47	33
Basic Salary	9,777	7,082	1,784	3,586	40,815	30,025
Contribution to Provident Fund Trust	978	708	–	–	3,196	2,568
Allowances & benefits :						
House Rent	4,400	3,187	803	1,612	18,366	13,511
Utilities	978	708	178	358	4,082	3,003
Others	6,356	3,652	1,229	2,175	28,277	17,958
	22,489	15,337	3,994	7,731	94,736	67,065

38.1 In addition, the chief executive officer, executive director and some of the executives of the Company have been provided with free use of Company owned and maintained cars and other benefits in accordance with their entitlements as per rules of the Company.

38.2 No remuneration is paid / payable to the directors of the Company except meeting fee which is paid to each director at the rate of Rs. 15,000 per meeting attended.

	2016	2015
39 NUMBER OF EMPLOYEES		
Number of employees at year end (including permanent and contractual)	808	772
Average number of employees during the year	794	764

40 PROVIDENT FUND TRUST

The Company has maintained an employees provident fund trust and investments out of provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance and the rules formulated for this purpose. The salient unaudited information of the fund is as follows:

Rupees in thousand	2016	2015
Size of the fund	154,676	134,418
Cost of investments made	92,562	73,139
Fair value of investments	150,266	128,280
Percentage of investments made	97%	92%
40.1 Breakup of investment		
Listed securities (Mutual Funds)	87,699	81,707
Certificate of investments	37,977	38,975
Term Finance Certificates	2,734	3,334
Shares	21,856	4,264
	150,266	128,280

Rupees in thousand		2016	2015
41	**CASH GENERATED FROM OPERATIONS**		
	Profit before taxation	3,846,608	3,501,457
	Adjustments for non cash and other items:		
	Depreciation	380,028	348,559
	Amortization of intangible	1,746	752
	Provision for bad and doubtful debts	–	227
	Provision for compensated absences and gratuity	22,645	20,844
	Finance cost	17,471	56,323
	Gain on disposal of property, plant and equipment	(4,810)	(6,653)
	Gain on revaluation of investment property	(1,500)	(1,445)
	Workers' profits participation fund	206,583	188,048
	Workers' welfare fund	78,502	71,458
	Dividend Income / unrealized profit on bank deposits	(73,900)	(1,015)
	Gain on redemption of short term investment	(5,545)	(166,320)
	Unrealized gain on investments	(100,733)	(2,738)
	Liabilities written back	(52,642)	(566,635)
	Loss on replacement of fixed assets	–	50,698
	Exchange gain	–	(37,481)
		467,845	(45,378)
	Cash flows before working capital changes	4,314,453	3,456,079
	Movement in working capital		
	(Increase)/ decrease in current assets:		
	Stores , spare parts and loose tools	170,228	(58,372)
	Stock in trade	150,267	342,679
	Trade debts	(47,356)	(45)
	Loans and advances	(17,483)	(2,112)
	Deposits and short term prepayments	399	(1,303)
	Other receivables	69,462	4,666
		325,517	285,513
	Increase/ (Decrease) in current liabilities:		
	Trade and other payables	152,471	(21,301)
	Sales tax payable	4,620	58,500
		157,091	37,199
		482,608	322,712
	Cash generated from operations	4,797,061	3,778,791
42	**PRODUCTION CAPACITY (M. TONS)**		
	Rated capacity - clinker		
	- Line I	705,000	705,000
	- Line II	1,290,000	1,290,000
		1,995,000	1,995,000
	Actual production - clinker		
	- Line I	363,190	275,060
	- Line II	821,469	739,180
		1,184,659	1,014,240

	2016	2015
Sales of cement (M. Tons)		
- Local	1,309,875	1,143,411
- Exports	46,289	68,241
	1,356,164	1,211,652

42.1 The difference between the installed capacity and actual production is due to the annual demand and supply variations of the Company's products.

43 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issuance by the Board of Directors of the Company on September 27, 2016.

44 CORRESPONDING FIGURES

Certain immaterial prior year's figures have been reclassified, consequent upon certain changes in current year's presentation for more appropriate comparison and better presentation. However, no material reclassification has been made in these financial statements.

45 SUBSEQUENT EVENTS AFTER BALANCE SHEET DATE

Subsequent to the year ended June 30,2016, the Board of Directors has proposed a final cash dividend in their meeting held on September 27, 2016 for the year ended June 30, 2016 of Rs. 3.75 (2015: Rs.4.00) per share for the approval of the members at the annual general meeting in addition to interim dividend of Rs. 2.5 per share declared on February 24, 2016 aggregating to Rs. 6.25 per share for the year ended June 30, 2016 (2015: Rs. 6.25 per share). There is no need of tax liability on undistributed reserves as the requisite dividend would be distributed before / within the prescribed time.

46 GENERAL

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

Chief Executive Officer

Director

	2016	2015	اضافہ	
	---------- روپے ملین میں ----------			%
مجموعی منافع	4,,005,202	3,165,503	839,699	26.53
پیداواری منافع	3,864,079	3,520,299	343,780	9.77
بعدازٹیکس منافع	2,518,788	2,496,135	22,643	0.91
فی حصص آمدن (روپے میں)	11.09	10.99	0.10	0.91

فی حصص آمدنی

بعدازادائیگی ٹیکس حتمی منافع 2,518.78 ملین روپے کے نتیجے میں فی حصص آمدن 11.09 روپے ہے جوکہ پائنیر سیمنٹ کی تاریخ میں ایک سنگ میل ہے۔

تقسیم شدہ منافع

بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 27 ستمبر 2016 میں حتمی نقد منافع کی ادائیگی (37.50 فیصد) 3روپے 75 پیسے فی حصص کی سفارش کی۔ یہ منافع پہلے سے اداشدہ منافع (25 فیصد) 2روپے 50 پیسے فی حصص کے علاوہ ہے۔ اس طرح کل تقسیم شدہ منافع (62.50 فیصد) 6روپے 25 پیسے فی حصص بنتا ہے۔ آپ کی کمپنی نے منافع کی تقسیم میں اپنی تاریخ برقرار رکھی ہے۔ مالی سال 2015 میں بھی کل منافع 6 روپے 25 پیسے فی حصص دیا۔

اعتراف

اس موقع کا فائدہ اٹھاتے ہوئے ڈائریکٹران تمام صارفین، مالیاتی اداروں، پیش کنندگان اور حصص داران کے اعتبار اور تعاون کے شکریہ ادا کرتے ہیں۔ اس کے علاوہ تمام ملازمین کے توجہ اور محنت سے کی گئی کاوشوں کو تسلیم کرتے ہیں جن کی بدولت ادارے نے تاریخی اہداف عبور کیے اور اُمید رکھتے ہیں کہ مستقبل میں بھی اسی وابستگی اور یقین سے ادارے کو نئے اُفق کے طرف لے جانے میں مددگار رہیں گے۔

بورڈ کی جانب سے

سید مظہر اقبال

ایم ڈی اور سی ای او

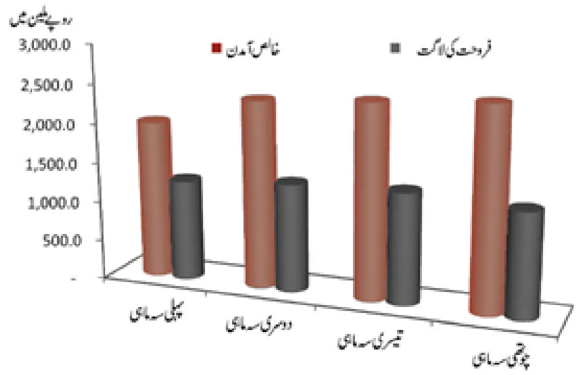
بتاریخ 27 ستمبر 2016

فروخت	2016	2015	اضافہ/(کمی)	
	---------- میٹرک ٹن ----------			%
اندرون ملک	1,309,874	1,143,411	166,463	14.56
برآمدات	46,289	68,241	(21,952)	(32.17)
کُل فروخت	1,356,163	1,211,652	144,511	11.93

پیداوار	2016	2015	اضافہ	
	---------- میٹرک ٹن ----------			%
کلنکر پیداواری صلاحیت	1,995,000	1,995,000	-	-
کلنکر پیداوار	1,184,659	1,014,240	170,419	16.80
سیمنٹ پیداوار	1,344,890	1,210,345	134,545	11.12

اس سال کے دوران آپ کی کمپنی نے سیمنٹ کی فروخت میں ہر سہ ماہی میں بتدریج اضافہ کیا۔ چوتھی سہ ماہی کی سیمنٹ کی فروخت 367,426 ٹن رہی جبکہ جولائی تا ستمبر 2015 کی پہلی سہ ماہی میں 288,055 ٹن تھی۔

خالص فروخت آمدن 9,366.53 ملین روپے رہی جو کہ پچھلے سال کے مقابلے میں 11.17 فیصد زیادہ ہے۔ یہ اضافہ ملکی سطح پر سیمنٹ کی مقداری فروخت اور قیمتوں میں استحکام کی وجہ سے ممکن ہوا۔



انتظامی لاگت

اس سال کی فروخت کی لاگت 5,361.33 ملین روپے پچھلے سال کی فروخت کی لاگت 5,260.26 ملین روپے سے 1.92 فیصد زیادہ رہی۔ پیداواری لاگت 3,953 روپے فی ٹن رہی جو کہ پچھلے سال کی پیداواری لاگت 4,341 روپے فی ٹن سے 8.94 فیصد کم ہے۔ پیداواری لاگت میں تخفیف کی بڑی وجہ ایندھن اور بجلی کی قیمت میں کمی اور کمپنی کی موثر کارکردگی ہے۔

فروخت میں اضافے کی وجہ سے متعلقہ تقسیمی اخراجات 59.98 ملین روپے رہے جو کہ پچھلے سال سے 5.29 فیصد زیادہ ہیں۔ جبکہ انتظامی اخراجات پچھلے سال کی نسبت 14.82 فیصد اضافے کے ساتھ 81.5 ملین روپے رہے جس کی بڑی وجہ دفتر کے کرائے اور تنخواہوں کا بڑھنا ہے۔

دیگر انتظامی اخراجات میں بڑھوتی کی بنیادی وجہ ورکرز پرافٹ پارٹیسیپیشن اور ورکرز ویلفیئر فنڈز میں اضافہ ہے جو کہ کمپنی کے قبل از ٹیکس منافع سے براہِ راست منسلک ہوتے ہیں۔ جب کے پچھلے سال کے اخراجات میں اثاثوں کی تبدیلی کے باعث 50.69 ملین روپے کے نقصانات شامل ہیں۔

اس سال کے دوران کمپنی نے لمبے عرصے کے تمام قرضے رمالی واجبات بینکوں کو واپس کردیے لہذا اب کمپنی قرضوں کی بوجھ سے آزاد ہے۔ جس کی نتیجے میں مالیاتی لاگت 17.47 ملین روپے رہی۔ جو کہ پچھلے سال کے اخراجات 56.32 ملین روپے سے 68.98 فیصد کم ہے۔

منافع جاتی کارکردگی

پچھلے سال کے مجموعی منافع 3,165.5 ملین روپے کے مقابلے میں اس سال 4,005.20 ملین روپے منافع ہوا ہے جو کہ 26.53 فیصد زیادہ ہے۔ منافع میں اضافے کی وجہ سیمنٹ کی قیمتوں میں استحکام، اندرون ملک فروخت میں اضافہ اور سستے تیل کے باعث بجلی اور کوئلے کی تخفیفی قیمتیں رہیں۔ پیداواری منافع 3,864.08 ملین روپے پچھلے سال کے مقابلے میں 343.78 ملین روپے زیادہ ہے۔ پچھلے سال کے منافع میں 557.90 ملین روپے شامل ہیں جو کہ غیر ملکی قرضے کی حتمی ادائیگی کی مد میں ہے۔ اس یکبارگی منافع کے علاوہ پیداواری منافع 901.68 ملین روپے بڑھا جو کہ تقابلی مدت سے 30.44 فیصد زیادہ ہے۔

موثر ٹیکس کی شرح پچھلے سال کے 28.71 فیصد سے اس سال 34.52 فیصد ہونے کے باوجود آپ کی کمپنی نے بعد از ادائیگی ٹیکس 2,518.78 ملین روپے منافع کمایا جو کہ پچھلے سال 2,496.14 ملین روپے تھا جس میں 557.90 ملین روپے یکبارگی نفع بھی شامل تھا۔

ڈائریکٹران رپورٹ برائے حصص داران

اللہ کے نام سے شروع جو بڑا مہربان اور رحم والا ہے

آپ کی کمپنی کے ڈائریکٹران 30 جون 2016 کو ختم ہونے والے مالی سال کے حسابات پر اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

معیشت

پاکستان کی مجموعی اقتصادی کارکردگی مالی سال کے دوران مثبت رہی۔ سال 16-2015 کے دوران اہم مالیاتی جھلکیاں درج ذیل ہیں۔

جولائی 2015 تا اپریل 2016 کے دوران معیشت کی اوسط افراط زر تقابلی عرصے کے 4.81 فیصد کے مقابلے میں 2.7 فیصد رہی جو کہ سال 2014 میں 8.6 فیصد تھی۔

بڑے پیمانے کے پیداواری شعبے نے جولائی 2015 تا مارچ 2016 میں تقابلی سال کے 2.81 فیصد کے مقابلے میں 4.70 فیصد کے حساب سے نمایاں ترقی کی۔ اس میں آٹوموبائل، کیمیکل، فارماسوٹیکل، ربڑ اور سیمنٹ کی صنعتیں نمایاں رہیں۔

اسٹیٹ بینک آف پاکستان کا پالیسی ریٹ کم ہو کر 5.75 فیصد تک آ گیا جس سے ترقی اور سرمایہ کاری کی حوصلہ افزائی ہوئی۔

جولائی 2015 تا اپریل 2016 کے دوران تجارتی خسارہ 2.1 فیصد بڑھا۔ برآمدات 9.5 فیصد کمی کے باعث 18.2 ارب ڈالر رہیں جو کہ جولائی 2014 تا اپریل 2015 میں 20.1 ارب ڈالر تھیں۔ درآمدات میں بھی 4.6 فیصد کمی واقع ہوئی جبکہ رواں مالی سال میں تیل کے علاوہ درآمدات بشمول پلانٹ اور مشینری میں اضافہ ہوا۔

سال کے اختتام پر زرمبادلہ کے ذخائر میں بہتری آئی جو کہ پچھلے سال کی نسبت 18,706 ملین ڈالر سے بڑھ کر 23,085 ملین ڈالر ہو گئے۔

رواں مالی سال کیلئے مجموعی ملکی پیداواری شرح نمو پچھلے مالی سال کے 4.24 فیصد کے مقابلے میں 4.71 فیصد رہی۔

سیمنٹ کی صنعت

مالی سال 30 جون 2016 ملکی سیمنٹ کی صنعتی ترقی میں اضافے کا لگاتار پانچواں سال رہا۔ پچھلے سال کے مقابلے میں اس سال کے دوران خالص مقداری ترقی 9.80 فیصد رہی اور 38.87 ملین ٹن مال فروخت ہوا۔ ملکی سطح پر فروخت پچھلے سال 28.21 ملین ٹن کے مقابلے میں اس سال 33.00 ملین ٹن رہی جو کہ 17 فیصد اضافہ ہے۔ تاہم برآمدات 5.87 ملین ٹن رہیں جو کہ پچھلے سال کے مقابلے میں 18.36 فیصد کم ہیں۔

فروخت	2016	2015	اضافہ/(کمی)	
	ملین ٹن میں			%
اندرون ملک	33.0	28.21	4.79	17.00
برآمدات	5.87	7.19	(1.32)	(18.36)
کل فروخت	38.87	35.40	3.47	9.80

کاروباری کارکردگی کا جائزہ

الحمدو للہ، آپ کی کمپنی پچھلے کئی سالوں سے تاریخی نتائج دے رہی ہے۔ اس سال کی دوران آپ کی کمپنی نے 11,915.84 ملین روپے ریکارڈ مجموعی آمدنی حاصل کی جبکہ پچھلے سال یہ آمدن 10,614.96 ملین روپے تھی اس طرح پچھلے سال کے مقابلے میں شرح نمو 12.26 فیصد رہی جو کہ مستحکم قیمتوں اور مقداری ترقی کی وجہ سے ممکن ہوا۔

ملکی سطح پر سیمنٹ کی مستحکم قیمت کے علاوہ بجلی اور کوئلے کی قیمتوں میں کمی کی وجہ سے مجموعی منافع 4,005.20 ملین روپے رہا۔ جس کے نتیجے میں اس سال کی مجموعی منافع کی شرح 42.8 فیصد رہی جو کہ پچھلے سال کی منافع کی شرح 37.57 فیصد میں 13.8 فیصد اضافہ ہے۔

آپ کی کمپنی نے تاریخی 3,846.61 ملین روپے قبل از ٹیکس منافع کمایا جو کہ پچھلے سال کے 3,501.46 ملین روپے سے 345.15 ملین روپے زیادہ ہے۔ پچھلے سال قبل از ٹیکس منافع میں یکبارگی آمدن 557.90 ملین روپے شامل ہے جو کہ پرانے غیر ملکی قرضے کی یکمشت ادائیگی پر حاصل کی گئی۔

مقامی مانگ میں اضافے کی بدولت پچھلے سال کے مقابلے میں کلنکر کی پیداوار میں 16.80 فیصد اضافہ ہوا جس کی نتیجے میں پلانٹ کی پیداواری صلاحیت 59.38 فیصد استعمال ہوئی جو کہ پچھلے سال 50.84 فیصد تھی۔ اسی طرح سیمنٹ کی پیداوار 1,344,890 ٹن رہی جو کہ پچھلے سال سے 11.12 فیصد زیادہ ہے۔ ملکی سطح پر سیمنٹ کی فروخت میں 1,309,874 ٹن تک اضافہ ہوا جو کہ پچھلے سال کے مقابلے میں 14.56 فیصد زیادہ ہے۔ تاہم برآمدات جو پچھلے سال 68,241 ٹن تھی کے مقابلے میں اس سال 46,289 ٹن رہیں جو کہ مانگ اور برآمد کنندگان کی قیمت میں کمی کی وجہ سے ہوئی۔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FORM OF PROXY

Registered Folio No. /
CDC Account No. ____________________

I/We ____
Name

of ____
Address

being a member of P I O N E E R C E M E N T L I M I T E D hereby appoint

____
Name

of ____
Address

or failing him ____
Name

of ____
Address

(also being a member of the Company) as my/ our proxy to attend, act and vote for me/ us and on my/ our behalf, at the 30th Annual General Meeting of the Company to be held on Friday, October 28, 2016 at 135 Ferozepur Road, Lahore and at any adjournment thereof.

As witness my hand this ____________ day of ______________ 2016.

____
Signature of the Shareholder/ Appointer

WITNESSES

1. Name ____________________
   Address ____________________
   CNIC # ____________________

2. Name ____________________
   Address ____________________
   CNIC # ____________________

NOTE: Proxies in order to be effective must reach the Company's Registered Office not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC.

AFFIX
CORRECT
POSTAGE

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Fax : +92 (42) 37503573-4
Email: pioneer@pioneercement.com

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Email: pioneer@pioneercement.com