



2020 | ANNUAL REPORT

For The Year Ended
June 30, 2020

ENDURING
STRENGTH







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VISION & MISSION

Pioneer Cement Limited 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
- Maximization of profits
- Efficient deployment of resources
- Research and development
- Environmental initiatives

BUSINESS ETHICS

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

QUALITY POLICY

We are committed to produce high quality cement as per International standards. The management ensures that products of Pioneer Cement always exceed product quality requirements to achieve customer satisfaction.

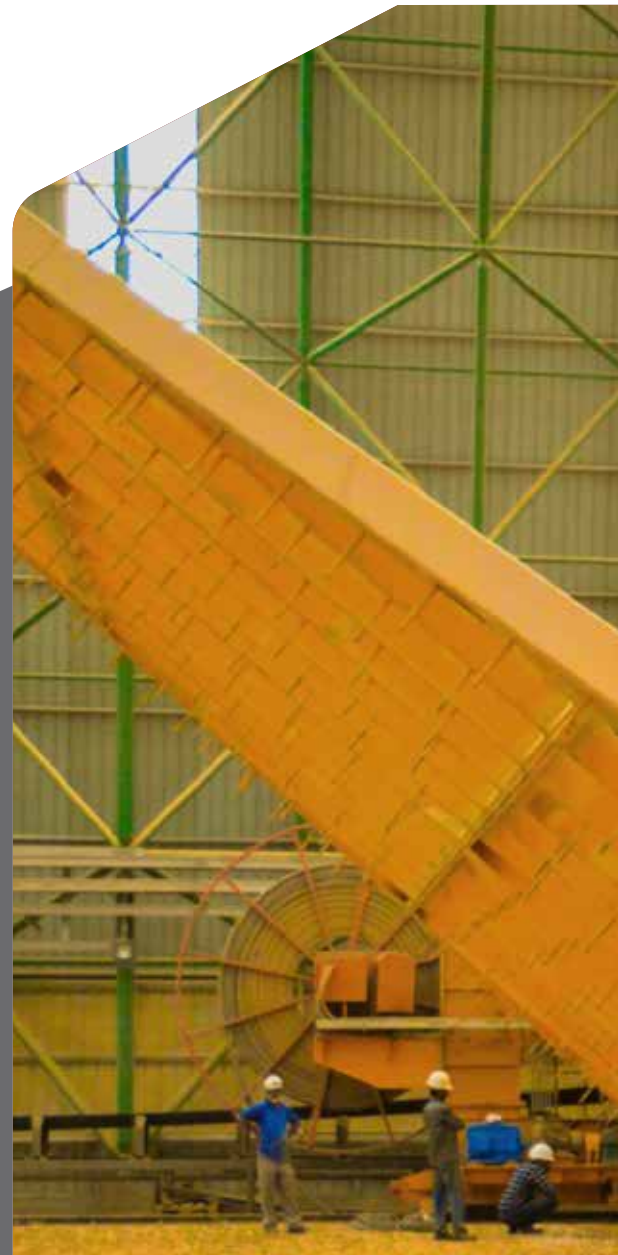
We are committed to abide by all applicable legal and regulatory requirements and shall strive for continual improvement including prevention of pollution by establishing and monitoring our quality and environmental objectives.

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

CORE VALUES

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

VISION & MISSION







FINANCIAL RESULTS

Net Revenue
6,286.95
PKR in Million

Gross Loss
(103.09)
PKR in Million

Operating Loss
(362.63)
PKR in Million

EBITDA
62.64
PKR in Million

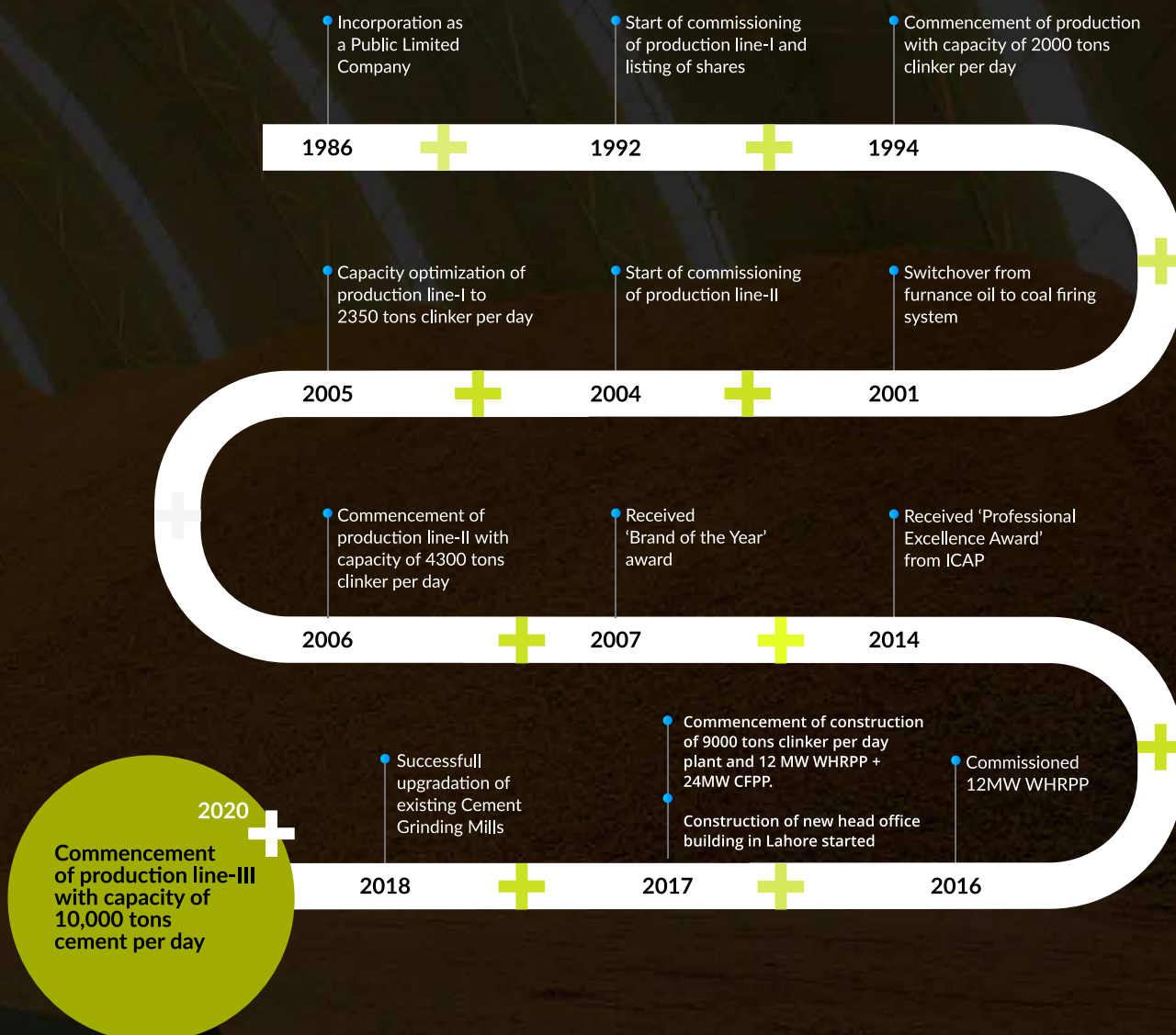
Loss After Taxation
(209.62)
PKR in Million

Loss per Share
(0.92)
PKR

Breakup Value Per Share
June 30, 2020
57.80
PKR

Market Value per Share
June 30, 2020
63.04
PKR

MILESTONES



ENVIRONMENTAL INITIATIVES

ENSURING ENVIRONMENT FRIENDLY OPERATIONS, PRODUCTS AND SERVICES

At Pioneer Cement Limited, we believe that acting in a sustainable manner in all our operations is not only a business imperative but also a competitive advantage in the long run. Our new plant is equipped with technologically advanced extensive dust collection equipment, which heavily reduces our carbon footprint.

We are consistently adopting the latest technologies that are cleaner and greener. Our plants and processes are constantly improving to become more energy efficient. The Green Office Diploma by WWF Pakistan is authentication of our quest towards a resource-efficient entity.

Health, Safety and Environment (HSE) department at our plant plays a pivotal role in ensuring that we abide by international standards of having an eco-friendly and safe working environment. Pioneer Cement is ISO 9001:2015 certified for Quality Management Systems and ISO 14001:2015 certified for Environmental Management Systems. Our management systems were comprehensively audited by TUV Austria and we were awarded these qualifications Office Diploma by WWF Pakistan for complying with their benchmarks for reducing consumption of natural resources in the current year.

Pioneer Cement is ISO 9001:2015 certified for Quality Management Systems and ISO 14001:2015 certified for Environmental Management Systems. Our management systems were comprehensively audited by TUV Austria and we were awarded these qualifications.







As a responsible corporate citizen, we, at Pioneer Cement, remain committed to the community in which we operate and actively work for its development. Our CSR initiatives are strategically devised and effectively implemented to have a positive impact on health, education and environment.

Education

Reaffirming our strong commitment to contribute in progressive and educated Pakistan, we have proactively sponsored a number of initiatives. We have established two primary schools in Chenki village where our plant is located. These fully funded schools are well equipped with resources to provide quality education to children. Other initiatives include funding the construction of an additional building in District Public School Jahuarabad and District Public School Sargodha, enabling the schools to enroll an additional 500 students. Furthermore, we provide ongoing support to SOS Schools and Vocational Training Institute of Quaidabad. We are also working with Pakistan's premier business school IBA to ensure the quality and relevance of their business curriculum. The Company has contributed in the construction of a residential facility for its faculty members.

Health and Safety

Our healthcare initiatives reflect our commitment to continuously give back to the community by supporting those in need. The Pioneer Medical Center at our plant provides free medical and emergency ambulance services not just to our employees but also to the entire community. We have also established a public dispensary in Chenki village and provide financial support to TB Center Foundation.

Health, safety and well-being of people are of utmost importance to us. Our Health Safety and Environment (HSE) department is committed to provide and maintain healthy working conditions, equipment and systems at work, along with effective information, instruction, training and supervision. HSE department is responsible for promoting the health and safety of the all employees through effective occupational and environmental management practices.

Environmental Protection

The future of our environment is deeply connected to what we do today. At Pioneer Cement, we use responsible and resourceful methods in all our operations. Our initiatives to reduce our environmental footprint include the installation of energy-efficient coal firing burners, which reduce the gaseous emissions, and a Waste Heat Recovery Power Plant (WHRPP) that generates electricity from these emissions. A new 12MW WHRPP has been commissioned and it will start operations shortly. The certification of ISO 14001:2015 and ISO 9001:2015 prove our efficiency and environmental performance.

Local Community Development

To strengthen ties with the communities where we operate, we have rolled out several development initiatives like the construction and maintenance of Chenki village mosque and the development of a 15 km stretched road connecting Chenki village to Jabbi village, which road provides convenience to thousands of commuters.



AT PIONEER

Pioneer Cement Limited emphasizes greatly on professional growth of its employees as it considers them a key asset. Training and development is considered an essential part of Company's culture as it boosts employee morale and provides an opportunity to increase their knowledge base.

Pioneer strongly believes in maintaining a healthy work culture for employees. Several employee engagement activities are put in place for developing a sound work environment. Over the years, the Company has realized, these recreational activities rejuvenate the employees making them more productive and committed towards organizational goals. That's the reason, Pioneer has developed a culture of celebrating every significant event.

As an equal opportunity employer, Pioneer believes in hiring young and enthusiastic graduates. The Company helps them in developing necessary skill set that can enhance their careers and align their goals. Pioneer also advocates gender diversity in our culture; women are employed, valued and promoted on the basis of their talent and achievements.



CORPORATE INFORMATION

Board of Directors

- Mr. Aly Khan (Chairman)
- Mr. Sajid Feroze (CEO)
- Ms. Aleeya Khan
- Mr. Shafiuddin Ghani Khan
- Mr. Mohammed Aftab Alam
- Mirza Ali Hassan Askari
- Mr. Jamal Nasim
- Mr. Rafique Dawood

Audit Committee

- Mr. Jamal Nasim (Chairman)
- Mr. Aly Khan
- Ms. Aleeya Khan
- Mr. Shafiuddin Ghani Khan
- Mr. Mohammed Aftab Alam

HR & Remuneration Committee

- Mr. Shafiuddin Ghani Khan (Chairman)
- Mr. Aly Khan
- Ms. Aleeya Khan
- Mr. Mohammed Aftab Alam
- Mr. Sajid Feroze (CEO)

Chief Financial Officer

- Mr. Waqar Naeem

Chief Internal Auditor

- Mr. Jamal-ud-Din

Company Secretary

- Mr. Abdul Wahab

Bankers

- Allied Bank Limited
- Askari Bank Limited
- Bank Al Habib Limited
- Meezan Bank Limited
- Dubai Islamic Bank
- The Bank of Khyber
- Habib Bank Limited
- JS Bank Limited
- MCB Bank Limited
- First Credit and Investment Bank
- The Bank of Punjab
- United Bank Limited
- National Bank of Pakistan
- Samba Bank

Statutory Auditors

EY Ford Rhodes

Chartered Accountants

Legal Advisor

Hassan & Hassan

Registered Office

135-Ferozepur Road, Lahore

Tel: +92 (42) 37503570-72

Fax: +92 (42) 37503573-4

Email: pioneer@pioneerement.com

Factory

Chenki, District Khushab

Tel: +92 (454) 898101-3

Fax: +92 (454) 898104

Email: factory@pioneerement.com

Regional Offices

Karachi Office

4th Floor, KDLB Building West Wharf,
Karachi

Tel: +92 (21) 32201232-3

Fax: +92 (21) 32201234

Email: pclkhi@pioneerement.com

Multan Office

House No. 218, Naqshband Colony
Khanewal Road, Multan

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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

Share Registrar

Corplink (Pvt) Limited

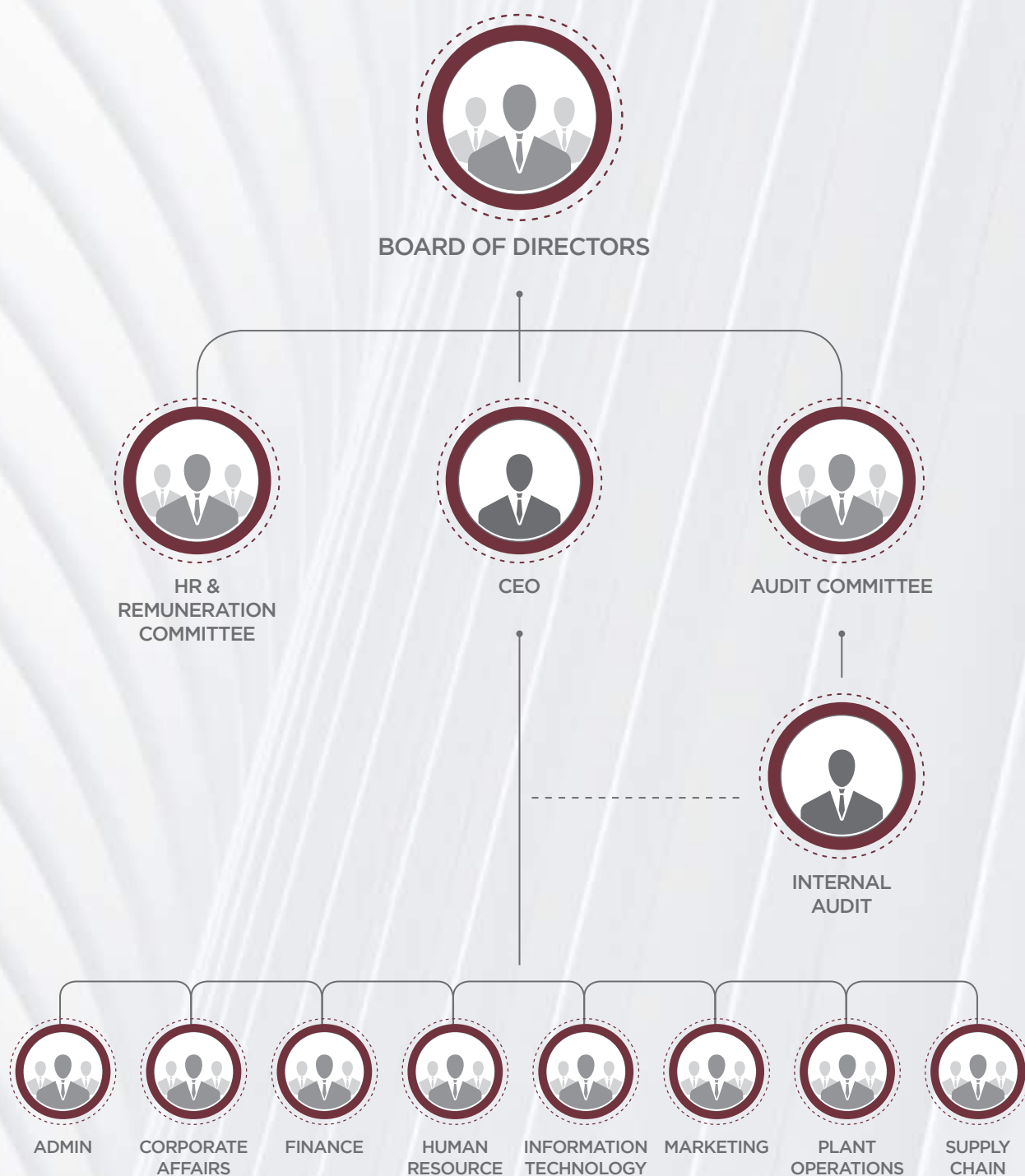
Wings Arcade, 1-K Commercial,
Model Town, Lahore

Tel: +92 (42) 35839182, 35916714

Fax: +92 (42) 35869037

Email: corplink786@yahoo.com,
shares@pioneerement.com

ORGANIZATIONAL STRUCTURE



BOARD OF DIRECTORS



Aly Khan | Chairman



Sajid Feroze | CEO



Aleeya Khan



Shafiuddin Ghani Khan



Mohammed Aftab Alam



Jamal Nasim



Mirza Ali Hassan Askari



Rafique Dawood

AUDIT COMMITTEE



Left to Right

Mr. Jamal Nasim (Chairman), Mr. Aly Khan, Ms. Aleeya Khan, Mr. Shafiuddin Ghani Khan, Mr. Mohammed Aftab Alam

HR & REMUNERATION COMMITTEE



Left to Right

Mr. Shafiuddin Ghani Khan (Chairman), Mr. Aly Khan, Ms. Aleeya Khan, Mr. Mohammed Aftab Alam, Mr. Sajid Feroze (CEO)



CHAIRMAN'S REPORT

The Pakistan Economy has suffered a turbulent FY 2019-20.

Past asymmetrical policies including an overvalued exchange rate, consumption lead growth, fiscal and current account deficits, high public debt etc. weakened the fundamentals of the economy resulting in depleted foreign exchange reserves, out of proportion local and foreign currency borrowing plus unsustainable growth. Counteractive measures by the current Government comprising of adjusting the Rupee - Dollar parity, tightening of monetary policy and contractionary fiscal policy had been implemented early in FY 2019-20 as a means of setting the path for a sustainable future for Pakistan.

Unfortunately, during the process, the spread of Novel Corona Virus brought unprecedented challenges to the socio-economic environment of our country. Global supply chain saw extraordinary disruption and demand of goods and services sharply declined causing operational and liquidity issues in businesses across the board. As a means of combating the effects of this Global Pandemic, the Government of Pakistan along with the State Bank came forward with several programs to support businesses through the stormy conditions they faced; including increased fiscal expenditure, swift reductions in the policy rate, immediate and effective deferment of loan liabilities for businesses and multiple tax & operational incentives for the construction industry. These initiatives have provided the much-needed breathing space required by the local manufacturing sector to endure while allowing a glimmer of hope at the end of the dark road that has been financial year 2020.

I am pleased that during the year under review, your Company's new integrated cement plant with a production capacity of 10,000 tons per day has started operations. Immediately following the end of the financial year, your Company has also successfully commissioned its 12 MW Waste Heat Recovery Power Plant and is about to complete the installation of a 24 MW Coal Power Plant. In addition to the provision of low-cost power, these power plants shall substantially reduce dependence on the national grid allowing for a longer life for the newly commissioned cement plant mitigating wear and tear through constant grid tripping.

Our local cement dispatches have already more than doubled subsequent to commissioning our new plant with a clear target for your Company to tap into export markets at sustainable profit margins in the near future.

In summary, it has been a difficult year full of challenges, but we have persevered. I assure all our stakeholders of our best and wholehearted constant efforts to sail through this demanding time with a firm commitment to continuously add further value to the Company and its shareholders.

Aly Khan
Chairman
September 29, 2020



DIRECTORS' REPORT TO THE SHAREHOLDERS

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

The Directors of your Company are pleased to present their report together with Audited Financial Statements for the year ended June 30, 2020 along with the Auditors Report.

OVERVIEW OF THE ECONOMY

Financial year 2019-20 was full of unrivaled challenges; from USA - China trade war to Brexit, political unrest in the Middle-East to mass fires in the Brazilian Amazon & Australia; FY 2019-20 was unprecedented. Above all, during December 2019, COVID-19 started to spread in China and till date has its footprints in almost 200 countries shutting down economies and paralyzing whole continents. Globally the world is struggling to counter its devastating health and economic effects.

During FY 2019-20, the Government of Pakistan continued to take corrective measures including increasing the policy rate, rationalising the exchange rate and controlling fiscal expenditures to address long outstanding macroeconomic imbalances. These measures paid off in terms of aiding a sustainable current account deficit and manageable primary fiscal deficit.

From July-19 to April-20, remittances from overseas Pakistanis increased to USD 18.8 billion compared to USD 17.8 billion during same period last year. By the end of March 2020, our liquid foreign exchange

reserves amounted to USD 17.1 billion, up by USD 2.6 billion over June 30, 2019. However, as a natural consequence, the above-mentioned measures slowed down the economy, increased inflation and decreased job opportunities.

Pakistan's socio-economic fiber too was not immune to the effects of the COVID-19 pandemic. During February 2020, the first COVID-19 patient was reported in Pakistan. Federal and provincial governments took multiple steps in order to contain the virus spread among masses including targeted "smart" lockdowns, closure of markets & educational institutes and restricting inter provincial movement. SBP reduced the policy rate from 13.25% to 7%, allowed businesses to defer their principal loan liabilities and provided subsidized wages refinance facilities to improve business liquidity profiles. Provincial governments announced development activities to support demand and create employment opportunities. Special tax and other incentives were announced for construction sector which engines dozens of other tangible and intangible industries. The business community hailed these inducements and resultantly, the economic indicators have started to improve with the passage of time.

CEMENT INDUSTRY

Total industry off take during the year under review increased to 47.81 million tons, growth of 1.98%. Exports for the year grew to 7.85 million tons compared to 6.54 million tons made during last year. Local cement dispatches recorded 4% increase during first three quarters of the financial year under review,

however, due to economic slowdown in final quarter, dispatches dropped to 9.38 tons only taking total annual dispatches to 39.96 million tons compared to corresponding sale of 40.34 tons

The breakup of total industry dispatches is as follows:

Particular	Tons in million			
	2020	2019	Variance	Variance (%)
Local sales	39.96	40.34	(0.38)	(0.94)
Exports	7.85	6.54	1.31	20.03
	47.81	46.88	0.93	1.98

BUSINESS PERFORMANCE

Production and Sale Volumes

A summary of production and sale volumes of the Company for the FY 2019-20 in comparison of corresponding year is given below:

Particulars	Tons		
	30-Jun-20	30-Jun-19	Change (%)
Installed Capacity (Cement)*	5,195,000	2,195,000	136.67
Cement Produced	1,736,560	1,442,610	20.38
Dispatches	1,734,877	1,445,135	20.05

**During third quarter of financial year 2019-20, new integrated cement production line having cement production capacity of 10,000 tons per day started trial production.*

During the year, your Company dispatched 1,734,877 tons cement including 12,464 tons of export.

Financial Performance

The financial performance of the Company is as follows:

Particular	Rupees in thousand		
	FY 2019-20	FY 2018-19	Change (%)
Net sales – net of trial run sales	6,286,951	9,733,653	(35.41)
Gross (loss)/ profit	(103,094)	2,134,686	(104.83)
Operating (loss)/ profit	(362,627)	1,593,938	(122.75)
(Loss)/ profit after tax	(209,622)	790,377	(126.52)

The loss after tax of RS. 209.62 million was mainly attributable to decrease in cement prices and increase in production cost; as discussed in relevant section below.

REVENUE

Total gross sales for the current year under review amounted to Rs. 15,015.38 million which is an increase of 5.89%. After deducting applicable taxes and charges, net sales for the year FY 2019-20 decreased to Rs. 8,880.58 million (2019: Rs. 9,733.65 million). This decline is attributable to increase in applicable FED rate and drop in net cement price which decreased from Rs. 6,735 per ton of FY 2018-19 to current year average net price of Rs. 5,119 per ton. The net sale of Rs. 6,286.95 million as mentioned in the above table has been adjusted by an amount of Rs. 2,593.63 million representing trial run sales from new production line which has been made part of project cost as per the provisions of applicable financial reporting standards. During the year, exports volumes further dropped due to imposition of out of proportions duties on eastern border by India.

COST OF SALES

Cost of sales for the current year amounted to Rs. 6,390.04 million (2019: Rs. 7,598.97 million) which has been adjusted by trial run production cost of Rs. 3,238.76 million. Total manufacturing cost for the year under review including trial run production cost was Rs. 9,680.69 million (2019: Rs. 7,497.27 million) includes raw material cost of Rs. 883.43 million (2019: Rs. 571.64 million), fuel and power cost of Rs. 6,668.90 million (2019: Rs. 4,870.84 million) and packing material cost of Rs. 1,008.78 million (2019: Rs. 775.98 million). The rise in the cost primarily relates to the following:

- Fuel and power cost per ton of cement sold amounted to Rs. 3,844 per ton compared to Rs. 3,371 per ton, last year. The increase is attributable to increase in applicable power tariff and cost incurred for the trial run of new cement plant. Further, coal cost has also increased due to devaluation of Pak Rupee against US Dollar.
- Packing material cost has also increased from Rs. 537 per ton last year to Rs. 581 per ton as price of paper bag has increased during the year.
- Raw materials cost per ton has increased to Rs. 509 per ton (2019: Rs. 396 per ton) caused by increase in applicable royalty rate on limestone and clay from Rs. 60 and Rs. 20 respectively to flat Rs. 120 per ton of material extracted.

CAPITALIZATION OF LOSSES

The new cement plant started trial production during third quarter of FY2019-20. Total trial run cost of Rs. 3,238.76 million has been capitalized after adjusting sale of Rs. 2,593.63 million as per the provisions of relevant financial reporting standard.

OPERATING LOSS AND LOSS AFTER TAX

Due to the above-mentioned factors, the Company had to record operating loss of Rs. 362.63 million during the current year compared to operating profit of Rs. 1,593.94 million earned during last year. Distribution cost for the year has increased to Rs. 252.70 million compared to Rs. 182.38 million incurred during last year. Major increase was observed in freight and handling charges which amounted to Rs. 122.33 million (2019: Rs.60.12 million). This year the Company has made certain local sales where freight cost was absorbed by the Company.

Finance cost for the year amounted to Rs. 392.75 million compared to Rs. 270.70 million incurred during corresponding year due to disbursement of new working capital facilities as well as increase in applicable markup rate.

EARNINGS PER SHARE

For the current financial year, loss per share amounted to Re. 0.92 per share compared to profit of Rs. 3.48 per share reported for last year.

DIVIDENDS

The Board of Directors in the meeting held on September 29, 2020 recommended final cash dividend of Rs. Nil per share (June 30, 2019: Rs. Nil).

THE BOARD

Total number of directors are eight including seven elected directors and Chief Executive Officer. All the elected directors are non-executive including three independent directors. The position of the Chairman and the CEO are kept separate in line with the recommendation of the Code of Corporate Governance. and the CEO are kept separate in line with the recommendation of the Code of Corporate Governance.

Total Number of Directors	
a) Male	7
b) Female	1
Composition	
i) Independent Director (elected)	3
ii) Other Non-Executive Directors (elected)	4
iii) Chief Executive Officer	1

Meetings of Board of Directors and Committees

During the year under review, the Board of Directors and Committee meetings were held as per the requirements of Code of Corporate Governance. Attendance of each director in the meetings is summarized below:

Meetings of Board of Directors		Attendance		
Sr No.	Name of Directors	Board of Directors	Audit Committee	HR & Remuneration Committee
1	Mr. Aly Khan (Chairman of BOD) Non-Executive Director	5	4	1
2	Ms. Aleeya Khan Non-Executive Director	5	4	1
3	Mr. Muhammed Aftab Alam Non-Executive Director	5	4	1
4	Mirza Ali Hassan Askari Non-Executive Director	5	-	-
5	Mr. Shafiuddin Ghani Khan (Chairman HR and Remuneration Committee) Independent Director	5	4	1
6	Mr. Jamal Nasim (Chairman of Audit Committee) Independent Director	5	4	-
7	Mr. Rafique Dawood Independent Director	3	-	-
8	Mr. Sajid Feroze* CEO	1	-	-
9	Mr. Arif Hamid Dar** Former CEO	3	-	1

* Appointed during the year

** Resigned during the year

DIRECTORS' REMUNERATION

Remuneration Policy for Directors is approved by the Board of Directors. All the directors excluding CEO are entitled to a meeting fee of Rs. 15,000 per meeting attended.

The breakup of remuneration paid to the CEO is disclosed in note 40 of the Financial Statements.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Director has established an effective system of internal controls to ensure business is conducted efficiently, assets of the Company are protected, and Financial Statements are reliably presented. Pioneer Cement has a competent and independent Internal Audit team that appraises the application of financial controls on quarterly basis.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board reviews the strategic direction of the Company on a regular basis. The business plan and budgetary targets set by the Board are also reviewed regularly. The Board is committed to maintain 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 maintained.
- 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 PERFORMANCE

HEALTH, SAFETY AND ENVIRONMENT

Your Company gives highest priority to protecting and creating a healthier environment for all the communities in the vicinity of plant. It is committed to provide its staff a safe, healthy and nurturing environment and accordingly has successfully achieved certification of ISO 9001:2015 and ISO 14001:2015. Further, your Company has also been awarded Green Office Diploma after complying with the criteria of reducing consumption of natural resources. Your Company continues to comply with established environment standards at all times.

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. A 6 MW Waste Heat Recovery Power Plant (WHRPP) is also installed which produces electricity using the waste gases emitted during production process.

Our newly constructed cement plant is state of the art technology with efficient processes designed to save fuel and power consumption. To make the new plant even more environment friendly, a new 12 MW WHRPP has commissioned and it will start operation shortly.

EMPLOYEE SAFETY

As a responsible corporate citizen, your Company gives highest priority to health and safety of its employees. Employees have been equipped with the required tools and protection devices for protection from inherent noises. A separate Safety Department has been developed to promote compliance with 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 and continuous role in various community development and maintenance programs including a mosque, medical dispensaries, ambulance service, primary schools at Chenki (the production facility) and giving financial support to Divisional Public School at Jauharabad. The Company continuously coordinates with the communities in the surrounding areas 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. Many new job opportunities have already been generated at the plant site due to new production line. With the construction of new 2 km road and other infrastructural developments, general living standards of the adjacent communities will definitely improve.

CONTRIBUTION TO NATIONAL EXCHEQUER

The Company paid an amount of Rs. 4,578.46 million (2019: Rs. 4,883.42 million) into the Government Treasury on account of income taxes, levies, sales tax and excise duty. At the reporting date, an amount of Rs. 1,646.35 million (2019: Rs. 255.56 million) is payable to various 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 contractual employees below the age of 60 years are provided with an unfunded Gratuity Scheme. The fair value of the investments of the Provident Fund as on June 30, 2020 was Rs. 189.04 million - audited (2019: Rs. 124.14 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.

HUMAN CAPITAL

The Company recognizes its human resource as one of the most valuable assets. Employees with high performance are awarded to create a conducive environment and to motivate other employees for better performance.

DIRECTORS' TRAINING PROGRAM

Code of Corporate Governance requires all listed companies to make appropriate arrangements to conduct orientations and training courses for their Directors. The Company has carried out necessary trainings of the Board members as per the requirements of Code of Corporate Governance.

EVALUATION OF BOARD'S OWN PERFORMANCE

Board of Directors has developed criteria to evaluate and improve its own performance. The criteria circulated among the directors emphasizes on corporate goal and vision, independence of board and evaluation of board's committees. Feedbacks and recommendations are provided by the board members and are then incorporated for future evaluations.

PATTERN OF SHAREHOLDING

Company's pattern of shareholding is in compliance with Section 227 (2) (f) of the Companies Act, 2017, as at 30 June 2020 and the same is annexed to the report.

AUDITORS

EY Ford Rhodes will retire at the conclusion of the 34th Annual General Meeting. They have offered themselves for reappointment. The Board has recommended EY Ford Rhodes for reappointment as suggested by Audit Committee.

FUTURE OUTLOOK

As discussed in the preceding paragraphs, GoP has taken multiple initiatives including lowering of policy rate, deferment of loans, commitment for development expenditures and incentives for construction sector. Firm commitment has been announced to construct five million houses under "Naya Pakistan Housing Program". Initiatives have also been taken to construct Mohmand and Bhasha Dams. Multiple infrastructure development projects and industrial estates are being constructed under the umbrella of CPEC. All these development projects shall drive cement demand in coming months and years and your Company is ready to participate in the development of the Country. On the external front, current account deficit has further improved; supported by reduced imports and growth in exports. However, due to economic slowdown in global economies, the flow of remittances from overseas workers may deviate in coming months.

Management is committed to maximize its production in order to meet the market demand and increase its market share. Installation of 12 MW Waste Heat Recovery Power Plant and 24 MW Coal Power Plant is expected to start commercial production in the second quarter of the financial year 2020-21. Your Company would be able to target untapped local and export markets at sustainable margins after the achievement of commercial operations which shall result in incremental returns to the shareholders.

Your Company's new and highly efficient production line along with Government's favorable policies and schemes will support the Company in achieving its long-term goals and add to shareholders' value.

ACKNOWLEDGEMENT

The Board acknowledges the assistance and cooperation of all stakeholders including financial institutions, customers, creditors, government departments and all others who strengthened the Company. The Board also places on record its gratitude for the dedication of employees of the Company.

For and on behalf of the Board


Sajid Feroze
Chief Executive Officer
September 29, 2020


Aly Khan
Chairman
September 29, 2020

**FROM RAW MATERIAL
TO FINISHED PRODUCT,
ENDURING STRENGTH
IS OUR ENGINEERS' PROMISE.**





2020

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

SIX YEARS AT A GLANCE

	2020	2019	2018	2017	2016	2015
Tons'000						
Production and Sales						
Clinker Production	1,540	1,257	1,551	1,564	1,185	1,014
Cement Production	1,737	1,443	1,543	1,405	1,345	1,210
Cement / Clinker Dispatches						
Domestic Market	1,723	1,384	1,577	1,634	1,310	1,143
International Market	12	62	69	36	46	68
	1,735	1,446	1,646	1,670	1,356	1,212
Cement Capacity Utilization (based on installed capacity) (%)						
	50.42	65.72	70.31	64.01	61.27	55.14
Rupees in million						
Financial position						
Assets Employed						
Property plant and equipment	41,557.94	36,106.52	22,920.02	12,237.40	10,384.00	7,330.70
Other long term assets	150.45	140.85	120.47	114.85	116.20	109.50
Current assets	7,326.13	6,030.04	6,070.88	5,407.92	4,267.50	4,674.30
Total Assets	49,034.52	42,277.41	29,111.37	17,760.17	14,767.70	12,114.50
Financed by						
Shareholders equity	10,417.09	10,505.27	10,517.41	9,519.11	7,820.70	6,720.30
Surplus on revaluation of fixed assets-net of tax	2,711.13	2,816.08	3,111.55	2,728.42	2,849.47	1,612.80
Long term liabilities	21,545.01	19,268.47	11,031.78	3,825.57	2,355.45	2,101.16
Other Current liabilities	14,361.28	9,687.60	4,450.63	1,687.07	1,742.09	1,680.12
Total Funds Invested	49,034.52	42,277.41	29,111.37	17,760.17	14,767.70	12,114.38
Turnover and profit / (Loss)						
Net turnover	6,286.95	9,733.65	10,121.32	10,630.99	9,366.50	8,425.80
Gross (loss) / profit	(103.09)	2,134.69	2,810.67	4,428.31	4,005.20	3,165.50
Operating (loss) / profit	(362.63)	1,593.94	2,307.58	4,104.20	3,864.10	3,520.30
(Loss) / profit before taxation	(755.38)	1,323.23	2,212.69	4,069.51	3,846.60	3,501.50
(Loss) / profit after taxation	(209.62)	790.38	1,644.02	2,917.55	2,518.80	2,496.10
EBITDA	62.64	2,102.99	2,821.60	4,569.36	4,245.90	3,869.60
(Loss) / earnings per share (Rs.)	(0.92)	3.48	7.24	12.84	11.09	10.99
Breakup value per share (Rs.)	57.80	58.65	60.00	53.92	46.90	36.70
Cash flow summary						
Net cash generated from operating activities	524.52	3,284.90	1,775.38	1,751.13	3,149.90	2,556.70
Net cash (used in)/generated from investing activities	(5,854.15)	(13,591.03)	(9,051.39)	(2,429.46)	(2,729.26)	457.10
Net cash inflow/(outflow) from financing activities	5,484.93	10,023.79	7,460.25	326.87	(1,851.60)	(1,812.30)
Increase / (decrease) in cash and cash equivalents	155.29	(282.34)	184.24	(351.46)	(1,431.40)	1,201.50
Cash and cash equivalents at beginning of the year	210.92	493.26	309.02	660.48	2,091.90	890.40
Cash and cash equivalents at end of the year	366.21	210.92	493.26	309.02	660.50	2,091.90

FINANCIAL PERFORMANCE

SIX YEARS AT A GLANCE

	UoM	2020	2019	2018	2017	2016	2015
Profitability ratios							
Gross (loss) / profit to sales	%	(1.64)	21.93	27.77	41.65	42.76	37.57
Operating (loss) / profit to sales		(5.77)	16.38	22.80	38.61	41.25	41.78
Net (loss) / profit before tax to sales		(12.02)	13.59	21.86	38.28	41.07	41.56
Net (loss) / profit after tax to sales		(3.33)	8.12	16.24	27.44	26.89	29.63
EBITDA to sales		1.00	21.61	27.88	42.98	45.33	45.93
Return on sharecapital		(9.23)	34.80	72.38	128.44	110.89	109.89
Return on capital employed		(1.20)	5.85	11.97	37.50	49.32	49.85
Liquidity ratios							
Current ratio	Times	0.51	0.62	1.36	3.21	2.45	2.78
Acid test ratio		0.30	0.39	0.88	2.18	1.82	1.93
EBITDA to current Liabilities		0.00	0.22	0.63	2.71	2.44	2.30
Cash to current liabilities		0.03	0.02	0.11	0.18	0.38	1.25
Cash flow from operating activities to sales		0.08	0.34	0.18	0.16	0.34	0.30
Activity / turnover ratios							
Inventory turnover	Times	2.43	3.47	3.74	4.37	4.24	3.36
No. of days to inventory	Days	149.90	105.27	97.47	83.58	86.09	108.66
Debtors turn over	Times	20.61	30.94	44.29	87.82	140.51	173.40
No. of days in receivables	Days	17.71	11.80	8.24	4.16	2.60	2.10
Creditors turnover	Times	1.73	4.16	7.14	7.97	6.19	5.81
No. of days in payables	Days	210.69	87.79	51.12	45.80	58.97	62.81
Operating cycle	Days	(43.08)	29.27	54.60	41.94	29.71	47.95
Total assets turnover	%	12.82	23.02	34.77	59.86	63.43	69.55
Fixed assets turnover	%	15.10	26.90	44.00	86.34	89.54	113.85
Investment valuation ratios							
Earnings per share	Rupee	(0.92)	3.48	7.24	12.84	11.09	10.99
Price / earning ratio	Times	(68.52)	6.51	6.47	10.12	9.68	7.76
Market value per share as on June 30	Rupee	63.04	22.65	46.86	130.00	107.40	85.29
Cash dividend per share	Rupee	-	-	4.07	5.50	6.25	6.25
Dividend payout ratio	%	-	-	56.22	42.83	56.36	56.87
Capital structure ratios							
Financial leverage ratio	Times	1.78	1.85	2.51	6.66	19.28	10.40
Debt / equity ratio - debt	Times	2.02	1.61	0.79	0.19	0.06	0.12
Interest coverage ratio	Times	(0.92)	5.89	24.32	118.30	221.17	62.50

ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Rupees in million	2020	2019	2018	2017	2016	2015
Share capital and reserves	10,417.09	10,505.27	10,517.41	9,519.11	7,820.70	6,720.32
Surplus on revaluation of fixed assets	2,711.13	2,816.08	3,111.55	2,728.42	2,849.47	1,612.76
Long term liabilities	21,545.01	19,268.47	11,031.78	3,825.57	2,355.45	2,101.16
Current liabilities	14,361.28	9,687.60	4,450.63	1,687.07	1,742.09	1,680.12
Total equity and liabilities	49,034.52	42,277.41	29,111.37	17,760.17	14,767.70	12,114.35
Non current assets	41,708.39	36,247.37	23,040.49	12,352.25	10,500.19	7,440.21
Current assets	7,326.13	6,030.04	6,070.88	5,407.92	4,267.51	4,674.14
Total assets	49,034.52	42,277.41	29,111.37	17,760.17	14,767.70	12,114.35
%						
Vertical analysis						
Share capital and reserves	21.24	24.85	36.13	53.60	52.96	55.47
Surplus on revaluation of fixed assets	5.53	6.66	10.69	15.36	19.30	13.31
Long term liabilities	43.94	45.58	37.90	21.54	15.95	17.34
Current liabilities	29.29	22.91	15.29	9.50	11.80	13.87
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	100.00
Non current assets	85.06	85.74	79.15	69.55	71.10	61.42
Current assets	14.94	14.26	20.85	30.45	28.90	38.58
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Horizontal analysis (i)						
Cumulative						
Share capital and reserves	55.01	104.59	104.83	85.39	52.31	30.88
Surplus on revaluation of fixed assets	68.11	68.88	86.59	63.62	70.88	(3.29)
Long term liabilities	925.39	820.79	427.18	82.81	12.56	0.41
Current liabilities	754.78	224.85	49.24	(43.43)	(41.58)	(43.66)
Total equity and liabilities	304.76	255.96	145.11	49.53	24.34	2.00
Non current assets	460.58	376.00	202.57	62.21	37.89	(2.30)
Current assets	56.74	41.48	42.44	26.89	0.13	9.67
Total assets	312.85	255.96	145.11	49.53	24.34	2.00
Horizontal analysis (ii)						
Year vs Year						
Share capital and reserves	(0.84)	(0.12)	10.49	21.72	16.37	30.88
Surplus on revaluation of fixed assets	(3.73)	(9.50)	14.04	(4.25)	76.68	(3.29)
Long term liabilities	11.81	74.66	188.37	62.41	12.10	0.41
Current liabilities	48.24	117.67	163.81	(3.16)	3.69	(43.66)
Total equity and liabilities	15.98	45.23	63.91	20.26	21.90	2.00
Non current assets	15.07	57.32	86.53	17.64	41.13	(2.30)
Current assets	21.49	(0.67)	12.26	26.72	(8.70)	9.67
Total assets	15.98	45.23	63.91	20.26	21.90	2.00

ANALYSIS OF STATEMENT OF PROFIT OR LOSS

Rupees in million	2020	2019	2018	2017	2016	2015
Net turnover	6,286.95	9,733.65	10,121.32	10,630.99	9,366.53	8,425.77
Cost of sales	(6,390.05)	(7,598.97)	(7,310.65)	(6,202.69)	(5,361.33)	(5,260.27)
Gross (loss) / profit	(103.09)	2,134.69	2,810.67	4,428.31	4,005.20	3,165.50
Distribution cost	(252.70)	(182.38)	(166.91)	(94.06)	(59.98)	(56.97)
Administrative cost	(108.60)	(143.06)	(97.54)	(84.58)	(81.54)	(71.02)
Other income / (charges)	101.77	(215.31)	(238.64)	(145.47)	0.40	482.79
Operating (loss) / profit	(362.63)	1,593.94	2,307.58	4,104.20	3,864.08	3,520.30
Finance cost	(392.75)	(270.70)	(94.90)	(34.69)	(17.47)	(56.32)
Exchange gain	-	-	-	-	-	37.48
(Loss) / profit before taxation	(755.38)	1,323.23	2,212.69	4,069.51	3,846.61	3,501.46
Taxation	545.76	(532.86)	(568.67)	(1,151.96)	(1,327.83)	(1,005.32)
(Loss) / profit after taxation	(209.62)	790.38	1,644.02	2,917.55	2,518.78	2,496.14

%

Vertical analysis

Net turnover	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	(101.64)	(78.07)	(72.23)	(58.35)	(57.24)	(62.43)
Gross (loss) / profit	(1.64)	21.93	27.77	41.65	42.76	37.57
Distribution cost	(4.02)	(1.87)	(1.65)	(0.88)	(0.64)	(0.68)
Administrative cost	(1.73)	(1.47)	(0.96)	(0.80)	(0.87)	(0.84)
Other income / (charges)	1.62	(2.21)	(2.36)	(1.37)	0.00	5.73
Operating (loss) / profit	(5.77)	16.38	22.80	38.61	41.25	41.78
Finance cost	(6.25)	(2.78)	(0.94)	(0.33)	(0.19)	(0.67)
Exchange gain	-	-	-	-	-	0.44
(Loss) / profit before taxation	(12.02)	13.59	21.86	38.28	41.07	41.56
Taxation	8.68	(5.47)	(5.62)	(10.84)	(14.18)	(11.93)
(Loss) / profit after taxation	(3.33)	8.12	16.24	27.44	26.89	29.63

Horizontal analysis (i)

Cumulative						
Net turnover	(25.38)	21.29	26.13	32.48	16.72	5.00
Cost of sales	21.48	39.79	34.49	14.11	(1.37)	(3.23)
Gross (loss) / profit	(103.26)	(17.55)	8.56	71.05	54.70	22.27
Distribution cost	343.57	243.19	214.08	77.00	12.87	7.20
Administrative cost	52.91	123.98	52.71	32.42	27.66	11.20
Other income / (charges)	(78.92)	(364.99)	(393.71)	(279.03)	(99.50)	494.20
Operating (loss) / profit	(110.30)	(37.57)	(9.62)	60.75	51.34	37.88
Finance cost	597.32	74.45	(38.85)	(77.64)	(88.74)	(63.70)
Exchange gain	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	17.16
(Loss) / profit before taxation	(121.57)	(45.55)	(8.94)	67.47	58.30	44.09
Taxation	(154.29)	(19.41)	(13.99)	74.23	100.83	52.05
(Loss) / profit after taxation	(108.40)	(55.32)	(7.06)	64.94	42.40	41.12

ANALYSIS OF STATEMENT OF PROFIT OR LOSS

%	2020	2019	2018	2017	2016	2015
Horizontal analysis (ii)						
Year vs Year						
Net turnover	(35.41)	(3.83)	(4.79)	13.50	11.17	5.00
Cost of sales	(15.91)	3.94	17.86	15.69	1.92	(3.23)
Gross (loss) / profit	(104.83)	(24.05)	(36.53)	10.56	26.53	22.27
Distribution cost	38.55	9.27	77.45	56.83	5.29	7.20
Administrative cost	(24.09)	46.67	15.32	3.73	14.81	11.20
Other income / (charges)	(147.27)	(9.78)	64.05	(36,106.19)	(99.92)	494.20
Operating (loss) / profit	(122.75)	(30.93)	(43.78)	6.21	9.77	37.88
Finance cost	45.09	185.26	173.52	98.59	(68.98)	(63.70)
Exchange (loss)	-	-	-	-	(100.00)	17.16
(Loss) / profit before taxation	(157.09)	(40.20)	(45.63)	5.79	9.86	44.09
Taxation	(202.42)	(6.30)	(50.64)	(13.24)	32.08	52.05
(Loss) / profit after taxation	(126.52)	(51.92)	(43.65)	15.83	0.91	41.12

PATTERN OF SHAREHOLDING

AS AT JUNE 30,2020

----- Shares held -----			
No. of Shareholders	From	To	Total Shares Held
1801	1	100	56,208
2129	101	500	622,429
1552	501	1,000	1,230,167
1761	1,001	5,000	4,331,125
361	5,001	10,000	2,766,894
144	10,001	15,000	1,845,025
79	15,001	20,000	1,455,590
55	20,001	25,000	1,278,997
32	25,001	30,000	916,480
18	30,001	35,000	603,576
30	35,001	40,000	1,158,045
9	40,001	45,000	392,664
23	45,001	50,000	1,132,678
8	50,001	55,000	423,800
13	55,001	60,000	756,762
10	60,001	65,000	629,829
10	65,001	70,000	689,356
7	70,001	75,000	508,034
11	75,001	80,000	860,376
7	80,001	85,000	582,200
6	85,001	90,000	528,000
4	90,001	95,000	367,758
17	95,001	100,000	1,696,000
4	100,001	105,000	415,500
2	105,001	110,000	212,284
2	110,001	115,000	224,200
3	115,001	120,000	350,452
1	120,001	125,000	125,000
3	125,001	130,000	381,271
1	130,001	135,000	135,000
2	135,001	140,000	272,800
1	140,001	145,000	144,000
4	145,001	150,000	597,500
4	155,001	160,000	634,400
1	160,001	165,000	165,000
1	165,001	170,000	169,000
1	175,001	180,000	177,000
1	180,001	185,000	183,000
2	185,001	190,000	379,500
2	190,001	195,000	387,900
4	195,001	200,000	795,500
1	210,001	215,000	211,682
2	230,001	235,000	468,600
1	235,001	240,000	237,500
1	245,001	250,000	248,000
1	250,001	255,000	255,000
1	255,001	260,000	258,000

PATTERN OF SHAREHOLDING

AS AT JUNE 30,2020

No. of Shareholders	----- Shares held -----		Total Shares Held
	From	To	
1	260,001	265,000	260,300
2	265,001	270,000	534,000
1	275,001	280,000	280,000
1	285,001	290,000	286,755
1	295,001	300,000	298,000
1	300,001	305,000	305,000
1	305,001	310,000	309,000
1	310,001	315,000	312,500
1	320,001	325,000	322,353
1	325,001	330,000	329,000
1	330,001	335,000	335,000
1	345,001	350,000	350,000
1	350,001	355,000	350,900
1	360,001	365,000	364,000
1	365,001	370,000	365,700
2	395,001	400,000	799,000
2	445,001	450,000	895,500
1	495,001	500,000	500,000
1	500,001	505,000	502,000
1	555,001	560,000	560,000
2	595,001	600,000	1,200,000
2	620,001	625,000	1,246,158
1	645,001	650,000	645,500
3	695,001	700,000	2,100,000
2	770,001	775,000	1,547,444
1	780,001	785,000	780,500
1	995,001	1,000,000	996,500
1	1,090,001	1,095,000	1,092,000
1	1,325,001	1,330,000	1,329,100
1	1,395,001	1,400,000	1,400,000
1	1,400,001	1,405,000	1,405,000
1	1,430,001	1,435,000	1,433,000
1	1,495,001	1,500,000	1,500,000
1	3,340,001	3,345,000	3,342,000
1	3,605,001	3,610,000	3,609,000
1	3,745,001	3,750,000	3,750,000
1	3,995,001	4,000,000	4,000,000
1	4,690,001	4,695,000	4,690,100
1	5,995,001	6,000,000	6,000,000
1	7,220,001	7,225,000	7,220,500
1	7,955,001	7,960,000	7,959,707
1	22,520,001	22,525,000	22,520,001
1	106,860,001	106,865,000	106,863,193
8,184			227,148,793

CATEGORIES OF SHAREHOLDERS AND SHARES HELD

AS AT JUNE 30, 2020

Categories of Shareholders	Shares Held	Percentage (%)
Directors, Chief Executive Officer, their spouses and minor children	30,173	0.013
Associated Companies, undertakings and related parties	773,944	0.341
NIT and ICP	416,000	0.183
Banks Development Financial Institutions, Non Banking Financial Institutions	4,727,221	2.081
Insurance Companies	3,692,200	1.625
Modarabas and Mutual Funds	10,280,996	4.526
Shareholders holding 10% or more	106,863,193	47.046
General Public		
a. Local	30,831,561	13.573
b. Foreign	15,790	0.007
Others		
1- Leasing Companies	79,640	0.035
2- Investment Companies	4,216	0.002
3- Joint Stock Companies	51,503,799	22.674
4- Pension Funds	464,552	0.205
5- Foreign Companies	116,193,430	51.153
6- Others	8,135,271	3.582

OTHER INFORMATION

AS AT JUNE 30,2020

Sr. No.	Name	No. of Shares Held	Percentage (%)
Associated Companies, Undertakings and Related Parties			
1	CDC -TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	773,944	0.341
Mutual Funds			
1	CDC - TRUSTEE ABL STOCK FUND (CDC)	1,433,000	0.631
2	CDC - TRUSTEE AKD INDEX TRACKER FUND (CDC)	31,400	0.014
3	CDC - TRUSTEE ALFALAH GHP ALPHA FUND (CDC)	127,000	0.056
4	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND (CDC)	36,000	0.016
5	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND (CDC)	258,000	0.114
6	CDC - TRUSTEE ALFALAH GHP STOCK FUND (CDC)	189,500	0.083
7	CDC - TRUSTEE ALFALAH GHP VALUE FUND (CDC)	74,500	0.033
8	CDC - TRUSTEE APF-EQUITY SUB FUND (CDC)	255,000	0.112
9	CDC - TRUSTEE ATLAS STOCK MARKET FUND (CDC)	3,609,000	1.589
10	CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND (CDC)	62,000	0.027
11	CDC - TRUSTEE FAYSAL MTS FUND - MT (CDC)	445,500	0.196
12	CDC - TRUSTEE FAYSAL STOCK FUND (CDC)	55,000	0.024
13	CDC -TRUSTEE FIRST CAPITAL MUTUAL FUND (CDC)	15,000	0.007
14	CDC - TRUSTEE FIRST HABIB STOCK FUND (CDC)	15,000	0.007
15	CDC - TRUSTEE JS ISLAMIC FUND (CDC)	329,000	0.145
16	CDC - TRUSTEE JS ISLAMIC PENSION SAVINGS FUND-EQUITY ACCOUNT (CDC)	92,000	0.041
17	CDC - TRUSTEE JS LARGE CAP. FUND (CDC)	309,000	0.136
18	CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT (CDC)	144,000	0.063
19	CDC - TRUSTEE LAKSON EQUITY FUND (CDC)	365,700	0.161
20	CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND (CDC)	19,581	0.009
21	CDC - TRUSTEE LAKSON TACTICAL FUND (CDC)	45,103	0.020
22	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND (CDC)	500	0.000
23	CDC - TRUSTEE NBP INCONE OPPORTUNITY FUND - MT (CDC)	104,500	0.046
24	CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT (CDC)	195,500	0.086
25	CDC - TRUSTEE NBP SAVINGS FUND - MT (CDC)	234,500	0.103
26	MC FSL - TRUSTEE JS GROWTH FUND (CDC)	502,000	0.221
27	MSBFSL TRUSTEE ABL ISLAMIC STOCK FUND (CDC)	780,500	0.344
28	MC FSL - TRUSTEE JS VALUE FUND (CDC)	399,000	0.176
29	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND (CDC)	150,000	0.066
Directors, their Spouses and Minor Children			
1	MR. ALY KHAN	1	0.000
2	MISS ALEEYA KHAN	11	0.000
3	MRS. FATIN ALY KHAN W/O MR. ALY KHAN	11	0.000
4	MR. MOHAMMED AFTAB ALAM (CDC)	100	0.000
5	MIRZA ALI HASAN ASKARI (CDC)	100	0.000
6	MR. SHAFIUDDIN GHANI KHAN (CDC)	100	0.000
7	MR. JAMAL NASIM	9,510	0.004
8	MR. RAFIQUE DAWOOD (CDC)	19,340	0.009
9	MR. SAJID FEROZE (CEO) (CDC)	1,000	0.000

OTHER INFORMATION

AS AT JUNE 30,2020

Sr. No.	Name	No. of Shares Held	Percentage (%)
	Executives	250	0.000
	Public Sector Companies & Corporations	-	-
	Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds	8,967,825	3.948
	Shareholders holding five percent or more voting interest in the Company		
1	VISION HOLDING MIDDLE EAST LIMITED (CDC)	106,863,193	47.045
2	MAPLE LEAF CAPITAL LIMITED (CDC)	22,520,001	9.914
All trades in the shares of the Company, carried out by its Directors, Executives, their spouses and minor children are as follows			

NAME	SALE	PURCHASE
NIL	-	-

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting of Pioneer Cement Limited will be held through Video Link at 135 Ferozepur Road, Lahore on Wednesday, October 28, 2020 at 03:00 p.m. to transact the following business:-

1. To confirm minutes of last Annual General Meeting held on October 28, 2019.
2. To receive, consider and adopt the audited accounts for the year ended June 30, 2020 and the reports of directors and auditor's thereon.
3. To appoint auditors for the year ending June 30, 2021 and to fix their remuneration.
4. To elect directors in accordance with the provisions of section 159 of the Companies Act, 2017.

The Board of Directors has fixed the number of elected directors as seven for the purpose of elections at this meeting. The tenure of the elected directors will be three years from the date of election.

The names of the retiring directors are:

- | | |
|------------------------------|----------------------------|
| 1. Mr. Aly Khan | 2. Ms. Aleeya Khan |
| 3. Mr. Shafiuddin Ghani Khan | 4. Mr. Mohammed Aftab Alam |
| 5. Mirza Ali Hassan Askari | 6. Mr. Jamal Nasim |
| 7. Mr. Rafique Dawood | |

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

By Order of the Board

Lahore
September 29, 2020

ABDUL WAHAB
Company Secretary

NOTE:

1. The share transfer books of the Company shall remain closed from October 20, 2020 to October 28, 2020 (both days inclusive) for the purpose of holding AGM. Transfer received at the Company's Registrar office M/s. Corplink (Pvt.) Limited, Wings Arcade, I-K Commercial, Model Town, Lahore at the close of business on October 19, 2020 will be treated in time for the purpose of attending the AGM.
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 shares are requested to immediately notify the change in address, if any.
4. Shareholders who have not yet submitted copy of their CNIC/NTN Certificate to the Company are requested to send the same at the earliest.
5. Shareholders who wish to receive annual reports and notice of the General Meeting through email are requested to provide the following particulars, through a letter duly signed by them
 1. Name
 2. Folio/CDC Account No
 3. Email address
 4. Contact number

Shareholders are also requested to notify any change in their email addresses to the Registrar.

6. Consent for Video Conference Facility

In compliance with Section 134(l)(b) of the Companies Act, 2017, if the Company receives consent from members holding aggregate 10% or more shareholding residing at a geographical location to participate in the meeting through video link facility at least 10 days prior to the date of general meeting, the Company will arrange video link facility in that city.

To avail this facility, please provide following information and submit to registered address of the Company.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the general meeting along with complete information necessary to enable them to access the facility.

I/We, _____ of _____ being a member of the PIONEER CEMENT LIMITED, being holder of Ordinary Shares as per Register Folio No. _____ hereby opt for video conference facility at _____

Signature of member

7. Election of Directors

Any person who seeks to contest this election shall file with the Company at the Registered Office, not later than fourteen days before the date of the meeting, a notice of his/ her intention to offer himself/ herself for election as a director in terms of Section 159(3) of the Companies Act 2017 together with consent to act as director in Form 28 duly signed and completed, declaration in respect of being compliant with the requirements of Code of Corporate Governance 2019 and detailed profile along with office address for placement on the company's website.

8. Online Participation in AGM:

In view of the current situation due to spread of the COVID-19, the Company has decided to conduct the Shareholders' Meeting online in order to ensure their health and safety.

The shareholders will be able to participate in the AGM proceedings through their smartphones or computer devices after completing all the formalities required for the verification and identification of the shareholders.

The shareholders can participate in the AGM through video-link.

For this purpose, shareholders are requested to get their following particulars registered with the Company by sending email to shares@pioneercement.com. Video-link and login credentials will be shared with only those shareholders/ proxies whose emails, containing all the information required below, received via email not later than 72 hours before the meeting.

1. Folio/CDC Account Number,
2. Name,
3. Address,
4. CNIC Number,
5. Shareholding,
6. Contact Number.

The shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM by using the above given email address.

The login facility will be opened at 01:30 p.m. on October 28, 2020 enabling the participants to join the proceedings which will start at 03:00 p.m. sharp.

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pioneer Cement Limited (the Company) for the year ended 30 June 2020 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2020.



EY Ford Rhodes
Chartered Accountants
Audit Engagement Partner: Abdullah Fahad Masood
Lahore

Date: October 06, 2020.

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019

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

1. Total number of directors are 8 as per the following,-

- a. Male: Seven
- b. Female: One

2. The composition of the board is as follows:

a) Independent Directors
Mr. Shafiuddin Ghani Khan
Mr. Rafique Dawood
Mr. Jamal Nasim

b) Non-executive Director
Mr. Aly Khan
Mr. Mohammed Aftab Alam
Mirza Ali Hasan Askari

c) Executive Director
Mr. Sajid Feroze (CEO)

d) Female Director
Ms. Aleeya Khan

3. The directors have confirmed that none of them is serving as a director of more than seven listed companies, including Pioneer Cement Limited;

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

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

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

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

9. The board is complying with Section 19 of the Code of Corporate Governance, however Director's Training Programme for CEO who joined during the year will be arranged by the Company;

10. The Board approves appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

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

a) Audit Committee
Mr. Jamal Nasim (Chairman)
Mr. Aly Khan
Ms. Aleeya Khan
Mr. Shafiuddin Ghani Khan
Mr. Mohammed Aftab Alam

b) HR and Remuneration Committee
Mr. Shafiuddin Ghani Khan (Chairman)
Mr. Aly Khan
Ms. Aleeya Khan
Mr. Mohammed Aftab Alam
Mr. Sajid Feroze (CEO)

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

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

- a) Audit Committee (quarterly/half yearly/ yearly)
- b) HR and Remuneration Committee (yearly);

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any director of the Company;

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

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



ALY KHAN
 Chairman
 September 29, 2020

Independent auditors' report to the members of

Pioneer Cement Limited

Report on the Audit of the Financial Statements for the year ended 30 June 2020

Opinion

We have audited the annexed financial statements of Pioneer Cement Limited (the Company), which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key audit matters	How our audit addressed the key audit matter
1. IMPACT OF COVID-19	
<p>As disclosed in note 1.4 to the financial statements, the COVID-19 pandemic has caused significant impact on businesses and economy in general.</p> <p>To counter rapid growth of COVID-19 the Government of Pakistan implemented country-wide lockdown on 20 March 2020 resulting in reduced business activity.</p> <p>In relation to the accounting and disclosure implications of the above, the management assessed following significant areas:</p> <ul style="list-style-type: none"> - net realizable value (NRV) of inventory under IAS 2, 'Inventories'; - impairment of tangible assets under IAS 36, 'Impairment of non-financial assets'; - financing obtained from banks and related compliance matters including the impact of any restructuring arrangements; - expected credit losses on trade receivables under IFRS 9, 'Financial Instruments'; and <p>The above matters significantly affected the overall audit strategy, allocation of resources in the audit and direction of the efforts of the engagement team. Therefore, the higher focus around the above-mentioned areas is considered a key audit matter.</p>	<p>Our procedures to address the higher risk arising from Covid-19 included the following:</p> <p>We assessed the NRV of inventory by evaluating aging analysis and focusing on slow moving and obsolete items along with prevailing market prices to assess the need for adjustment to carrying values, if any;</p> <p>We obtained management's assessment of impairment on property, plant and equipment and evaluated whether any condition exists that could trigger impairment of fixed assets;</p> <p>We reviewed the terms of loans obtained, renewed and / or restructured by the Company to assess compliance with key terms and conditions, including any applicable debt covenants and reviewed the correct classification, treatment and disclosure of the same;</p> <p>We assessed the appropriateness of estimates used by management, reviewed historical credit loss rates, forward-looking factors and age analysis of trade receivables and tested the reasonableness of charge for the year in relation to expected credit losses;</p> <p>We assessed whether the disclosures in relation to Covid-19 and the items mentioned above are appropriate in accordance with the applicable financial reporting standards.</p>

Key audit matters	How our audit addressed the key audit matter
2. TAX CONTINGENCIES	
<p>As disclosed in note 30.1 to the financial statements, certain tax matters are pending adjudication at various levels with the taxation authorities and other legal forums.</p> <p>The aggregate amounts involved in such contingencies is Rs. 863.35 million as of 30 June 2020.</p> <p>The tax contingencies require management to make judgements and estimates in relation to the interpretation of tax laws and regulations and the recognition and measurement of any provisions that may be required against such contingencies. Due to inherent uncertainties and the time period such matters may take time to resolve, the management judgements and estimates in relation to such contingencies may be complex.</p>	<p>We obtained explanations from management and corroborative evidence including communication with local tax authorities and confirmations of external tax advisors. We gained understanding of the current status of tax assessments to monitor developments in active cases.</p> <p>We analyzed and tested management's key assumptions particularly on cases where there had been significant developments with local tax authorities.</p> <p>We involved internal tax experts to assess and review the management's conclusions on contingent tax matters and evaluated whether adequate disclosures have been made in note 30.1 to the financial statements in line with the requirements of IAS 37 and Fourth Schedule of the Companies Act, 2017.</p> <p>We also evaluated whether the liabilities and exposures for uncertain tax positions were appropriately disclosed in the financial statements.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Abdullah Fahad Masood.

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants
Lahore

Date: October 06, 2020



The background image shows a vast industrial interior, likely a coal processing plant. A large, arched roof made of green translucent panels allows natural light to filter through, creating a bright, high-contrast environment. Below the roof, a complex network of yellow conveyor belts and structural steel beams is visible, transporting dark, granular material (likely coal) across the facility. The perspective is from a high vantage point, looking down into the processing area.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

Rupees in thousand	Note	2020	2019
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	41,557,935	36,106,515
Investment property	6	85,531	83,605
Intangible asset	7	-	-
Long term deposits	8	64,922	57,247
		41,708,388	36,247,367
CURRENT ASSETS			
Stores, spares and loose tools	9	2,615,489	1,889,241
Stock in trade	10	418,089	325,812
Trade debts - unsecured	11	974,170	482,724
Loans and advances	12	855,637	306,458
Trade deposits and short term prepayments	13	2,306	8,263
Advance taxes - net	14	1,352,260	2,077,938
Other receivables	15	228	325
Short term investments	16	741,736	728,359
Cash and bank balances	17	366,214	210,924
		7,326,129	6,030,044
TOTAL ASSETS		49,034,517	42,277,411



Chief Financial Officer



Chief Executive Officer



Chairman

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

Rupees in thousand	Note	2020	2019
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	18	3,500,000	3,500,000
Issued, subscribed and paid-up share capital	19	2,271,489	2,271,489
Reserves			
Capital			
Share premium		197,517	197,517
Surplus on revaluation of property, plant and equipment - net of tax	20	2,711,132	2,816,077
Revenue			
Accumulated profits		7,948,088	8,036,260
		10,856,737	11,049,854
		13,128,226	13,321,343
NON-CURRENT LIABILITIES			
Long term financing - secured	21	18,901,627	14,856,329
Long term deposits		4,237	4,272
Deferred grant	22	6,624	-
Deferred liabilities	23	1,837,831	2,509,565
Retention money		794,691	1,898,307
		21,545,010	19,268,473
CURRENT LIABILITIES			
Trade and other payables	24	5,101,747	2,275,190
Loan from related party	25	500,000	-
Contract liability	26	110,053	88,682
Accrued interest / profit on financing	27	971,523	659,433
Short term borrowings - secured	28	5,892,041	4,830,550
Current portion of long term financing - secured	21	1,720,406	1,765,116
Unclaimed dividend	29	65,511	68,624
		14,361,281	9,687,595
TOTAL LIABILITIES		35,906,291	28,956,068
CONTINGENCIES AND COMMITMENTS	30		
TOTAL EQUITY AND LIABILITIES		49,034,517	42,277,411

The annexed notes from 1 to 49 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in Thousand	Note	2020	2019
Revenue from contracts with customers (net of trial run)	31	6,286,951	9,733,653
Cost of sales (net of trial run)	32	(6,390,045)	(7,598,967)
Gross (loss) / profit		(103,094)	2,134,686
Distribution cost	33	(252,699)	(182,383)
Administrative expenses	34	(108,603)	(143,060)
Other operating income	35	107,559	72,766
Other operating expenses	36	(5,790)	(288,071)
		(259,533)	(540,748)
Operating (loss) / profit		(362,627)	1,593,938
Finance cost	37	(392,754)	(270,704)
(Loss) / profit before taxation		(755,381)	1,323,234
Taxation	38	545,759	(532,857)
(Loss) / profit after taxation		(209,622)	790,377
(Loss) / earnings per share - basic and diluted (Rupees)	39	(0.92)	3.48

The annexed notes from 1 to 49 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in Thousand	Note	2020	2019
(Loss) / profit after taxation		(209,622)	790,377
Items that may be reclassified to statement of profit or loss subsequently			
Re-measurement gain / (loss) on defined benefit plan		23,247	(6,233)
Related tax		(6,742)	1,808
		16,505	(4,425)
Deferred tax on surplus on revaluation of property, plant and equipment due to change in tax rate	20	-	(165,631)
Items that will not be reclassified to statement of profit or loss subsequently			
		-	-
Other comprehensive income / (loss) for the year		16,505	(170,056)
Total comprehensive (loss) / income for the year		(193,117)	620,321

The annexed notes from 1 to 49 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	45	700,630	3,835,655
Income tax paid		(85,156)	(388,914)
Workers' profit participation fund paid		(13,305)	(68,684)
Workers' welfare fund paid		(31,527)	(42,465)
Gratuity and compensated absences paid		(18,554)	(16,655)
Provident fund paid		(19,862)	(16,886)
Increase in long term deposits - net		(7,710)	(17,151)
		(176,114)	(550,755)
Net cash generated from operating activities	A	524,516	3,284,900
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(5,876,688)	(13,696,725)
Proceeds from disposal of property, plant and equipment		-	3,072
Short term investments - net		22,536	102,626
Net cash used in investing activities	B	(5,854,152)	(13,591,027)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - secured - net		4,007,212	8,355,814
Loan from related party - net		500,000	-
Increase in short term borrowings - net		1,061,491	2,390,799
Finance cost - net		(80,664)	205,088
Dividend paid		(3,113)	(927,911)
Net cash generated from financing activities	C	5,484,926	10,023,790
Net increase / (decrease) in cash and cash equivalents	A+B+C	155,290	(282,337)
Cash and cash equivalents at the beginning of the year		210,924	493,261
Cash and cash equivalents at the end of the year		366,214	210,924

The annexed notes from 1 to 49 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	Issued, subscribed and paid- up capital	Reserves				Total
		Capital		Revenue	Sub-Total	
		Share premium	Surplus on revaluation of property, plant and equipment	Accumulated profits		
Balance as at 1 July 2018	2,271,489	197,517	3,111,554	8,044,958	11,354,029	13,625,518
Final dividend for the year ended 30 June 2018 @ Rs. 4.07 per share	-	-	-	(924,496)	(924,496)	(924,496)
Profit after taxation	-	-	-	790,377	790,377	790,377
Other comprehensive loss for the year	-	-	(165,631)	(4,425)	(170,056)	(170,056)
Total comprehensive income for the year	-	-	(165,631)	785,952	620,321	620,321
Surplus on revaluation of property plant and equipment realized through incremental depreciation - net of tax	-	-	(129,846)	129,846	-	-
Balance as at 30 June 2019	2,271,489	197,517	2,816,077	8,036,260	11,049,854	13,321,343
Loss after taxation	-	-	-	(209,622)	(209,622)	(209,622)
Other comprehensive income for the year	-	-	-	16,505	16,505	16,505
Total comprehensive loss for the year	-	-	-	(193,117)	(193,117)	(193,117)
Surplus on revaluation of property plant and equipment realized through incremental depreciation - net of tax	-	-	(104,945)	104,945	-	-
Balance as at 30 June 2020	2,271,489	197,517	2,711,132	7,948,088	10,856,737	13,128,226

The annexed notes from 1 to 49 form an integral part of these financial statements.


Chief Financial Officer


Chief Executive Officer


Chairman

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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 09 February 1986. Its shares are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing 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 with the land area of 2,429 kanals and 9 marlas.
- 1.2** The Company commenced its operations with an installed integrated cement production capacity of 2,200 tons per day. During the year 2005, the capacity was optimized to 2,585 tons integrated cement per day. In financial year 2006, another production line of 4,730 tons integrated cement per day capacity was completed which started commercial operations from April 2006.
- 1.3** During the year, the Company completed the installation of a new state of the art integrated cement plant with an installed cement production capacity of 10,000 tons per day which started trial production during January 2020 and is fully operational from June 2020. The Company is in the process of commissioning 12 MW Waste Heat Recovery Power Plant and 24 MW Coal Power Plant.
- 1.4 Impact of COVID 19**
During December 2019, a novel corona virus started to spread in the city of Wuhan, China which has been named as COVID-19. From the city of Wuhan, it had a fast track spread and as of today, it has its footprints in almost 200 countries. Countries, across the globe have taken measures to counter the spread of COVID-19 including shut down of businesses, closure of factories and as a final step, complete lockdown. These lock downs brought the global economies to a standstill.

During February 2020, first COVID-19 affected case was reported in Pakistan and subsequently, Government took multiple steps including selected lock downs and closure of businesses with the exception of certain industries. The Government also announced a special package for the construction sector to boost the economy. The management believes that the Company's operations, performance and cash flows were adversely impacted only on temporary basis and after the restoration of normal business and economic activities, these impacts have started to subside. Therefore, the Company believes there is no impact of COVID-19 on the material amounts recognized in these financial statements.

2 STATEMENT OF COMPLIANCE

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

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

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

2.1 Standards, interpretations and amendments to published approved accounting standards effective during the year

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except for the following new and amended standards and interpretations effective for annual periods beginning on 1 July 2019, as listed below. The Company has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New Standards, Interpretations and Amendments

IFRS 14	-	Regulatory Deferral Accounts
IFRS 16	-	Leases
IFRIC23	-	Uncertainty over Income Tax Treatments
IFRS 9	-	Prepayment Features with Negative Compensation — (Amendments)
IAS 28	-	Long-term Interests in Associates and Joint Ventures — (Amendments)
IAS 19	-	Plan Amendment, Curtailment or Settlement — (Amendments)
IFRS 3	-	Business Combinations - Previously held Interests in a joint operation — (AIP)
IFRS 11	-	Joint Arrangements - Previously held Interests in a joint operation — (AIP)
IAS 12	-	Income Taxes - Income tax consequences of payments on financial instruments classified as equity — (AIP)
IAS 23	-	Borrowing costs eligible for capitalization (AIP)

The adoption of standards, interpretations and amendments applied for the first time in the period did not have any material impact on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

2.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

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

Standard or Interpretation	Effective date (annual periods beginning on after)
IFRS 3	Definition of a Business — (Amendments)
IAS 1 and IAS 8	Definition of material — (Amendments)
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform — (Amendments)

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2020.

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective date (annual periods beginning on after)
IFRS 1 First-time Adoption of IFRS	01 July 2009
IFRS 17 Insurance Contracts	01 January 2023

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements.

3 BASIS OF PREPARATION

3.1 BASIS OF MEASUREMENT

The financial statements have been prepared under the 'historical cost convention' except for freehold land, factory building, plant and machinery, coal firing system, investment property, short term investments and certain other financial instruments which are carried at revalued amounts / fair value and retirement benefit obligations which are measured at present value.

3.2 PRESENTATION CURRENCY

These financial statements are presented in Pakistani Rupee which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

3.3 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:

- recognition of revenue (Note 4.18);
- recognition of taxation and deferred tax (Note 4.13);
- determining the residual values, useful lives and revalued amounts of property, plant and equipment (Note 4.1);
- employment benefits (Note 4.10);
- impairment of inventories / adjustment of inventories to their net realizable value (Note 4.5);
- impairment of store, spares and loose tools (Note 4.4);
- impairment against Expected Credit Losses (ECL) (Note 4.6);
- impairment of financial assets (Note 4.16.1);
- investment property (Note 4.2); and
- contingencies (Note 30.1).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

4.1 Property, plant and equipment

4.1.1 Operating property, plant and equipment

Owned

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for, factory building, plant and machinery, coal firing system and power generation plant 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 by independent valuer 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 reporting date.

Subsequent costs are included in the assets carrying amount or recognized as separate assets as appropriate only when it is probable that future economic benefits associated with them will flow to the Company and cost of items can be measured reliably.

Maintenance and normal repairs are charged to statement of profit or loss 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 statement of profit or loss.

On 01 July 2019, the Company changed its accounting estimate for factory building on freehold land from useful life of 20 years to 25 years. This requires prospective application as per the requirements of IAS-8 "Changes in accounting policies, estimates and fundamental errors". Had the change not been made, loss for the year ended 30 June 2020 would have been higher by Rs. 16.69 million.

Leased asset

a) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

b) Lease liabilities - rented premises

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

4.1.2 Capital work in progress

These are stated at cost less impairment loss, if any including capitalization of borrowing cost. It consists of expenditure incurred and advances paid to acquire fixed assets in course of their construction and installation. These are transferred to property, plant and equipment when they are available for use.

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. 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 valuation performed by an independent valuer.

4.3 Intangible assets

Intangible assets are stated at cost less accumulated amortization and identified 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 at the rates disclosed in note 7.

Amortization is charged from the month in which an asset is available for use while no amortization is charged for the month in which the asset is disposed off.

The assets useful lives are continually reviewed by the Company and adjusted if impact of amortization is significant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

4.4 Stores, spare parts and loose tools

These are valued at lower of weighted average cost and Net Realizable Value (NRV). Cost comprises of invoice value and other direct costs. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Provision for obsolete and slow moving store is recognized based on the management's best estimate regarding the future usability.

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

4.5 Stock in trade

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

- i) Raw and packing materials - 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 ordinary course of business less estimated cost of completion and estimated cost necessary to make the sale.

4.6 Trade debts and other receivables

Trade debts represent the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

The Company assesses the impairment of its financial assets based on the Expected Credit Loss ("ECL") model. Under the ECL model, the Company accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Company measures the loss allowance at an amount equal to lifetime ECL for its financial instruments.

The Company measures the expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money, if applicable; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Expected credit losses are measured for the maximum contractual period over which the entity is exposed to credit risk. The significant estimates relating to the measurement of ECL relate to the fair value of the collaterals in place, the expected timing of the collection and forward looking economic factors.

4.7 Short term investments

Financial assets are classified as held for trading and included in the category of financial assets at fair value through statement of profit or loss and are acquired for the purpose of selling and purchase in near term. These investments are initially recognized at 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 remeasurement of investment is recognized in statement of profit or loss. 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.

4.8 Cash and cash equivalents

For the purpose of statement of cash flows, 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.

4.9 Surplus on revaluation of fixed assets

A revaluation surplus is recorded in statement of comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in profit or loss. A revaluation deficit is recognized in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the assets' original cost. Cost and accumulated depreciation of assets till the date of revaluation are grossed up with the rate of revaluation, calculated on the basis of net book value before revaluation and fair value of respective assets.

4.10 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Defined benefit plan – contractual workers

The Company operates an unfunded gratuity scheme covering its contractual workers with one or more years of service with the Company. Provision for gratuity is made to cover obligations under the scheme in respect of employees who have completed the minimum qualifying period. The Company has valued provision for gratuity using the projected unit credit method in accordance with IAS - 19.

Experience adjustments are recognized in statement of comprehensive income when they occur. Amounts recorded in statement of profit or loss are limited to current and past service cost, gains or losses on settlements and interest income/expense. All other changes in net defined benefit liability are recognized in statement of comprehensive income with no subsequent recycling to statement of profit or loss.

Compensated absences

All 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 reporting date using their current salary levels.

4.11 Trade and other payables

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

4.12 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 reporting date and adjusted to reflect the current best estimate.

4.13 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 reporting 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 reporting 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.

4.14 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, 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 current assets or current liabilities in the statement of financial position.

4.15 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 reporting date. Any resulting gain or loss arising from changes in exchange rates is taken to statement of profit or loss.

4.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.16.1 Financial assets

Financial assets - initial recognition

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade debts and bank balance that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policy in Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding.

This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include long-term deposits, trade debts, trade deposits, loans and advances, other receivables and bank balances.

Financial assets - subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Financial assets at fair value through profit or loss
- b) Financial assets at amortized cost (debt instruments)
- c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- d) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Not with standing the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Company's financial assets at fair value through profit or loss includes short term investments.

b) Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

The Company's financial assets at amortized costs includes long term deposits, trade debts, advance to employees against salary and other receivables excluding sales tax refund bonds.

c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have any financial assets designated at fair value through OCI (equity instruments).

d) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have debt instruments recorded at fair value through OCI with recycling of cumulative gains and losses.

Financial assets - Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial assets - Impairment

The Company recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade debts, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognized in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

For bank balances, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Company reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the statement of profit or loss.

4.16.2 Financial liabilities

Financial liabilities - initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include long term loans, short term borrowings utilized under mark-up arrangements, creditors, liabilities against assets subject to finance lease, accrued and other liabilities.

Financial liabilities - subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category applies to long term loans, short term borrowings utilized under mark-up arrangements, creditors, liabilities against assets subject to finance lease, accrued and other liabilities.

Financial liabilities - derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

4.17 Government grants

Grants, including the non-monetary grants at fair value are recognized when there is reasonable assurance that:

- a) the entity will comply with the conditions attaching to them, if any; and
- b) the grants will be received.

Grants are recognized as income over the period necessary to match them with the related costs which they are intended to compensate on systematic basis. The grant receivable as compensation for expenses or loss already incurred or for the purpose of giving immediate financial support with no future related costs is recognized as income in the period in which it becomes receivable.

4.18 Revenue recognition

Revenue from contract with customers

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods or service to a customer, and control is transferred at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

Determination of transaction prices

The Company is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Company assesses the impact of any variable consideration in the contract, due to discounts or commission, the existence of any significant financing component and any non-cash consideration in the contract.

The Company has a single performance obligation to transfer the goods with a single transaction price and no impact of variable consideration. Discounts and commissions given to the customers are agreed at the time of contract with customers at a fixed amount per bag or a percentage of sales amount.

The Company has a policy of no refund / return of goods supplied. Therefore there is no variable consideration relating to provision for refund/return of goods.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. As the goods are transferred at a point in time, the sales invoice is issued as soon as the performance obligation is satisfied i.e. the amount is due. Therefore no contract assets have been recognized.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Financial Instruments - Initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Other Revenue

- Return on bank deposits is recognized on time proportion basis using effective interest method.
- Scrap sales are recognized on transfer of control 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.
- Dividend income is recognized when the Company's right to receive establishes.
- Other revenues are accounted for on accrual basis.

4.19 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.

4.20 Impairment of non-financial assets

At each reporting 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 statement of profit and loss. Recoverable amount is estimated as higher of fair value less cost to sell and value in use.

4.21 Dividend and appropriation reserves

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

4.22 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.

4.23 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

5 PROPERTY, PLANT AND EQUIPMENT

Operating property, plant and equipment
Capital work in progress

	NOTE	2020	2019
		Rupees in thousand	
5.1		34,650,824	11,053,352
5.2		6,907,111	25,053,163
		<u>41,557,935</u>	<u>36,106,515</u>

5.1 OPERATING PROPERTY, PLANT AND EQUIPMENT

Note	C O S T / R E V A L U A T I O N				D E P R E C I A T I O N				W R I T T E N D O W N V A L U E	
	As at 01 July 2019	Additions / transfers	Disposals / transfers	As at 30 June 2020	RATE %	As at 01 July 2019	Disposals / transfers	For the year	As at 30 June 2020	As at 30 June 2019
	Rupees in thousand					Rupees in thousand				
Owned										
Freehold land	5.1.1	91,104	-	91,104	-	-	-	-	-	91,104
Factory building on freehold la	5.1.1	2,908,912	681,964	3,590,876	4	1,754,723	-	90,323	1,845,046	1,745,830
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	6,638,967	18,994	6,657,961	Units of production method	4,825,678	-	66,820	4,892,498	1,765,463
Plant and machinery line II	5.1.1	8,404,430	50,144	8,454,574	Units of production method	2,185,168	-	158,883	2,344,051	6,110,523
Plant and machinery line III	5.1.1	-	23,258,930	23,258,930	Units of production method	-	-	2,182	2,182	23,256,748
Coal firing system	5.1.1	465,618	14	465,632	Units of production method	300,182	-	6,061	306,243	159,389
Power generation plant		1,646,848	3,953	1,650,801	4	160,324	-	65,974	226,298	1,424,503
Furniture and fixture		39,911	634	40,545	10	27,239	-	1,802	29,041	11,504
Office equipment		59,981	6,054	66,035	10	35,749	-	4,880	40,629	25,406
Computers and accessories		34,073	2,053	36,126	33	28,850	-	2,882	31,732	4,394
Vehicles		175,614	-	175,614	20	94,193	-	25,461	119,654	55,960
		<u>20,532,299</u>	<u>24,022,740</u>	<u>44,555,039</u>		<u>9,478,947</u>	<u>-</u>	<u>425,268</u>	<u>9,904,215</u>	<u>34,650,824</u>

Note	C O S T / R E V A L U A T I O N				D E P R E C I A T I O N				W R I T T E N D O W N V A L U E	
	As at 01 July 2018	Additions / transfers	Disposals / transfers	As at 30 June 2019	RATE %	As at 01 July 2018	Disposals / transfers	For the year	As at 30 June 2019	As at 30 June 2019
	Rupees in thousand					Rupees in thousand				
Owned										
Freehold land	5.1.1	91,104	-	91,104	-	-	-	-	-	91,104
Factory building on freehold la	5.1.1	2,908,912	-	2,908,912	5	1,644,555	-	110,168	1,754,723	1,154,189
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	6,621,109	17,858	6,638,967	Units of production method	4,771,335	-	54,343	4,825,678	1,813,289
Plant and machinery line II	5.1.1	8,298,640	105,790	8,404,430	Units of production method	1,945,436	-	239,732	2,185,168	6,219,262
Coal firing system	5.1.1	450,944	14,674	465,618	Units of production method	295,531	-	4,651	300,182	165,436
Power generation plant		1,637,875	8,973	1,646,848	4	94,630	-	65,694	160,324	1,486,524
Furniture and fixture		35,907	4,067	39,911	10	25,711	(63)	1,591	27,239	12,672
Office equipment		52,689	7,292	59,981	10	31,436	-	4,313	35,749	24,232
Computers and accessories		28,800	5,466	34,073	33	26,677	(193)	2,279	28,850	5,223
Vehicles		130,650	49,597	175,614	20	71,255	(1,656)	24,594	94,193	81,421
		<u>20,323,471</u>	<u>213,517</u>	<u>20,532,299</u>		<u>8,973,407</u>	<u>(1,825)</u>	<u>507,365</u>	<u>9,478,947</u>	<u>11,053,352</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

5.1.1 The latest revaluation of freehold land, factory building on freehold land, plant and machinery, coal firing system and power generation plant was conducted during the year ended 30 June 2018 by Hamid Mukhtar & Company which created an additional revaluation surplus of Rs. 405 million over net book value of those assets which amounted to Rs. 10,852 million.

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

Rupees in thousand		2020	2019
	Cost	Net book value	Net book value
Freehold land	31,411	31,411	31,411
Factory building on freehold land	1,714,959	316,818	619,821
Plant and machinery - line I	4,257,434	1,324,565	1,355,804
Plant and machinery - line II	4,562,088	3,392,804	3,430,697
Coal firing system	372,476	161,217	167,333
Power generation plant	1,638,158	1,416,446	1,478,682
	12,576,526	6,643,261	7,083,748

Rupees in thousand	2018
5.1.3 Forced Sale Values of the assets under Revaluation at the date of revaluation were as follows:	
Freehold land	77,438
Factory building on freehold land	1,097,029
Plant and machinery line I including coal firing system	1,603,746
Plant and machinery line II	5,082,966
Power generation plant	1,234,595
	9,095,774

Rupees in thousand	Note	2020	2019
5.1.4 Depreciation for the year has been allocated as follows:			
Cost of sales	32	334,102	414,205
Cost of sales (fuel and power)	32	78,748	81,561
Cost of sales (raw material consumed)	32	183	183
Distribution cost	33	2,590	2,753
Administrative expenses	34	9,645	8,663
		425,268	507,365

5.1.5 The operating fixed assets include fully depreciated assets having cost of Rs. 903.41 million (2019: Rs. 892.48 million).

5.1.6 The following assets were disposed off during the year:

Particulars	Cost	Accumulated depreciation	Written-down value	Sale proceeds	Gain on disposal
Rupees in Thousand					
As at 30 June 2020	-	-	-	-	-
As at 30 June 2019	4,689	1,825	2,864	3,072	208

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	Note	2020	2019
5.2 Capital work in progress			
Opening balance		25,053,163	11,569,955
Additions during the year	5.2.1	5,794,842	13,483,208
Transferred to operating fixed assets		(23,940,894)	-
Closing balance		6,907,111	25,053,163

Represented by:

Cement plant, waste heat recovery and coal power plants including civil work		6,152,067	24,310,307
Other plant and machinery items		93,460	93,460
Office premises under construction	5.2.3	625,843	614,169
Other civil works		35,741	35,227
Closing balance		6,907,111	25,053,163

5.2.1 The amount of borrowing cost capitalized during the year amounts to Rs. 3,021.89 million (2019: Rs. 1,524.97 million).

5.2.2 The applicable financing rates for the under construction projects ranges from KIBOR plus 20 bps to KIBOR plus 175 bps (2019: KIBOR plus 10 bps to KIBOR plus 110 bps).

5.2.3 This includes land situated at 64-B/1, Gulberg -III, Lahore with a covered area of 3 kanal 17 marlas and 41 square feet.

Rupees in thousand	2020	2019
6 INVESTMENT PROPERTY		
Carrying value as on July 01	83,605	78,690
Fair value remeasurement gain for the year	1,926	4,915
Carrying value as at June 30	85,531	83,605
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. Investment property includes Office No. 701,702,703 and 704, 7th Floor, Lackson Square Building Number 3, Karachi. Total covered area is 9,630 square feet.	
6.2	The forced sale value of investment property, based on revaluation at year end, is Rs. 72.70 million (2019: Rs. 71.06 million).	
6.3	Net profit arising from investment property amounts to Rs. 5.28 million (2019: Rs. 4.35 million).	

Rupees in thousand	Note	2020	2019
Breakup is given below:			
Rental income		8,415	7,098
Operating expenses		(3,132)	(2,745)
Net profit		5,283	4,353
7 INTANGIBLE ASSET			
Computer software			
Cost:			
Opening balance	7.1	11,066	11,066
Additions during the year		-	-
Closing balance		11,066	11,066

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	Note	2020	2019
Accumulated amortization:			
Opening balance		11,066	9,376
Amortization during the year	7.2	-	1,690
Closing balance		11,066	11,066
Net book value		-	-
Rate of amortization		20 - 33.3%	20 - 33.3%

- 7.1 The cost of intangible assets includes fully amortized assets amounting to Rs. 11.066 million (2019: Rs. 11.066 million).

Rupees in thousand	Note	2020	2019
7.2 The amortization charge for the year has been allocated as follows:			
Cost of sales	32	-	844
Distribution cost	33	-	423
Administrative expenses	34	-	423
		-	1,690

8 LONG TERM DEPOSITS

Security deposits - considered good

- Utilities		35,848	47,944
- Others		29,074	9,303
	8.1	64,922	57,247

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

9 STORES, SPARE PARTS AND LOOSE TOOLS

Stores		536,649	529,639
Spare parts		1,856,839	860,802
Loose tools		15,435	17,120
		2,408,923	1,407,561
Spare parts in transit		7,679	208,516
Stores in transit		242,820	317,097
		250,499	525,613
		2,659,422	1,933,174
Provision for slow moving stores and spare parts		(43,933)	(43,933)
		2,615,489	1,889,241

- 9.1 Stores and spares held for capitalization are not distinguishable from other stores and spares.

10 STOCK IN TRADE

Raw material	32.1	51,432	28,565
Packing material		47,716	30,190
Work in process	32	239,397	201,136
Finished goods	32	79,544	65,921
		418,089	325,812

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	Note	2020	2019
11	TRADE DEBTS - unsecured		
Considered good		974,170	482,724
Considered doubtful	11.1	29,216	21,710
	11.1	1,003,386	504,434
Provision for expected credit losses	11.2	(29,216)	(21,710)
		974,170	482,724

11.1 Set out below is the information about the credit risk exposure on the Company's trade debts using a provision matrix:

	1-30 days	31-90 days	91-180 days	Over 181 days	Total
As at 30 June 2020					
Expected credit losses rate	0.14%	1.74%	22.32%	81.15%	
Estimated total gross carrying amount at default	896,585	61,335	17,063	28,403	1,003,386
Expected credit losses	1,289	1,070	3,809	23,048	29,216
As at 30 June 2019					
Expected credit losses rate	0.41%	2.50%	13.00%	88.84%	
Estimated total gross carrying amount at default	416,639	59,417	8,846	19,532	504,434
Expected credit losses rate	1,723	1,485	1,150	17,352	21,710

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money, if applicable and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security but may obtain post-dated cheques from some customers.

Rupees in thousand	Note	2020	2019
11.2	Allowance for expected credit losses		
Opening balance		21,710	13,175
Allowance against balances as at 1 July 2018		-	4,846
Allowance for the year	33	7,506	3,689
Closing balance		29,216	21,710

12 LOANS AND ADVANCES

Unsecured and considered good

Employees	6,768	5,394
Banks' margin against letter of credit	8,029	4,209
Bank margin / security	-	39,247
Suppliers	26,125	36,940
Contractors	776,571	176,891
Service providers	38,144	43,777
	855,637	306,458

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

13 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Trade deposits	9	9
Prepayments	2,297	8,254
	2,306	8,263

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	Note	2020	2019
14 ADVANCE TAXES - NET			
Advance income tax - net	38.3	991,991	1,048,047
Sales tax receivable - net		360,269	1,029,891
	14.1	1,352,260	2,077,938

- 14.1** Securities and Exchange Commission of Pakistan (SECP) through its S.R.O No. 985 (1) / 2019 dated 2nd September 2019, in partial modification of its previous S.R.O 229 (1) / 2019 dated February 14, 2019 notified that , in respect of companies holding financial assets due from Government of Pakistan, the requirement contained in 'IFRS-9 (Financial Instruments) with respect to application of expected credit losses method shall not be applicable till 30 June 2021, provided that the Company follow relevant requirement of IAS-39 'Financial instruments: Recognition and Measurement', in respect of above referred financial assets during the exemption period. Consequently, these financial statements do not include the impact of Expected Credit Losses (ECL) method in respect of tax refunds due from government.

Rupees in thousand	Note	2020	2019
15 OTHER RECEIVABLES			
Receivable from WAPDA	15.1	19,381	19,381
Others		3,201	3,298
		22,582	22,679
Less: Allowance for expected credit losses		(22,354)	(22,354)
		228	325

- 15.1** 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 continue to pursue for recovery. However, provision of full amount has already been made in the financial statements.

Rupees in thousand	Note	2020	2019
16 SHORT TERM INVESTMENTS			
Fair Value Through Profit or Loss:			
- Investments with Shariah compliant funds			
Meezan Islamic Fund			
4,004,681 Units (2019: 3,830,338)		186,964	183,588
NBP Islamic Stock Fund			
22,977,008 Units (2019: 22,977,008)		217,438	209,268
KSE Meezan Index Fund			
913,849 Units (2019: 913,849)		48,811	48,386
Meezan Balanced Fund			
11,443,064 Units (2019: 10,873,817)		156,926	146,351
Meezan Asset Allocation Fund			
3,520,814 Units (2019: 3,427,064)		128,708	121,430
Meezan Islamic Income Fund			
12,253 Units (2019: 11,167)		631	574
		739,478	709,597
- Investments with conventional funds			
ABL Government Securities Fund			
Nil Units (2019: 1,663,177)		-	16,724
NBP Government Securities Liquid Fund			
1,413 Units (2019: 1,280)		14	13
NBP Money Market Fund			
227,118 Units (2019: 205,240)		2,244	2,025
		2,258	18,762
	16.1	741,736	728,359

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

16.1 The fair value of these investments has been determined using their respective redemption Net Assets Value, published by Mutual Funds Association of Pakistan (MUFAP) on its website, at the reporting date.

Rupees in thousand	Note	2020	2019
17 CASH AND BANK BALANCES			
Cash in hand		1,186	854
Cheques in hand	17.1	129,980	171,441
		131,166	172,295
Balance with banks in:			
- Deposit accounts	17.2	203,107	27,674
- Current accounts		31,941	10,955
	17.3	235,048	38,629
		366,214	210,924

17.1 This represents sales collections in process.

17.2 These carry profits at rates ranging from 5.6% to 12.6% (2019: 3% to 10.2%) per annum.

17.3 Out of this, an aggregate amount of Rs. 1.97 million (2019: Rs. 2.29 million) has been deposited with Shariah-compliant Islamic Banks.

18 AUTHORIZED SHARE CAPITAL

2020	2019	Note	2020	2019
No of shares in ('000)			Rupees ('000')	
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

19 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2020	2019	Note	2020	2019
No of shares in ('000)			Rupees ('000')	
184,464	184,464	Issued for cash ordinary shares of Rs.10/- each	1,844,642	1,844,642
		Issued for consideration other than cash		
23,223	23,223	Ordinary shares of Rs.10/- each	232,228	232,228
4,394	4,394	Ordinary shares of Rs.10/- each	43,937	43,937
27,617	27,617		276,165	276,165
		Issued as fully paid bonus shares		
15,068	15,068	Ordinary shares of Rs.10/- each	150,682	150,682
227,149	227,149		2,271,489	2,271,489

19.1 Vision Holding Middle East Limited (VHME), a Company incorporated and operating in British Virgin Island, having postal address of P.O. Box 728, 38 Esplanade, St. Helier, Jersey JE4 8ZT, Channel Islands, held 106.863 million (2019: 106.863 million) ordinary shares of Rs. 10 each as on 30 June 2020 comprising 47% of paid up share capital. William Gordan Rodgers is authorized agent of VHME.

19.2 During the year ended 30 June 2010, the Company issued 23,222,813 ordinary shares to National Bank of Pakistan (NBP) with a face value of Rs.10/- each under restructuring arrangement against outstanding loan liabilities at the rate of Rs.15/- per share. The arrangement was approved by shareholders in their general meeting held on 31 October 2009. The premium of Rs.5/- per share has been shown under capital reserve account in the statement of changes in equity.

19.3 During the year ended 30 June 2011, the Company issued 3,006,187 ordinary shares and 1,387,503 ordinary shares having face value of Rs.10/- each under restructuring arrangement against outstanding loan liabilities at the rate of Rs.15/- per share to National Bank of Pakistan (NBP) and the Bank of Punjab (BOP) respectively. The arrangement was approved by the shareholders in their general meeting held on 25 October 2010. The premium of Rs.5/- per share has been shown under capital reserve account in the statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	Note	2020	2019
20	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPEMNT - NET OF TAX		
Gross surplus			
Opening balance		3,957,241	4,140,122
Surplus on revaluation carried out during the year		-	-
Transferred to accumulated profits in respect of incremental depreciation charged during the year		(147,810)	(182,881)
	20.1	3,809,431	3,957,241
Less: Deferred tax liability			
Opening balance		1,141,164	1,028,568
Increase in surplus revaluation carried out during the year		-	-
Incremental depreciation charge on related assets		(42,865)	(53,035)
Increase in deferred tax liability due to change in tax rate		-	165,631
		1,098,299	1,141,164
Closing balance of surplus on revaluation - net of tax		2,711,132	2,816,077
20.1	This includes surplus on revaluation of freehold land amounting to Rs. 59.69 million (2019: Rs. 59.69 million).		
21	LONG TERM FINANCING - SECURED		
ISLAMIC BANK			
Meezan Bank Limited - I	21.1	450,000	562,500
Meezan Bank Limited - II	21.2	375,000	487,500
Meezan Bank Limited - III	21.3	2,592,831	2,045,283
		3,417,831	3,095,283
Less: Current portion of long term financing		(187,500)	(412,500)
	A	3,230,331	2,682,783
NATIONAL BANK OF PAKISTAN - SYNDICATES			
Syndicate I			
Conventional Component		12,999,740	11,725,305
Islamic Component		1,999,960	1,800,857
	21.4	14,999,700	13,526,162
Less: Current portion of long term financing		(1,500,000)	(1,352,616)
		13,499,700	12,173,546
Syndicate II			
Conventional Component	21.5	2,081,000	-
	B	15,580,700	12,173,546
JS BANK LIMITED			
Loan Receipts	21.6	129,930	-
Deferred grant - net		(6,624)	-
Interest - net of grant income		196	-
Term Finance - under refinance scheme for payroll financing		123,502	-
Less: Current portion of long term financing		(32,906)	-
	C	90,596	-
	A + B + C	18,901,627	14,856,329

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

- 21.1** The Company has obtained Diminishing Musharaka / Ijarah facility of up to Rs. 900 million (2019: Rs. 900 million) to finance the installation of Waste Heat Recovery Power Plant and Coal Fired Boiler at 3 months KIBOR plus 1.1% per annum for a tenure of five years including grace period of one year with quarterly rental frequency. The facility is secured by creation of specific hypothecation charge over Waste Heat Recovery Power Plant and Coal Fired Boiler of the Company amounting to Rs. 1,000 million. Principal payment of this loan has been deferred by 365 days under the SBP circular ERD/M&PRD/PR/01/2020/32 dated 26 march 2020.
- 21.2** The Company has obtained Diminishing Musharaka / Ijarah facility of up to Rs. 600 million (2019: Rs. 600 million) for cement grinding capacity enhancement project as at 3 months KIBOR plus 1.1%. The facility is secured by creation of specific hypothecation charge over complete cement grinding enhancement project up to Rs. 650 million. The facility is re-payable in five years including a grace period of one year on quarterly basis. Principal payment of this loan has been deferred by 365 days under the SBP circular ERD/M&PRD/PR/01/2020/32 dated 26 march 2020.
- 21.3** The Company has obtained Syndicated Diminishing Musharaka facility amounting to Rs. 2,550 million (2019: Rs. 2,550 million) to finance 24 MW Coal Power Plant. Meezan Bank Limited is the lead arranger and agent of this facility. This facility carries markup / profit at 6 months KIBOR plus 1.1% per annum payable semi annually whereas the principal is repayable in seven years including a grace period of two years. The facility is secured by way of exclusive charge over all present and future plant, machinery and equipment of the project and pari passu charge over all present and future immovable fixed assets (land and buildings) of the Company with 25% margin. Principal payment of this loan has been deferred by 365 days under the SBP circular ERD/M&PRD/PR/01/2020/32 dated 26 march 2020.
- 21.4** The Company has obtained syndicated facility amounting to Rs. 15,000 million (2019: Rs. 15,000 million) to finance new integrated cement plant supported by a 12 MW Waste Heat Recovery Plant. This comprises of Rs. 13,000 million term finance loan and Rs. 2,000 million musharaka facility. National Bank of Pakistan is the lead arranger and agent of this facility. This facility carries markup / profit at 6 months KIBOR plus 1.1% per annum payable quarterly whereas the principal is repayable in seven years including a grace period of two years. This facility is secured by way of pari passu charge over all present and future fixed assets of the Company excluding existing Waste Heat Recovery Power Plant, Cement/ Grinding Mills and 24 MW Coal power plant. Principal payment of this loan has been deferred by 365 days under the SBP circular ERD/M&PRD/PR/01/2020/32 dated 26 march 2020.
- 21.5** During the year, the Company has obtained syndicated facility amounting to Rs. 2,081 million to finance new cement production line III. National Bank of Pakistan is the lead arranger and agent of this facility. This facility carries markup / profit at 3 months KIBOR plus 1.75% per annum payable quarterly whereas the principal is repayable in four years including a grace period of six months. This facility is secured by way of pari passu charge by way of hypothecation over all present and future fixed assets of the Company excluding existing Waste Heat Recovery Power Plant, Cement / Grinding Mills, Cement grinding up gradation project and 24 MW Coal power plant with 25% margin; and by pari passu constructive equitable mortgage over land and building of the Company with 25% margin. Principal payment of this loan has been deferred by 365 days under the SBP circular ERD/M&PRD/PR/01/2020/32 dated 26 march 2020.
- 21.6** During the year, the Company has obtained term finance under refinance scheme for payment of wages and salaries to the workers and employees of business concerns of up to Rs. 195 million to finance salaries and wages expense for three months from April to June 2020. This facility carries markup at 1 month KIBOR plus 2% per annum uptill grant of refinance from State Bank of Pakistan (SBP), and afterwards SBP rate + 3% per annum payable quarterly whereas the principal is repayable in two years and nine months including a grace period of six months. This facility is secured by way of first pari passu charge over Grinding Mill Z-1 (Cement Line 1) of the Company amounting to Rs. 260 million inclusive of 25% margin.
- 22 DEFERRED GRANT**
- This represents deferred grant recognized on loan received from JS Bank Limited at below market interest rate under SBP refinance scheme for payment of wages and salaries to the workers and employees of business concerns (as described in Note 21.6).

Rupees in thousand	Note	2020	2019
Movement during the year is as follows:			
Opening balance		-	-
Amount recognized as deferred grant during the year		7,765	-
Amount recognized as income during the year		(1,141)	-
Closing balance		6,624	-
23 DEFERRED LIABILITIES			
Deferred tax liability	23.1	1,687,444	2,367,673
Gratuity - vested contractual employees	23.2	150,387	141,892
		1,837,831	2,509,565

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	Notes	2020	2019
23.1	Deferred tax liability		
Deferred tax liability on taxable temporary differences:			
- accelerated tax depreciation		3,460,758	1,306,844
- surplus on revaluation of fixed assets	20	1,098,299	1,141,164
		4,559,057	2,448,008
Deferred tax asset on deductible temporary differences:			
- employee benefits		(52,146)	(51,985)
- provision for slow moving stores and spare parts		(11,467)	(12,295)
- allowance for expected credit losses		(13,461)	(12,332)
- unused tax losses	23.1.1	(2,659,807)	-
- minimum tax	23.1.2	(134,732)	-
- others		-	(3,723)
		(2,871,613)	(80,335)
		1,687,444	2,367,673
Deferred tax is calculated in full on temporary differences under the liability method			
Opening balance		2,367,673	2,150,059
Charge recognized in statement of profit or loss	38	(686,971)	55,196
(Income) / charge on effect of application of IFRS 9 through equity		-	(1,405)
Charge recognized in other comprehensive income		6,742	163,823
Closing balance		1,687,444	2,367,673
23.1.1	Unused tax losses include Rs. 304.48 million business losses available for set off against future profits by the year ending 30 June 2026 and Rs. 8.867 billion depreciation losses available for set off indefinitely.		
23.1.2	Minimum tax credit will expire by the year ending 30 June 2025.		
Rupees in thousand	Note	2020	2019
23.2	Defined benefits plan: Gratuity		
23.2.1	The amounts recognized in the statement of financial position are as follows:		
Staff retirement benefits - gratuity	23.2.5	150,267	141,892
Benefit payable		120	-
		150,387	141,892
23.2.2	The amounts recognized in the statement of profit or loss are as follows:		
Current service cost		16,973	14,359
Interest cost on defined benefit obligation		19,849	10,213
Adjustment as result of change in accounting estimate		-	-
Expense recognized in the statement of profit or loss		36,822	24,572
23.2.3	The amounts chargeable to other comprehensive income are as follows:		
Remeasurement of Plan Obligations			
Actuarial (gains)/losses from changes in demographic assumptions		-	-
Actuarial (gains) / losses from changes in financial assumptions		(1,823)	1,592
Experience adjustments		(21,424)	4,641
Re-measurement (gain) / loss charged to other comprehensive income		(23,247)	6,233

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	2020	2019
23.2.4 Movements in the net liability recognized as follows:		
Opening balance	141,892	115,861
Expense recognized during the year	36,822	24,572
Benefits paid / payable	(5,200)	(4,774)
Re-measurement (gain) / loss charged to other comprehensive income	(23,247)	6,233
Closing balance	150,267	141,892

23.2.5 Movements in the present value of defined benefit obligation:		
Opening balance	141,892	115,861
Current service cost	16,973	14,359
Interest cost on defined benefit obligation	19,849	10,213
Benefits paid	(5,080)	(4,774)
Benefits payable	(120)	-
Remeasurement:		
Actuarial (gains)/losses from changes in financial assumptions	(1,823)	1,592
Experience adjustments	(21,424)	4,641
Closing balance	150,267	141,892

Rupees in thousand	2021
23.2.6 Estimated expense to be charged to statement of profit or loss in next year	
Current service cost	15,916
Interest cost on defined benefit obligation	12,380
Amount chargeable to statement of profit or loss	28,296

- 23.2.7** Estimated contribution to post employment benefit plan in 2021 will be Rs. 9.233 million.
- Qualified actuaries have carried out the valuation as at 30 June 2020. The projected unit credit method, based on the following significant assumptions, is used for valuation of the scheme:

Rupees in thousand	2020	2019
Discount rate for interest cost in profit or loss charge	14.25%	9.00%
Discount rate for obligation	8.50%	14.25%
Expected rates of salary increase in future years	7.50%	13.25%
Mortality rates	SLIC 2001-2005	
	Setback 1 year	
Retirement age assumption	Age 60	Age 60

A quantitative sensitivity analysis for significant assumption on defined benefit obligation is as shown below:

Sensitivity level	Assumption	defined benefit obligation
+100 bps	Discount rate	137,888
-100 bps	Discount rate	164,662
+100 bps	Expected increase in salary	164,874
-100 bps	Expected increase in salary	137,482

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 9 years (2019: 9 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	Note	2020	2019
24	TRADE AND OTHER PAYABLES		
Creditors	24.1	2,657,044	1,600,656
Accrued expenses		673,775	295,295
Deposits	24.2	24,044	18,378
Excise duty on cement		1,620,026	251,698
Royalty and excise duty		50,767	1,622
Withholding tax payable		26,321	3,867
Employees' compensated absences	24.3	49,408	43,865
Workers' profit participation fund	24.4	-	13,305
Workers' welfare fund	24.5	-	45,374
Others		362	1,130
		5,101,747	2,275,190

24.1 These are non-interest bearing and generally have payment terms of upto 90 days .

24.2 This includes Rs. 21.7 million (2019: Rs. 15.5 million) received from transporters as security deposits. As per contract terms the Company has the right to utilize the security deposit amount for business purposes as it deems appropriate.

Rupees in thousand	Note	2020	2019
24.3	Employees' compensated absences		
Opening balance as at July 01		43,865	37,597
Charge to CWIP for the year		3,490	1,721
Charge for the year		15,527	18,149
		62,882	57,467
Payments made during the year		(13,474)	(13,602)
Closing balance as at June 30		49,408	43,865
24.4	Workers' profit participation fund		
Opening balance as at July 01		13,305	10,684
Charge for the year	36	-	71,305
		13,305	81,989
Payments made during the year		(13,305)	(68,684)
Closing balance as at June 30		-	13,305

24.5 The Company has made provision amounting to Rs. Nil (2019: Rs. 31.56 million) during the year.

25 LOAN FROM RELATED PARTY

Loan from related party	500,000	-
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25.1 This represents interest free, unsecured, short term loan from Imperial Developers and Builders (Private) Limited, which is payable on demand.

26 CONTRACT LIABILITIES

26.1 This represents advance consideration received from customers in ordinary course of business. No amounts have been received from related parties (2019: Nil).

26.2 Revenue recognized in current period from contract liabilities balance of 2019 amounts to Rs. 29.72 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

	Rupees in thousand	Note	2020	2019
27	ACCRUED INTEREST / PROFIT ON FINANCING			
	Islamic Banks			
	Long term financing		198,464	127,758
	Short term borrowings		51,525	30,264
			249,989	158,022
	Conventional Banks			
	Long term financing		611,772	400,513
	Short term borrowings		109,762	100,898
			721,534	501,411
			971,523	659,433
28	SHORT TERM BORROWINGS - SECURED			
	Islamic Banks			
	Meezan Bank Limited - Running Musharaka/ Murabaha	28.1	555,886	822,229
	Meezan Bank Limited - Import Musawamah/ Istisna	28.2	-	366,460
	Meezan Bank Limited - Salam	28.3	839,089	-
			1,394,975	1,188,689
	Conventional Banks			
	Allied Bank Limited	28.4	476,996	507,613
	National Bank of Pakistan	28.5	996,078	996,078
	MCB Bank Ltd	28.6	494,432	498,671
	Bank Al Habib Ltd	28.7	630,853	434,709
	Habib Bank Limited	28.8	1,049,824	663,630
	JS Bank Limited	28.9	352,163	246,658
	United Bank Limited	28.10	398,012	294,502
	Banks overdrawn		98,708	-
			4,497,066	3,641,861
			5,892,041	4,830,550
28.1	Represents Running Musharaka / Murabaha up to Rs. 550 million in aggregate (2019: Rs. 550 million). The facility carries provisional profit rate of 1 month KIBOR plus 0.50% p.a (2019: 3 months KIBOR plus 0.35% p.a) on basis of Meezan Bank's average Musharaka investment determined at the time of disbursement and is payable on quarterly basis. This also carries 0.001% bank share of Musharaka profit if Musharaka profit exceeds beyond profit rate. The facility is secured against joint pari passu charge over current assets of the Company with 25% margin. It also includes liability of Payment Against Documents (PAD) amounting to Rs. Nil (2019: Rs.106.424 million). The Company has also obtained LC Sight / Usance facility up to Rs. 550 million for import of coal, plant and machinery, stores and spares and services. LC sight facility is secured by lien over import documents whereas Usance LC is secured against Pari Passu charge over all present and future current assets with nil margin and / or accepted bills of exchange with trust receipt. These extendable facilities will expire on 31 December 2020.			
28.2	This represents Import Musawamah facility amounting to Rs. Nil (2019: Rs. 400 million). The facility carries profit rate of KIBOR plus 0.50% per annum. The facility is secured by lien over the investments of the Company with Al-Meezan Investments with 35% margin.			
28.3	This represents Salam facility amounting to Rs. 840 million (2019: Rs. Nil). The facility carries profit rate of KIBOR plus 0.75% per annum. The facility is secured by ranking charge over current assets amounting to Rs. 267 million, lien over the investments of the Company with Al- Meezan Investments and NBP Funds with 35% margin, and exclusive charge over existing Waste Heat Recovery Power Plant amounting to Rs. 437.5 million.			
28.4	The Company has obtained short term Running finance / Money market line / LC facility / Finance against imported merchandise and FATR from Allied Bank Limited amounting to Rs. 1,500 million in aggregate (2019: Rs. 1,500 million). This facility carries markup at the rate 3 months KIBOR plus 0.35% 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 and / or Cash Fund of ABL Asset Management Company with 5% margin and also contains joint pari passu charge over current assets of the company with 25% of margin. LC facility also carries lien on import documents / Bill of exchange / Trust receipts. This extendable facility has expired on 30 June 2020 and renewal is in process.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

- 28.5** The Company has obtained a Running finance facility amounting to Rs.1,000 million. The facility is secured against joint pari passu charge over current assets of the Company with 25% margin. This carries markup at the rate of 3 months KIBOR plus 0.35% per annum payable on quarterly basis. This facility also has a Letter of Credit sub limit of Rs. 500 million for import of coal, stores and machinery parts which is secured by lien over import documents. This extendable facility expires on 31 December 2020.
- 28.6** The Company has obtained a Running finance facility amounting to Rs. 500 million. The facility is secured against joint pari passu charge on the current assets of the Company with 25% margin. This carries markup at the rate of 3 months KIBOR plus 0.20% per annum payable on quarterly basis. This facility also has a Letter of Credit sub limit of Rs. 500 million to import coal, packing material, stores and machinery parts which is secured by lien over import documents. This facility expires on 31 March 2021.
- 28.7** The Company has obtained running finance/letter of credit sight facility/FATR facility of Rs. 500 million. This facility carries markup at the rate of 3 months KIBOR plus 1.25% per annum (2019: 0.35%) payable on quarterly basis. The facility is secured against joint pari passu charge over current assets of the Company with 25% margin. LC facility also carries lien on import documents / Bill of exchange / Trust receipts. It includes FATR liability of Rs. 213.86 million, payment of which has been deferred till December 17, 2020 under the SBP circular ERD/M&PRD/PR/01/2020-32 dated 26 March 2020. This extendable facility expires on 28 August 2021.
- 28.8** The Company has obtained running finance/letter of credit sight facility/FATR facility of Rs. 700 million. This facility carries markup at the rate of 3 months KIBOR plus 0.50% per annum (2019: 0.10%) payable on quarterly basis. The facility is secured against joint pari passu charge over current assets of the Company with 25% margin. LC facility also carries lien on import documents / Trust receipts. This extendable facility expires on 28 February 2021.
- 28.9** The Company has obtained letter of credit sight facility from JS Bank Limited up to Rs. 700 million (June 2019: Rs. 700 million) to import coal. The letter of credit sight facility is secured against lien over import documents with 5% cash margin or as per State Bank of Pakistan requirement whichever is higher. This facility contains LC sublimit of Rs. 300 million to import stores, spares and tools, Rs. 20 million for obtaining foreign technical services and FIM of Rs. 665 million against import of coal. The Company has also obtained letter of guarantee (LG) facility amounting to Rs. 50 million which shall be secured against 100% margin, if availed. Further, the company has also obtained a forward cover facility amounting to Rs. 70 million which was not utilized during the year. This renewable facility will expire on 31 May 2021.
- 28.10** The Company has obtained Non-Interest Cash Finance (NICF)/letter of credit sight facility/FATR facility of Rs. 400 million. The facility carries markup at the rate of 1 month KIBOR plus 1.25% (2019: 0.30%) per annum payable on quarterly basis whereas NICF carries markup at the rate of 1 month KIBOR plus 1.5% (June, 2019: 0.30%). The facility is secured against First pari passu charge over current assets of the Company with 25% margin. LC facility also carries lien on import documents / Bill of exchange / Trust receipts. It includes FATR liability of Rs. 214.04 million, payment of which has been deferred till June 3, 2021 under the SBP circular ERD/M&PRD/PR/01/2020-32 dated 26 March 2020. This extendable facility will expire on 31 October 2020.

Rupees in thousand	Note	2020	2019
29 UNCLAIMED DIVIDEND			
Opening balance		68,624	72,039
Dividend for the year		-	924,496
		68,624	996,535
Payments made during the year		(3,113)	(927,911)
Closing balance	29.1	65,511	68,624

- 29.1** This amount has been deposited in a current account maintained with a shariah compliant bank.

30 CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

Based on the advice of legal consultant and assessment of facts of the cases, the Company expects favourable outcome in the matters described below. Accordingly no provision has been recognized for the following cases.

Tax Matters

The aggregate exposure of the following cases amounts to Rs. 863.35 million (2019: Rs. 708.78).

- 30.1.1** 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 respectively. The case for Rs. 4.518 million is pending in the Lahore High Court, Lahore (LHC) whereas case for Rs. 8.292 million was decided by the Collector of Sales Tax (Appeal) on 3 February 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 which is pending adjudication.
- 30.1.2** The income tax assessments of the Company have been finalized up to tax year 2012. While finalizing the said assessments, income tax authorities made certain additions / disallowances and accordingly raised income tax demands. As a result of appeals filed by the Company before different appellate fora; the said additions / disallowances and income tax demands had been reduced to Rs. 2,471 million and Rs. 137 million respectively. However, certain number of appeals of Company as well as tax department are still pending adjudication at different appellate fora. The management believes that there is a reasonable probability that the matters will be decided in favor of the Company. Pending the outcome of the matters, no provision has been made in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

- 30.1.3** The Deputy Commissioner Inland Revenue (DCIR) passed an amended order dated 29 November 2018 under section 161(1A)/205 of the Income Tax Ordinance, 2001 (the Ordinance) for tax year 2012, wherein demand of Rs. 10.911 million was created. Being aggrieved with the said order, the company filed an appeal before Commissioner Inland Revenue Appeals [CIR(A)] which was decided against the Company. However, being aggrieved with the said order, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication. The management believes that there is a reasonable probability that the matter will be decided in favor of the company. Pending the outcome of the matter, no provision has been made in these financial statements.
- 30.1.4** The Additional Commissioner Inland Revenue (ADCIR) passed an amended order dated 28 June 2019 under section 122(5A) of the Ordinance for tax year 2013, wherein certain additions were made which resulted into taxable income of Rs. 1,949 million and refunds of Rs. 2.998 million. Being aggrieved with the said order, the Company filed an appeal before CIR(A), wherein the CIR(A) vide order dated 26 December 2019 granted substantial relief to the Company. CIR(A) being dissatisfied filed an appeal before the ATIR which is pending adjudication. The management believes that there is a reasonable probability that the matter will be decided in favor of the company. Pending the outcome of the matter, no provision has been made in these financial statements.
- 30.1.5** The DCIR passed an amended order dated 11 March 2020 under section 161(1A)/205 of the for tax year 2013, wherein demand of Rs. 6.999 million was created. Being aggrieved with the said order, the Company filed an appeal before CIR(A) which is pending adjudication. The management believes that there is a reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.
- 30.1.6** The Company's case was selected under section 214C/177 of the Ordinance by the FBR for audit of its income tax affairs for the tax year 2014. Audit proceedings were finalized by the DCIR and passed an order dated 09 September 2017 under section 122(1) of the Ordinance, wherein certain additions were made which resulted into taxable income at Rs. 1,304 million and income tax demand at Rs. 347 million. Being aggrieved with the said order, the Company filed an appeal on 08 December 2017 before the CIR(A) wherein the CIR(A) vide order dated 24 April 2020 granted partial relief to the Company. Being aggrieved with the order of CIR(A), both the Company and tax department filed appeals before the ATIR which are pending adjudication. The management believes that there is a reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.
- 30.1.7** The Company has filed writ petition on 19 January 2015 before the LHC on the issue of chargeability of Alternate Corporate Tax (ACT) for the tax year 2014. The learned Judge allowed filing of return without payment of ACT upon submission of post-dated cheque amounting to Rs. 113.724 million with the Commissioner (to the extent of ACT). The Company has deposited the said cheque with the Commissioner as a collateral against Company's tax liability. The case is still pending in LHC.
- 30.1.8** The DCIR issued a show cause notice under section 205(1B) of the Ordinance to the Company showing intention to impose default surcharge for short payment of advance income tax liability for tax year 2015. The Company file a writ petition against the said show cause notice before the LHC on 30 May 2016. The LHC disposed off the said 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 Company with regard to the ACT 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 believes that there is a reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.
- 30.1.9** The ADCIR passed an amended order dated 25 November 2016 under section 122(5A) of the Ordinance for tax year 2015, wherein certain additions were made which resulted into taxable income of Rs. 4,131 million and income tax demand of Rs. 514 million. Being aggrieved with the said order, the Company filed an appeal before CIR(A) who deleted all the additions except the addition made under section 18(1)(d) of the Ordinance amounting to Rs. 550 million. Being aggrieved with the Order of CIR(A), both the Company and tax department filed appeals before the ATIR, wherein the ATIR vide its combined order dated 13 September 2017 decided the appeals in favour of the Company. Against the said order of the ATIR, the tax department filed a reference bearing No.121750/17, before the honourable LHC, which is pending adjudication. The management believes that there is a reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.
- 30.1.10** The ADCIR passed an amended order dated 29 January 2019 under section 122(5A) of the Ordinance for tax year 2017, wherein certain additions were made which resulted into increase in taxable income of Rs. 4.421 million and income tax demand of Rs. 1.089 million. Being aggrieved with the said order, the company filed an appeal before CIR(A), wherein the CIR(A) vide order dated 26 December 2019 decided the appeal against the Company. Being aggrieved with the said order, the Company filed an appeal before the ATIR which is pending adjudication. The management believes that there is a reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.
- 30.1.11** The Company's case was selected for the audit of its sales tax affairs under section 25 of Sales Tax Act, 1990 (the Act) for the tax year 2017. DCIR finalized the proceedings through its order dated 30 August 2019 wherein the sales tax demand of Rs 76.548 million was created. The Company filed an appeal before CIR(A) against the said order which is pending adjudication. The management believes that there is a reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.
- 30.1.12** The DCIR passed an order dated 15 October 2019 under section 11(2) of the Act for the tax year 2017, wherein the sales tax demand of Rs. 20.950 million was created. However, being aggrieved with the said order, the Company filed an appeal before CIR(A) which is pending adjudication. The management believes that there is a reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.

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30.113 The DCIR passed an order dated 18 October 2019 under section 11(2) of the Act for the tax year 2018, wherein the sales tax demand of Rs. 42.660 million was created. However, being aggrieved with the said order, the Company filed an appeal before CIR(A) which is pending adjudication. The management believes that there is a reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.

30.114 Commissioner passed an order that during the tax period 2008-2009, one of the suppliers of the Company 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. ATIR decided the order against the Company. The Company has filed an appeal against the said order in LHC which is pending adjudication.

Other Matters

30.115 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 30 June 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 30 June 2010, the aforesaid refund claim has been rejected by the Department, however, the Company 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 its realization.

30.116 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.

30.117 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.

30.118 On 31 August 2009, the Competition Commission of Pakistan (CCP) imposed a penalty on the Company via an order dated 27 August 2009 amounting to Rs. 364 million, which is 7.5 percent of the turnover as reported in the last published financial statements as of 30 June 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. During the year, on the request of CCP, the Company has shared certain information with CCP regarding cement quantities sold, applicable sale prices and production. Subsequent to the year end, CCP has issued a press release which states that CCP has taken another notice on increase in cement prices. The management of the Company believes that it has no consequence to the Company, and accordingly, no provision has been made against the above in these financial statements.

30.119 During the year ended 30 June 2013, one of the shareholders filed a suit in the Honourable High Court of Sindh against parties involved in public announcement dated 22 May 2012 pursuant to Listed Companies (Substantial Acquisition of Voting Shares and Take-Overs) Ordinance, 2002 including Company and its 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.

30.2 Commitments

30.2.1 Commitments in respect of outstanding letters of credit amount to Rs. 550.75 million (2019 Rs. 1,863.46 million). It includes letter of credit facilities for the procurement of new cement production plant, WHR and coal power plant aggregating to USD 0.46 million (2019: USD 11.03 million). In addition, commitment in respect of contracts registered with banks amount to Rs. 10.61 million (2019: Rs. 11.87 million).

Commitments in respect of issued letters of guarantees favouring Collector of Customs, Karachi amount to Rs. 78.86 million (2019: Rs. 17.57).

30.2.2 Contracts for capital expenditure amounts to Rs. 1,748.39 million (2019 Rs. 4,057.89 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand		Note	2020	2019
31	REVENUE FROM CONTRACTS WITH CUSTOMERS - NET			
31.1	Disaggregated revenue information			
	Set out below is the disaggregation of the Company's revenue from contracts with customers:			
	Sales - gross		15,015,375	14,179,636
	Less:			
	Sales Tax		2,524,784	2,260,513
	Federal Excise duty		3,444,881	2,076,356
	Commission		96,802	38,099
	Discount and rebate		44,317	71,015
	Freight on cement sold to projects		24,010	-
			6,134,794	4,445,983
			8,880,581	9,733,653
	Test run sales capitalized during the year		(2,593,630)	-
	Total revenue from contract with customers- net		6,286,951	9,733,653
	Types of revenue			
	Cement - Local		14,947,732	13,809,509
	Cement - Export	31.1.1	63,581	364,688
	Paver - Local		4,062	-
	Clinker - Export		-	5,439
			15,015,375	14,179,636
	Geographical Markets			
	Pakistan		14,951,794	13,809,509
	India		-	275,470
	Afghanistan		63,581	94,657
			15,015,375	14,179,636
	Timing of revenue recognition:			
	Goods transferred at a point in time		15,015,375	14,179,636
31.1.1	Export sales include rebate on exports amounting to Rs.1.19 million (2019: Rs. Nil).			
31.2	Contract balances			
	Trade receivables	11	974,170	482,724
	Contract liabilities		110,053	88,682

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand		Note	2020	2019
32	COST OF SALES			
	Raw material consumed	32.1	883,429	571,644
	Packing material consumed		1,008,783	775,983
	Fuel and power		6,668,903	4,870,842
	Stores and spare parts consumed		145,928	245,265
	Salaries, wages and benefits	32.2	441,391	446,024
	Travelling and conveyance		26,700	32,501
	Insurance		9,741	9,699
	Repairs and maintenance		51,667	73,813
	Freight and handling charges	32.3	49,336	-
	Depreciation	5.1.4	334,102	414,205
	Amortization of intangible asset	7.2	-	844
	Other manufacturing expenses		60,708	56,445
	Total manufacturing cost		9,680,688	7,497,265
	Work in process			
	Opening balance		201,136	301,897
	Closing balance	10	(239,397)	(201,136)
			(38,261)	100,761
	Cost of goods manufactured		9,642,427	7,598,026
	Finished goods			
	Opening balance		65,921	66,862
	Closing balance	10	(79,544)	(65,921)
			(13,623)	941
			9,628,804	7,598,967
	Test run production capitalized during the year		(3,238,759)	-
			6,390,045	7,598,967
32.1	Raw material consumed			
	Opening balance		28,565	45,909
	Quarrying / transportation / purchases and other overheads		906,296	554,300
			934,861	600,209
	Closing balance	10	(51,432)	(28,565)
			883,429	571,644
32.2	Includes amount pertaining to employee benefits as follows:			
	Defined contribution plan		10,696	9,967
	Gratuity - vested contractual employees		36,822	24,572
	Compensated absences		11,548	13,322
			59,066	47,861
32.3	This represents freight and handling charges against test run sales capitalized during the year.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	Note	2020	2019
33 DISTRIBUTION COST			
Salaries, wages and benefits	33.1	73,646	61,961
Travelling and conveyance		2,299	2,215
Vehicle running expenses		3,617	2,874
Communication		3,783	3,904
Printing and stationery		1,541	1,829
Rent, rates and taxes		7,813	7,037
Utilities		3,830	3,163
Repairs and maintenance		1,662	2,775
Allowance for expected credit losses	11.2	7,506	3,689
Legal and professional charges		517	316
Insurance		317	322
Fee and subscription		2,761	2,864
Advertisements / sales promotion		16,872	24,075
Freight and handling charges	33.2	122,329	60,102
Entertainment		1,616	2,081
Depreciation	5.1.4	2,590	2,753
Amortization	7.2	-	423
		252,699	182,383
33.1	Includes amount pertaining to employee benefits as follows:		
Defined contribution plan		2,942	2,208
Compensated absences		1,250	1,966
		4,192	4,174
33.2	This represents freight and handling charges against local and export sales.		
Rupees in thousand	Note	2020	2019
34 ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	34.1	67,595	71,892
Travelling and conveyance		2,808	4,028
Vehicle running expenses		3,847	4,320
Communication		1,073	1,253
Printing and stationery		1,538	2,856
Rent, rates and taxes		6,836	6,768
Utilities		24	19
Repairs and maintenance		3,223	3,200
Legal and professional charges		5,055	25,151
Insurance		1,062	1,032
Auditors' remuneration	34.2	2,180	2,180
Fee and subscription		3,410	5,346
Depreciation	5.1.4	9,645	8,663
Amortization	7.2	-	423
Entertainment		106	39
Others		201	5,890
		108,603	143,060

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	Note	2020	2019
34.1	Includes amount pertaining to employee benefits as follows:		
Defined contribution plan		2,468	2,085
Compensated absences		2,729	2,861
		5,197	4,946
34.2	Auditors' remuneration		
Annual audit fee		1,100	1,100
Fee for half yearly review		440	440
Special certifications and other advisory services		330	330
Out of pocket expenses		310	310
		2,180	2,180
35	OTHER OPERATING INCOME		
	Income from financial assets		
Interest on bank deposits		19,983	5,935
Profit on bank deposits		4,217	14,293
	- Income on mutual fund		
Dividend income			
- Shariah compliant investments		22,858	65
- Conventional investments		256	6,632
Remeasurement gain on short term investments - FV through profit or loss		-	-
- Shariah compliant investments		15,215	-
- Conventional investments		3	1,918
Gain on disposal of short term investments			
- Conventional investments		2,344	-
		40,676	8,615
Liabilities written back		21,676	9,093
		86,552	37,936
	Income from non-financial assets		
Scrap sales		9,861	21,363
Gain on disposal of fixed assets	5.1.6	-	208
Fair value gain on investment property	6	1,926	4,915
Rental income arising from investment property	6.3	8,415	7,098
Rental income		805	746
Others		-	500
		21,007	34,830
		107,559	72,766

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	Note	2020	2019
36 OTHER OPERATING EXPENSES			
Workers' profit participation fund	24.4	-	71,305
Workers' welfare fund	24.5	-	31,556
Remeasurement loss on short term investments - FV through profit or loss			
- Shariah compliant investments		4,763	180,388
- Conventional investments		-	515
Loss on disposal of short term investments			
- Conventional investments		-	3,631
Donations	36.1 & 36.2	1,027	676
		5,790	288,071
36.1	This includes donation amounting to Rs. 0.5 million paid to District Administration, Khushab for "Jashn-e-Khushab" in order to promote sports and cultural activities and Rs. 0.38 million to Chenki School for renovation and upgradation of boys elementary school situated in Chenki Village.		
36.2	None of the directors were interested in donee institutions.		
Rupees in thousand	Note	2020	2019
37 FINANCE COST			
Profit on Musharaka finance		124,562	124,709
Mark-up on NBP Syndicates		6,045	-
Mark-up on:			
- Short-term borrowings		255,914	132,850
- Salary Loan		736	-
Fee, charges and commission			
- Bank charges		5,497	13,145
		392,754	270,704
38 TAXATION			
Current tax:			
- Current year		141,538	477,236
- Prior year		(326)	425
		141,212	477,661
Deferred tax:			
- Relating to the reversal of and origination of temporary differences	38.2	(686,971)	55,196
Due to reduction in tax rate			
		(545,759)	532,857
38.1	Numerical reconciliation between average effective tax rate and the applicable tax rate.		
Accounting profit for the year before tax			1,323,234
- Tax applicable rate of 29% (2019: Rate 29%)			383,738
- Effect of expenses not allowed for tax			119,865
- Effect of prior year			425
- Impact of super tax			31,336
- Tax effect under lower rate of tax			4,858
- Tax credits			(7,365)
Taxation			532,857
Percentage			2019
Average effective tax rate			40%
Current tax represents minimum tax under Income Tax Ordinance, 2001. Therefore, reconciliation of tax expense and accounting profit is not meaningful for 2020.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand		2020	2019
38.2	Deferred tax		
	Relating to origination and reversal of temporary difference	(686,971)	214,459
	(Expense) / income resulting from change of rate of tax	-	(159,263)
		(686,971)	55,196
38.3	Advance income tax - net		
	Opening balance - net	1,048,047	1,136,794
	Provision for tax during the year	(141,212)	(477,661)
		906,835	659,133
	Advance income tax paid during the year	85,156	388,914
		991,991	1,048,047

38.3.1 The provision for current year tax represents tax on turnover at the rate of 1.5%. Sufficient tax provision has been incorporated in these financial statements.

38.3.2 Income tax assessments are deemed finalized by the management up to the Tax Year 2019 as tax returns were filed under the self assessment scheme.

38.3.3 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that the sufficient provision for the purpose of taxation is available. The comparison of estimated provision for taxation and actual tax assessed as per income tax return filed for previous years can be analyzed as follows:

Rupees in thousand		Provision for taxation	Tax assessed	(Shortage) / Excess
	2019	477,236	476,910	326
	2018	601,968	602,393	(425)
	2017	1,108,186	1,116,420	(8,234)

39	(LOSS)/ EARNINGS PER SHARE - BASIC AND DILUTED	2020	2019
	There is no dilution effect on the basic earning per share of the Company, which is based on:		
	(Loss) / profit after taxation (Rupees in '000')	(209,622)	790,377
	Weighted average number of ordinary shares in issue ('000')	227,149	227,149
	(Loss) / earnings per share - basic and diluted (Rupees)	(0.92)	3.48

40 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 disclosed elsewhere in these financial statements, are as under:

Rupees in thousand		Note	2020	2019
Relationship with Company	Nature of Transaction			
Common Directorship	Loan from related party - net	25 & 40.1	500,000	-
Key management personnel	Remuneration	42	186,504	174,434
Workers' profit participation fund	Payments to WPPF	24.4	13,305	68,684
Staff retirement contribution plan	Contribution to staff provident fund		19,862	16,886
Balances:				
WPPF payable		24.4	-	13,305

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

40.1 This represents loan liability net of Rs 350 million repayment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

41 FINANCIAL RISKS AND MANAGEMENT OBJECTIVES

41.1 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, 2020.

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. During the year, relative of a director of the Company has provided personal guarantee to a bank to partially secure a long term obligation. Further, 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.

In order to achieve this overall objective, the Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. With respect to long term facilities, the Company has obtained relaxation from certain banks regarding compliance of financial ratios whereas formal approval of other banks is in process.

41.2 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, credit risk and equity risk. The sensitivity analysis in the following sections relate to the position as at 30 June 2020 and 30 June 2019.

41.3 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 reporting 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
30 June 2020						
Long term financing	-	-	1,720,406	18,901,627	-	20,622,033
Long term deposits	-	-	-	4,237	-	4,237
Deferred liabilities	-	-	-	150,387	-	150,387
Unclaimed dividend	-	-	65,511	-	-	65,511
Retention money	-	-	-	794,691	-	794,691
Trade and other payables	1,697,114	3,355,225	49,408	-	-	5,101,747
Loan from related party	-	-	500,000	-	-	500,000
Contract liability	110,053	-	-	-	-	110,053
Accrued mark up / profit on financing	971,523	-	-	-	-	971,523
Short term borrowings	1,191,252	-	4,700,789	-	-	5,892,041
	3,969,942	3,355,225	7,036,114	19,850,942	-	34,212,223

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
30 June 2019						
Long term financing	-	-	1,765,116	14,856,329	-	16,621,445
Long term deposits	-	-	-	4,272	-	4,272
Deferred liabilities	-	-	-	141,892	-	141,892
Unclaimed dividend	-	-	68,624	-	-	68,624
Retention money	-	-	-	1,898,307	-	1,898,307
Trade and other payables	257,187	1,960,833	57,170	-	-	2,275,190
Contract liability	88,682	-	-	-	-	88,682
Accrued mark up / profit on financing	659,433	-	-	-	-	659,433
Short term borrowings	1,040,339	-	3,790,211	-	-	4,830,550
	2,045,641	1,960,833	5,681,121	16,900,800	-	26,588,395

41.4 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 mark-up 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.

Mark-up 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 / (loss) 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
2020			
Pak Rupee	+100	2,031	(25,352)
Pak Rupee	-100	(2,031)	25,352
2019			
Pak Rupee	+100	277	(21,784)
Pak Rupee	-100	(277)	21,784

41.5 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 long term deposits, trade debts, advances, other receivables, short term investments and bank balances aggregating to Rs. 3.507 million (2019: Rs.3.562 million). The Company seeks to minimize its credit risk exposure through having exposure only to customers considered credit worthy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	Note	2020	2019
Long term deposits	8	64,922	57,247
Trade debts	11	974,170	482,724
Advances to employees	12	6,768	5,394
Advance taxes - net	14	1,352,260	2,077,938
Other receivables	15	228	325
Short term investments	16	741,736	728,359
Cheques in hand	17	129,980	171,441
Bank balances	17	235,048	38,629
		3,505,112	3,562,057

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	2020	2019
Bank balances		
Banks having A1+ rating (PACRA)	44,684	18,384
Banks having A-1+ rating (JCR-VIS)	190,364	20,245
	235,048	38,629
Short Term investments		
Funds having AAA rating (PACRA)	14	13
Funds having AA rating (PACRA)	2,244	2,025
Funds having A rating (JCR-VIS)	-	16,724
Unrated (equity based funds)	739,478	709,597
	741,736	728,359

41.6 Foreign exchange risk management

Foreign currency risk arises mainly where balances exists due to the transactions with foreign undertakings. The Company is not exposed to foreign currency exchange risk at the reporting date.

41.7 Other price risk

Equity price risk is the risk arising from uncertainties about future values of investment securities. As at reporting date, the Company is exposed to sensitivity equity price risk as the Company holds investments in mutual funds (Note 16).

Rupees in thousand	Increase / (decrease) in value	2020	2019
Short term investments (equity based funds)	+10%	55,188	52,544
	-10%	(55,188)	(52,544)

41.8 Fair value

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

IFRS 13 Fair value Measurements' requires the Company to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The following table show the carrying amounts and fair values of financial assets according to there respective category, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	Cash and cash equivalents	Amortized Cost	Fair value through OCI	Fair value through profit or loss	Total
2020					
Financial assets measured at fair value					
Short term investments	-	-	-	741,736	741,736
Financial assets not measured at fair value					
Long term deposits	-	64,922	-	-	64,922
Current assets					
Trade debts - unsecured	-	974,170	-	-	974,170
Loans and advances	-	6,768	-	-	6,768
Trade deposits	-	9	-	-	9
Advance taxes - net	-	1,352,260	-	-	1,352,260
Other receivables	-	228	-	-	228
Cash and bank balances	366,214	-	-	-	366,214
	366,214	2,398,357	-	741,736	3,506,307
2019					
Financial assets measured at fair value					
Short term investments	-	-	-	728,359	728,359
Financial assets not measured at fair value					
Long term deposits	-	57,247	-	-	57,247
Current assets					
Trade debts - unsecured	-	482,724	-	-	482,724
Loans and advances	-	5,394	-	-	5,394
Trade deposits	-	9	-	-	9
Advance taxes - net	-	2,077,938	-	-	2,077,938
Other receivables	-	325	-	-	325
Cash and bank balances	210,924	-	-	-	210,924
	210,924	2,623,637	-	728,359	3,562,920

41.8.1 The Company doesn't hold any financial liability at fair value.

Rupees in thousand	Note	2020	2019
41.8.2 Financial liabilities by categories			
Financial liabilities at amortized cost			
Long term financing - secured	21	20,622,033	16,621,445
Trade and other payables	24	5,101,747	2,275,190
Loan from related party	25	500,000	-
Contract liability		110,053	88,682
Accrued mark up / profit on financing	27	971,523	659,433
Short term borrowings - secured	28	5,892,041	4,830,550
		33,197,397	24,475,300

At 30 June, the Company had following financial instruments with respect to their level of fair value modelling:

Fair value is determined on the basis of objective evidence at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	Level 1	Level 2	Level 3
2020			
Short term investments	741,736	-	-
2019			
Short term investments	728,359	-	-

42 REMUNERATION OF DIRECTORS, 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		Executives		Total	
	2020	2019	2020	2019	2020	2019
	1	1	33	26	34	27
Basic Salary	13,002	12,803	77,352	67,953	90,354	80,756
Contribution to Provident Fund Trust	1,300	1,280	5,862	1,280	7,162	2,560
Allowances & benefits:						
- House Rent	5,851	5,761	34,809	30,579	40,660	36,340
- Utilities	1,300	1,280	7,735	6,795	9,035	8,075
- Others	3,502	5,433	35,791	41,270	39,293	46,703
	24,955	26,557	161,549	147,877	186,504	174,434

42.1 In addition, the Chief Executive Officer and all the executives of the Company have been provided with free use of the Company owned and maintained cars and other benefits in accordance with their entitlements as per rules of the Company.

42.2 No remuneration is being paid / payable to the directors of the Company except meeting fee which is paid to all 7 non executive directors at the rate of Rs. 15,000 per meeting attended accumulating to Rs. 0.495 million paid during the year. (2019: Rs. 0.390 million).

43	NUMBER OF EMPLOYEES	2020	2019
	Number of employees at year end including permanent and contractual - total	1,080	1,059
	Average number of employees during the year - total	1,093	1,054
	Number of employees at year end including permanent and contractual - factory	982	962
	Average number of employees during the year - factory	991	960

44 PROVIDENT FUND TRUST

The Company has maintained an employee's provident fund trust and investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and conditions specified thereunder. The salient un audited information of the fund is as follows:

Rupees in thousand	2020	2019
	Audited	Audited
Size of the fund	209,020	158,227
Cost of investment made	169,110	120,110
Fair value of investment	189,044	124,136
Percentage of investment made	90%	78%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Rupees in thousand	2020		2019	
Breakup of investment				
	Audited	% in full	Audited	% in full
Mutual Funds	68,509	36%	62,995	50%
Certificate of investments	110,567	58%	55,858	45%
Term Finance Certificates	934	1%	934	1%
Shares	9,034	5%	4,350	4%
	189,044	100%	124,137	100%

Rupees in thousand	Note	2020	2019
45 CASH GENERATED FROM OPERATIONS			
(Loss) / profit before taxation		(755,381)	1,323,234
Adjustments for non-cash and other items:			
Depreciation	5.1.4	425,268	507,365
Amortization of intangible asset	7.2	-	1,690
Provision for expected credit losses	11	7,506	3,689
Provision for gratuity and compensated absences	23.2.2, 24.3	52,349	42,721
Finance cost	37	392,754	270,704
Gain on disposal of property, plant and equipment	5.1.6	-	(208)
Gain on remeasurement of investment property	6	(1,926)	(4,915)
Workers' profits participation fund	36	-	71,305
Workers' welfare fund	36	-	31,556
Dividend Income	35	(23,114)	(6,697)
(Gain) / loss on redemption of short term investment	35	(2,344)	3,631
Unrealized (gain) / loss on investments		(10,455)	178,985
Liabilities written back		(21,676)	(9,093)
		818,362	1,090,733
Cash flows before working capital changes		62,981	2,413,967
Movement in working capital			
(Increase)/ decrease in current assets:			
Stores , spare parts and loose tools		(726,248)	(191,529)
Stock in trade		(92,277)	144,585
Trade debts		(498,952)	(57,445)
Loans and advances		(549,179)	(179,219)
Trade deposits and short term prepayments		5,957	(4,075)
Sales tax receivable		669,622	(329,362)
Other receivables		97	(280)
		(1,190,980)	(617,325)
Increase/ (decrease) in current liabilities:			
Trade and other payables		2,932,245	1,011,596
Retention money		(1,103,616)	1,027,417
		1,828,629	2,039,013
		637,649	1,421,688
		700,630	3,835,655

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Metric Tons	2020	2019
46 PRODUCTION CAPACITY		
Rated capacity - cement		
- Line I	775,500	775,500
- Line II	1,419,000	1,419,000
- Line III	3,000,000	-
	5,194,500	2,194,500
Actual production - cement		
- Line I	819,546	781,190
- Line II	472,603	661,420
- Line III	444,411	-
	1,736,560	1,442,610
Sales		
- Local - Cement	1,722,414	1,384,237
- Exports - Cement	12,464	60,897
- Exports - Clinker	-	1,078
	1,734,878	1,446,212

46.1 The difference between installed capacity and actual production is due to the demand and supply variations of the Company's products which was also impacted by COVID-19

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issuance by the Board of Directors of the Company on September 29, 2020.

48 EVENTS AFTER REPORTING DATE

There are no material events after the reporting date requiring adjustments and / or disclosure.

49 GENERAL

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

مستقبل کا نقطہ نظر

جیسا کہ اوپر ذکر آچکا ہے حکومت پاکستان نے متعدد اقدامات کئے ہیں بشمول پالیسی شرح میں کمی، قرضوں کی ادائیگی میں التواء، ترقیاتی اخراجات اور مراعات کا اعلان۔ نیا پاکستان ہاؤسنگ پروگرام کے تحت پانچ ملین گھروں کی تعمیر کا پختہ عزم کا اعلان کیا گیا ہے۔ مہمند اور بھاشا ڈیم کی تعمیر کے لئے بھی اقدامات کئے جا رہے ہیں۔ CPEC کے تحت متعدد ترقیاتی منصوبے اور صنعتی اسٹیٹ بنائے جائیں گے۔ ان تمام ترقیاتی منصوبوں کی وجہ سے آنے والے مہینوں اور سالوں میں آپ کی کمپنی ملک کی ترقی میں حصہ ڈالنے کے لئے تیار ہے۔ بیرونی محاذ پر برآمدات میں اضافے اور درآمدات میں کمی سے جاری کھاتے میں خسارہ مزید بہتر ہوگا۔ تاہم عالمی معیشت میں سست روی سے بیرون ملک مقیم کارکنان کی ترسیلات زر میں آنے والے مہینوں میں کمی ہو سکتی ہے۔

کمپنی مارکیٹ کی مانگ پوری کرنے کیلئے اور اپنا حصہ بڑھانے کیلئے نئے پیداواری یونٹ سے زیادہ پیداوار حاصل کرنے کے لئے پر عزم ہے۔ 12 میگاواٹ ویسٹ ہیٹ ریکوری پاور پلانٹ اور 24 میگاواٹ کول پاور پلانٹ مالی سال 2020-21 کی دوسری سہ ماہی سے پیداوار شروع کر دے گا۔ پلانٹ کے کمرشل آپریشن کے شروع ہوتے ہی آپ کی کمپنی مقامی منڈی میں اور برآمدات میں اپنے ہدف کو بڑھائے گی جس سے حصص داران کو بہتر منافع مل سکے گا۔

آپ کی کمپنی کی نئی اور بہتر پیداواری لائن کے ساتھ حکومتی پالیسیوں کی وجہ سے کمپنی کو اپنے اہداف حاصل کرنے اور حصص داران کے فوائد کیلئے مدد ملے گی۔

اعتراف

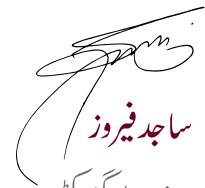
بورڈ تمام پیش کنندگان بشمول مالیاتی اداروں، صارفین، قرض دہندگان، سرکاری محکموں اور کمپنی کو مضبوط بنانے والے تمام دیگر کی امداد اور تعاون کو تسلیم کرتا ہے۔ بورڈ کمپنی کے ملازمین کی محنت اور لگن پر ان کا شکریہ ادا کرتا ہے۔



علی خان

چیرمین

29 ستمبر 2020



ساجد فیروز

چیف ایگزیکٹو

29 ستمبر 2020

بہبود ملازمین

پراویڈنٹ فنڈ گریجویٹی

کمپنی اپنے تمام مستقل ملازمین کے لئے پراویڈنٹ فنڈ سکیم چلا رہی ہے جبکہ تمام معاہدہ جاتی ملازمین جن کی عمر ۶۰ سال سے کم ہے کے لئے گریجویٹی سکیم چلا رہی ہے۔ پراویڈنٹ فنڈ کی سرمایہ کاری کی مناسب قیمت 30 جون 2020 کو 189.04 ملین روپے ہے (2019:124.14 ملین روپے آڈٹ شدہ)۔

طبی سہولیات

کمپنی پالیسی کے تحت کمپنی کے تمام اہل ملازمین کو بشمول بیوی بچوں کے طبی اور شفاخانہ باشی کی سہولت فراہم کی گئی ہے تاکہ وہ اپنے کار منصبی ذہنی سکون سے ادا کر سکیں۔

انسانی سرمایہ

کمپنی اپنے ملازمین کو اپنا قیمتی اثاثہ مانتی ہے۔ اعلیٰ کارکردگی کے حامل ملازمین کو انعامات دیئے جاتے ہیں تاکہ دوسرے ملازمین کو اپنی کارکردگی کو بہتر کرنے کیلئے سازگار ماحول دیا جائے۔

ڈائریکٹرز کیلئے تربیتی پروگرام

کوڈ آف کارپوریٹ گورننس کے تحت تمام کمپنیز پابند ہیں کہ وہ اپنے ڈائریکٹرز کیلئے آگہی اور تربیتی کورس کا اہتمام کریں۔ کمپنی نے بورڈ ارکان کی تربیت کیلئے کوڈ آف کارپوریٹ گورننس کے مطابق پروگرام مرتب کئے ہیں۔

بورڈ کی اپنی کارکردگی کی تشخیص

بورڈ آف ڈائریکٹرز نے اپنی کارکردگی کو جانچنے اور اس میں بہتری کیلئے ایک معیار مقرر کیا ہے۔ وہ معیار دستاویز کی شکل میں ڈائریکٹرز میں تقسیم کیا جاتا ہے تاکہ اولین مقاصد، بورڈ کی خود مختاری اور بورڈ کی کمیٹیوں کی تشخیص ان کی پر توجہ رہے۔ بورڈ ارکان کی طرف سے آراء اور تجاویز پیش کی جاتی ہیں اور وہ مستقبل کی منصوبہ بندی کیلئے استعمال کی جاتی ہیں۔

حصص برداری کی ترتیب

کمپنی کی حصص برداری کی ترتیب 30 جون 2020، کمپنیز ایکٹ 2017 کی شق (f)(2) 227 کے مطابق ہے اور رپورٹ کے ساتھ منسلک ہے۔

آڈیٹرز

34 ویں سالانہ اجلاس عام کے موقع پر ای وائی فورڈر ہوڈز (آڈیٹرز) ریٹائر ہو جائیں گے۔ انہوں نے دوبارہ تقرری کیلئے آمادگی کا اظہار کیا ہے۔ آڈٹ کمیٹی کی سفارش کے تحت بورڈ ای وائی فورڈر ہوڈز کی دوبارہ تقرری کی تجویز دیتا ہے۔

and ISO 14001:2015 کے سرٹیفکیٹ حاصل کر چکی ہے۔ مزید برآں قدرتی ذرائع کے استعمال میں کمی کی بدولت آپ کی کمپنی کو گرین آفس ڈپلوما بھی مل چکا ہے۔ آپ کی کمپنی ماحولیات کے معیار کو قائم رکھنے کے اقدامات جاری رکھے گی۔

گیس اور دھول کا اخراج

کمپنی آلودگی سے پاک ماحول کو برقرار رکھنے کیلئے کوشاں ہے اور اس کے لئے برقی آلات اور دھول جمع کرنے والے آلات کمپنی کے پیداواری مقام پر لگائے ہیں۔ ۶ میگاواٹ کا ایک ویسٹ ہیٹ ریکوری پلانٹ بھی لگایا گیا ہے جو کہ پیداواری عمل کے دوران پیدا شدہ گرم گیس کو استعمال کرتے ہوئے بجلی پیدا کرتا ہے۔

ہمارا زیر تعمیر سیمنٹ پلانٹ جدید ترین ٹیکنالوجی کا حامل ہے جس میں ایندھن اور بجلی کی کھپت کم ہے۔ اس کے ساتھ بھی ایک ۱۲ میگاواٹ کا ویسٹ ہیٹ ریکوری پلانٹ لگایا گیا ہے جو ہمارے اس پلانٹ کو مزید ماحول دوست بنائے گا اور جلد ہی اپنا کام شروع کر دے گا۔

ملازمین کی حفاظت

بطور ذمہ دار کارپوریٹ شہری آپ کی کمپنی اپنے ملازمین کی صحت اور تحفظ کو اولین ترجیح دیتی ہے کمپنی کے ملازمین مطلوبہ آلات اور حفاظت سے متعلقہ اوزاروں سے لیس ہیں تاکہ وہ پیدا شدہ شور سے محفوظ رہ سکیں۔ ایک علیحدہ حفاظتی شعبہ بھی قائم کیا گیا ہے جو کہ حفاظتی قواعد و ضوابط قائم کر سکے اور اس کے ساتھ تعمیل کو یقینی بنائے۔ یہ قواعد و ضوابط وقتاً فوقتاً دیکھے جاتے ہیں تاکہ کسی بھی ناخوشگوار واقع سے بچنے کیلئے ضروری اقدامات کئے جاسکیں۔

کیونٹی سرمایہ کاری اور فلاحی سکیم

کمپنی ایک کارپوریٹ شہری کے طور پر سوسائٹی کی فلاح و بہبود کیلئے اپنا کردار ادا کرتی رہتی ہے۔ کمپنی علاقائی ترقی اور فلاحی پروگراموں میں بڑھ چڑھ کر حصہ لیتی ہے جس میں چٹکی گاؤں کے علاقے کی مسجد، طبی ڈسپنسری، ایسبولینس سروس اور پرائمری سکول اور جوہر آباد میں ڈویژنل پبلک سکول کی مالی امداد شامل ہیں۔ کمپنی لگاتار کمیونٹیز کے ساتھ مل کر پلانٹ کے ارد گرد کے علاقے میں ان کی معاشی ضرورتوں کا خیال رکھتی ہے۔ پلانٹ کے ارد گرد کے علاقے کے لوگ نئے پلانٹ کی تنصیب سے اور زیادہ فوائد حاصل کریں گے۔ کارپٹ روڈ کی تعمیر اور دوسرے ترقیاتی منصوبوں سے نزدیکی علاقوں کے لوگوں کے طرز زندگی پر بہتر اثرات مرتب ہوں گے۔

قومی خزانے میں شراکت

کمپنی نے قومی خزانے میں اس سال 4,578.46 ملین روپے (2019: 4,883.42 ملین روپے) انکم ٹیکس، لیویز، سیلز ٹیکس اور ایکسائز ڈیوٹی کی مد میں جمع کرایا۔ اس رپورٹ کی تیاری کے وقت تک 1,646.35 ملین روپے (2019: 255.56 ملین روپے) قابل ادائیگی ہیں جو کہ مناسب وقت میں ادا کر دیئے جائیں گے۔

باقاعدہ جائزہ لیا جاتا ہے۔ بورڈ کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کیلئے پرعزم ہے اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے نافذ کردہ کوڈ آف کارپوریٹ گورننس کی جامع تعمیل کو یقینی بناتا ہے۔ بورڈ مندرجہ ذیل امور کی تصدیق کرتا ہے:

✧ پائینئر سیمنٹ کی انتظامیہ کے تیار کردہ مالی حسابات میں اپنے تمام امور، کاروباری نتائج، کیش فلو کی حالت اور ایکویٹی میں ردوبدل کا جائزہ پیش کیا جاتا ہے۔

✧ حساب کتاب کی مناسب کتب کو برقرار رکھا گیا ہے۔

✧ مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیز کا خیال رکھا جاتا ہے اور اکاؤنٹنگ کے اندازے مناسب اور محتاط ہوتے ہیں۔

✧ مالی حسابات کی تیاری میں پاکستان میں مروجہ بین الاقوامی اکاؤنٹنگ کے معیار کا خیال رکھا جاتا ہے اور اگر ان میں کوئی تبدیلی ہو تو باقاعدہ ظاہر کیا جاتا ہے۔

✧ اندرونی کنٹرول اور ضابطوں کے موجودہ نظام کا باقاعدگی سے جائزہ لیا جاتا ہے۔ یہ بورڈ کی آڈٹ کمیٹی کا بنایا ہوا ہے اور ضرورت پڑنے پر بدلا بھی جاتا ہے۔

✧ کمپنی کی قابلیت پر تشویش کے بارے میں کوئی اہم شکوک و شبہات نہیں ہیں۔

✧ کارپوریٹ گورننس کے بہترین طریقوں سے کسی قسم کا قابل ذکر اختلاف نہیں پایا جاتا۔

✧ اخلاقی اور کاروباری ضابطہ بنایا گیا ہے اور ڈائریکٹرز اور کارکنان میں تقسیم کیا گیا ہے۔

✧ بورڈ نے مشن سٹیٹمنٹ اور کاروباری حکمت عملی کی سٹیٹمنٹ بھی بنائی ہے۔

✧ کوڈ آف کارپوریٹ کے تحت مندرجہ ذیل بیانیہ لف ہذا ہیں:

(۱) چھ سالہ مالیاتی اور کاروباری اعداد۔

(۲) حصص داری کی ترکیب۔

(۳) ایسوسی ایٹڈ کمپنیز، انڈر ٹیکنگز اور متعلقہ اشخاص کے حصص کی ترکیب۔

(۴) دیگر معلومات کا بیانیہ۔

کارپوریٹ سماجی کارکردگی

صحت، تحفظ اور ماحول

آپ کی کمپنی پلانٹ کے ارد گرد رہنے والے تمام لوگوں کے تحفظ اور صحت مندانہ ماحول کی فراہمی کو ترجیح دیتی ہے۔ انتظامیہ اپنے سٹاف کو ایک محفوظ، صحت مندانہ اور افزائش کا ماحول دینے کیلئے پرعزم ہے اور اس کے مطابق کامیابی سے ISO 9001:2015

نان ایگزیکٹو ڈائریکٹرز ۴

ایگزیکٹو ڈائریکٹرز ۱

بورڈ آف ڈائریکٹرز میٹنگز اور کمیٹیز

سال کے دوران بورڈ آف ڈائریکٹرز اور کمیٹی میٹنگز کوڈ آف کارپوریٹ گورننس کے تحت منعقد ہوئیں۔ حاضری کی تفصیل درج ذیل ہے۔

نمبر شمار	نام	عہدہ	بورڈ	آڈٹ کمیٹی	ایچ آر کمیٹی
۱۔	جناب علی خان (چیرمین)	نان ایگزیکٹو	۵	۴	۱
۲۔	محترمہ عالیہ خان	نان ایگزیکٹو	۵	۴	۱
۳۔	جناب شفیع الدین غنی خان	انڈیپنڈنٹ	۵	۴	۱
۴۔	جناب محمد آفتاب عالم	نان ایگزیکٹو	۵	۴	۱
۵۔	مرزا علی حسن عسکری	نان ایگزیکٹو	۵		
۶۔	جناب جمال نسیم	انڈیپنڈنٹ	۵	۴	
۷۔	جناب رفیق داؤد	انڈیپنڈنٹ	۳		
۸۔	جناب ساجد فیروز	ایگزیکٹو	۱		
۹۔	جناب عارف حمید ڈار	ایگزیکٹو	۱		۱

ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز کی منظور کردہ معاوضے کی پالیسی کے مطابق ہر ڈائریکٹر کو فی میٹنگ -/15,000 روپے دیئے جاتے ہیں۔ چیف ایگزیکٹو کو ملنے والے معاوضے کی تفصیل مالی گوشواروں کے نوٹ ۴۰ میں درج ہے۔

داخلی مالیاتی کنٹرول کی قابلیت

بورڈ آف ڈائریکٹرز نے داخلی معاملات کو کنٹرول کرنے کیلئے ایک موثر نظام بنایا ہے تاکہ کام بہتر طریقے سے چلے، کمپنی کے اثاثے محفوظ رہیں اور مالی گوشوارے اعتماد سے پیش کئے جائیں۔ پائپر سیمنٹ نے ایک قابل اعتماد اور آزاد آڈٹ ٹیم بنائی ہے جو کہ سہ ماہی بنیادوں پر مالی معاملات کو کنٹرول کرتی ہے۔

کارپوریٹ اور مالی رپورٹنگ کا فریم ورک

بورڈ کمپنی کی حکمت عملی کی سمت کا جائزہ باقاعدگی سے لیتا رہتا ہے۔ کاروباری منصوبہ جات اور بجٹ کے اہداف کے حصول کیلئے بھی

کی قیمت میں اضافہ ہوا۔

﴿ خام مال کی لاگت میں 509 روپے فی ٹن تک اضافہ ہوا (2019:396 روپے فی ٹن) جس کی وجہ سے پتھر اور مٹی کو نکالنے پر رائلٹی بلز ترتیب ۶۰ روپے فی ٹن اور ۲۰ روپے فی ٹن سے بڑھا کر دونوں کی شرح ۱۲۰ روپے فی ٹن کر دی گئی۔

آزمائشی پیداوار کی لاگت

نئے پیداواری پلانٹ نے جنوری ۲۰۲۰ سے آزمائشی بنیادوں پر پیداوار شروع کر دی ہے۔ 2,593.63 ملین روپے کی خالص فروخت کو 3,238.76 ملین روپے کی لاگت سے منہا کرنے کے بعد اس کو مالیاتی رپورٹنگ کے معیارات کے مطابق منصوبے کی لاگت میں شامل کر دیا گیا ہے۔

آپریٹنگ خسارہ اور بعد از ٹیکس خسارہ

اوپر بیان کردہ عوامل کی وجہ سے کمپنی کو 362.63 ملین روپے کا آپریٹنگ خسارہ ہوا جبکہ گزشتہ سال کمپنی نے 1,593.94 ملین روپے کا آپریٹنگ منافع کمایا تھا۔ تقسیمی اخراجات پچھلے سال کے 182.38 ملین روپے کے مقابلے میں بڑھ کر 252.70 ملین روپے ہو گئے۔ یہ اضافہ بنیادی طور پر مال برداری اور دیکھ بھال کے خرچوں کی وجہ سے ہے جو کہ گزشتہ سال کے 60.12 ملین روپے کے مقابلے میں بڑھ کر 122.33 ملین روپے ہو گئے۔ مالیاتی لاگت پچھلے سال کے 270.70 ملین روپے کے مقابلے میں 392.75 ملین روپے رہی کیونکہ کم مدتی قرضوں کی ادائیگی اور قابل اطلاق سود کی شرح میں اضافہ ہوا۔

فی حصص آمدنی

موجودہ سال کے دوران کمپنی کو فی حصص 0.92 روپے کا نقصان ہوا جبکہ پچھلے سال اس عرصہ کے دوران فی حصص منافع 3.48 روپے تھا۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز ایک ایگزیکٹو اور سات نان ایگزیکٹو ڈائریکٹران پر مشتمل ہے۔ کمپنی کے تمام منتخب ڈائریکٹرز نان ایگزیکٹو ہیں جن میں تین انڈیپنڈنٹ ڈائریکٹرز بھی شامل ہیں۔ کوڈ آف کارپوریٹ گورننس ۲۰۱۹ کے تحت چیئر مین اور چیف ایگزیکٹو کے عہدے الگ الگ ہیں۔

کل ڈائریکٹرز

۷	حضرات
۱	خواتین
	ترکیب
۳	انڈیپنڈنٹ ڈائریکٹرز

سیمنٹ کی صنعت

موجودہ سال کے دوران سیمنٹ کی فروخت 1.98 فی صد اضافے کے ساتھ 47.81 ملین ٹن رہی۔ برآمدات پچھلے سال کے 6.54 ملین ٹن کے مقابلے میں 7.85 ملین ٹن تک بڑھ گئیں۔ مقامی سطح پر ترسیل میں زیر جائزہ سال کی پہلی تین سہ ماہیوں میں 4 فی صد کا اضافہ ہوا تاہم آخری سہ ماہی میں سست روی کی وجہ سے ترسیلات میں 9.38 ملین ٹن رہیں جس کی وجہ سے مجموعی سالانہ ترسیلات پچھلے سال کے 40.34 ملین ٹن کے مقابلے میں 39.96 ملین ٹن رہیں۔

کاروباری کارکردگی

مجموعی کارکردگی کا جائزہ درج ذیل ہے۔

آمدن

اس سال کے دوران کمپنی کی مجموعی فروخت 15,015.38 ملین روپے رہی جو کہ گزشتہ سال کی نسبت 5.89% زیادہ ہے۔ تمام ٹیکسز اور چارجز منہا کرنے کے بعد اس سال کی خالص فروخت 8,880.58 ملین روپے رہی (2019: 9,733.65 ملین روپے) یہ کمی فیڈرل ایکسائز ڈیوٹی کی شرح میں اضافے اور سیمنٹ کی قیمتوں میں کمی کی وجہ سے ہوئی جو کہ 2018-19 کے 6,735 روپے فی ٹن کے مقابلے میں کم ہو کر 5,119 روپے فی ٹن رہ گئی 8,880.58 ملین روپے کی خالص فروخت میں سے 2,593.63 ملین روپے کی فروخت نئے پیداواری پلانٹ سے ہوئی جس کے منہا کرنے کے بعد خالص فروخت 6,286.95 ملین روپے رہی۔ نئے پلانٹ کی فروخت کو مالیاتی رپورٹنگ کے معیارات کے مطابق منصوبے کی لاگت میں شامل کر دیا گیا ہے۔ زیر نظر سال کے دوران برآمدات کا حجم انڈیا کی طرف مشرقی بارڈر پر ڈیوٹیز میں غیر متناسب اضافے کی وجہ سے مزید کم ہوا۔

فروخت کی لاگت

تیار کردہ سامان کی لاگت زیر نظر سال میں 9,680.69 ملین روپے رہی (2019: 7,497.27 ملین روپے) بشمول خام مال کی لاگت 883.43 ملین روپے (2019: 571.64 ملین روپے)، ایندھن اور بجلی کی لاگت 6,668.90 ملین روپے (2019: 4,870.84 ملین روپے) اور پیکنگ میٹریل کی لاگت 1,008.78 ملین روپے (2019: 775.98 ملین روپے)۔ لاگت میں اضافے کی بڑی وجوہات درج ذیل ہیں:

❖ بیچے گئے سیمنٹ پر ایندھن اور بجلی کی فی ٹن لاگت 3,844 روپے فی ٹن رہی (2019: 3,371 روپے فی ٹن)۔ یہ اضافہ بجلی کی قیمتوں میں اضافے اور نئے پلانٹ سے آزمائشی پیداوار کی وجہ سے ہوا۔ مزید برآں ڈالر کے مقابلے روپے کی قدر میں کمی کی وجہ سے کوئلے کی قیمت میں اضافہ ہوا۔

❖ پیکنگ میٹریل کی کل لاگت بھی پچھلے سال کی 537 روپے فی ٹن سے بڑھ کر 581 روپے فی ٹن ہو گئی کیونکہ دوران سال کا غذ

ڈائریکٹرز رپورٹ برائے حصص داران

اللہ کے نام سے شروع جو بڑا مہربان اور رحم والا ہے
آپ کی کمپنی کے ڈائریکٹرز 30 جون، 2020 کو ختم ہونے والے مالی سال کی سالانہ رپورٹ بمع آڈٹ شدہ مالی گوشوارے اور
آڈیٹرز رپورٹ پیش کر رہے ہیں۔

معیشیت

مالی سال 2020 تمام دنیا کیلئے مشکلات کے حوالے سے بھرپور رہا۔ امریکہ چائنہ تجارتی جنگ سے لے کر یورپین بریگزٹ،
مشرق وسطیٰ کے سیاسی عدم استحکام برازیل امیزون اور آسٹریلیا کے جنگلات میں لگی آگ جیسے عوامل کی مثال نہیں ملتی۔ سب سے
بڑھ کر دسمبر 2019 کے دوران COVID-19 نامی وائرس چائنہ میں پھیلا اور آج تک یہ 200 ممالک تک پھیل چکا ہے۔
امریکہ، یورپ لاطینی امریکی ممالک اور انڈیا اس سے زیادہ متاثر ہوئے۔ معیشتیں منجمد ہو گئیں اور براعظم تک مفلوج ہو کر رہ گئے۔
عالمی معیشتیں صحت، مالیات اور اجناس کی قیمتوں کے بحران سے نمٹنے کی کوشش کر رہی ہیں۔ تمام اقوام عالم اس سے صحت اور
معیشیت پہ ہونے والے تباہ کن اثرات سے نمٹنے کے لئے کوشاں ہیں۔

مالی سال 2019-20 کے اوائل میں حکومت نے اصلاحی اقدامات لینا شروع کئے جن میں پالیسی کی شرح میں اضافہ، روپے کی قدر
ڈالر کے مقابلے متناسب قدر ایڈجسٹ کرنا اور مالی اخراجات کو محدود کرنا شامل ہیں تاکہ معاشی غیر متناسب اتار چڑھاؤ کو روکا جاسکے۔ ان
اقدامات سے جاری کھاتوں میں پائیدار اور ابتدائی مالی خسارے میں بھروسہ مند بہتری آئی۔ جولائی سے اپریل 2019-20 کے
عرصے میں بیرون ملک مقیم پاکستانیوں نے 18.8 ارب ڈالر کی ترسیلات کیں جو کہ پچھلے سال اسی عرصہ میں 17.8 ارب ڈالر
تھیں۔ مارچ 2020 کے آخر تک ہمارے زرمبادلہ کے ذخائر 17.1 ارب ڈالر تھے جن میں جون 2020 تک 2.6 ارب ڈالر
کا اضافہ ہوا۔ تاہم اس کے نتیجے میں مہنگائی کی شرح بڑھی، بے روزگاری میں اضافہ ہوا اور صنعتی ترقی کی رفتار سست ہو گئی۔

پاکستانی معیشیت بھی کرونا کے اثرات سے بچ نہ سکی فروری 2020 کے دوران پاکستان میں پہلا کرونا کا مریض سامنے آیا۔ وفاقی اور
صوبائی حکومتوں نے عوام میں وائرس کے پھیلاؤ کو روکنے کے لئے اقدامات کئے۔ جیسے کہ مختلف علاقوں میں لاک ڈاؤن، مارکیٹوں کی
بندش اور تعلیمی اداروں کی بندش، صوبائی سطح پر آمدورفت پر پابندی وغیرہ۔ معیشیت کو سہارہ دینے کے لئے سٹیٹ بینک نے پالیسی کی
شرح کو 13.25 فی صد سے کم کر کے 7 فی صد کر دیا، کاروبار کیلئے قرضوں کی ادائیگی میں نرمی کی گئی اور تنخواہیں ادا کرنے کے لئے
قرضہ جات فراہم کئے۔ حکومت نے ترقیاتی کام شروع کئے تاکہ مانگ میں اضافہ اور روزگار کے مواقع پیدا ہوں۔ تعمیراتی شعبہ کیلئے سپیشل
ٹیکس اور دیگر مراعات کا اعلان کیا جس سے دوسری صنعتوں کو بھی چلنے میں مدد ملی۔ کاروباری طبقے نے ان بروقت اقدامات کو سراہا جس
کے نتیجے میں وقت کے ساتھ ساتھ معاشی حالات میں بہتری کی امید ہے۔

چودہ روز پہلے کمپنی کے رجسٹرڈ آفس میں تحریری طور پر بطور امیدوار اپنے کاغذات نامزدگی کمپنیز ایکٹ ۲۰۱۷ کی شق (۳) ۱۵۹ کے تحت مع بطور ڈائریکٹر کام کرنے کا رضامندی فارم ۲۸، کوڈ آف کارپوریٹ گورننس ۲۰۱۹ کی ضروریات کے مطابق اہلیت کا اقرار اور اپنا تفصیلی تعارف مع دفتری پتہ داخل کر سکتا ہے۔

سالانہ اجلاس عام میں آن لائن شرکت کے لئے:

۸۔ covid-19 کے پھیلاؤ کی موجودہ صورت حال کو مد نظر رکھتے ہوئے کمپنی نے فیصلہ کیا ہے کہ حصص یافتگان کی بہبود کیلئے اجلاس آن لائن منعقد کیا جائے۔ تصدیق اور شناخت کیلئے درکار ضابطوں کی تکمیل کے بعد حصص یافتگان اپنے سمارت فونز اور کمپیوٹرز کے ذریعے لاگ ان ہو سکتے ہیں اور سالانہ اجلاس عام کی کارروائی میں شریک ہو سکتے ہیں۔

اس مقصد کے لئے حصص یافتگان سے درخواست ہے کہ اپنے مندرجہ ذیل کوائف کمپنی کی ای میل shares@pioneercement.com پر سالانہ اجلاس عام کے وقت سے کم از کم ۷۲ گھنٹے قبل فراہم کر دیں۔ وڈیولنک اور لاگ ان کی تفصیلات ان حصص یافتگان پر اکیسویں کو فراہم کی جائیں گی جنہوں نے اپنے کوائف جمع کرائے ہوں گے۔

فولیو نمبر، سی ڈی سی اکاؤنٹ نمبر، نام، پتہ، شناختی کارڈ نمبر، نمبر آف شیئرز، رابطہ نمبر

حصص یافتگان مندرجہ بالا ای میل پر اجلاس کے مجوزہ ایجنڈا آئٹمز کے لئے اپنے تبصرے اور تجاویز پیش کر سکتے ہیں۔ ۱۲۸ اکتوبر ۲۰۲۰ کو سہ پہر ۳:۳۰ پر لاگ ان کی سہولت کھول دی جائے گی۔ تاکہ شرکاء اجلاس کی کارروائی میں شرکت کر سکیں جو کہ ٹھیک ۳ بجے شروع ہو جائے گی۔

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سالانہ اجلاس عام کی اطلاع

بذریعہ نوٹس ہذا اطلاع دی جاتی ہے کہ پائینیر سیمنٹ لیمیٹڈ کے شیئر ہولڈرز کا ۳۴واں سالانہ اجلاس عام بروز بدھ ۲۸ اکتوبر ۲۰۲۰ء سے پہر ۰۳:۰۰ بجے بذریعہ وڈیو لنک مندرجہ ذیل امور کی انجام دہی کیلئے کمپنی کے رجسٹرڈ آفس ۱۳۵ فیروز پور روڈ، لاہور میں منعقد ہوگا۔

۱۔ شیئر ہولڈرز کے ۳۳ویں سالانہ اجلاس عام منعقدہ ۲۸ اکتوبر ۲۰۱۹ء کی کارروائی کی توثیق۔

۲۔ ۳۰ جون ۲۰۲۰ء کو ختم شدہ سال کیلئے کمپنی کے آڈٹ شدہ حسابات، مع آڈیٹرز اور ڈائریکٹرز کی رپوٹوں پر غور کرنا اور انہیں منظور کرنا۔

۳۔ سال ۲۰۲۰ء کیلئے کمپنی کے آڈیٹرز کی تقرری اور ان کیلئے مشاہرہ کا تعین کرنا۔

۴۔ کمپنیز ایکٹ، ۲۰۱۷ کی شق ۱۵۹ میں فراہم کردہ طریق کار کے تحت ڈائریکٹران کا انتخاب کرنا۔
بورڈ آف ڈائریکٹرز نے بذریعہ انتخاب چنے جانے والے ڈائریکٹران کی تعداد سات مقرر کی ہے۔ منتخب ڈائریکٹران کی تین سالہ مدت کا آغاز انتخاب کی تاریخ سے ہوگا۔
ریٹائر ہونے والے ڈائریکٹران کے نام یہ ہیں:
جناب علی خان، محترمہ عالیہ خان، جناب شفیع الدین غنی خان، جناب محمد آفتاب عالم، مرزا علی حسن عسکری، جناب جمال نسیم اور جناب رفیق داؤد۔

۵۔ صدر اجلاس کی اجازت سے اجلاس میں پیش کئے جانے والے دیگر امور انجام دینا۔

حسب الحکم بورڈ

مورخہ: ۲۹ ستمبر ۲۰۲۰

عبدالوہاب
کمپنی سیکرٹری

نوٹ:

۱۔ کمپنی کے کھاتے پر ائے منتقلی حصص مورخہ ۲۰ اکتوبر ۲۰۲۰ء سے ۲۸ اکتوبر ۲۰۲۰ء تک (دونوں دن شامل ہیں) اجلاس عام کے انعقاد کیلئے بند رہیں گے۔ کمپنی کے شیئر رجسٹرار میسرز کارپ لنک پرائیویٹ لیمیٹڈ، ونگز آر کیڈ، اے کے کمرشل، ماڈل ٹاؤن، لاہور کو مورخہ ۱۹ اکتوبر ۲۰۲۰ء کو دفتری اوقات کار کے ختم ہونے تک موصول ہونے والے شیئر ٹرانسفر کو سالانہ اجلاس میں شرکت کیلئے بروقت تصور کیا جائے گا۔

چیرمین رپورٹ

پاکستانی معیشت کو مالی سال 20-2019 میں مشکلات کا سامنا رہا۔ گزشتہ کئی سالوں سے بے آہنگ معاشی حکمت عملی کی بدولت زر مبادلہ کی بلند شرح تبادلہ، کھپت میں اضافہ، مالی اور جاری کھاتوں کا خسارہ، بلند عوامی قرض وغیرہ کی وجہ سے معیشت کی بنیادیں کمزور ہونے کے ساتھ ساتھ زر مبادلہ کے ذخائر پر دباؤ آیا موجودہ حکومت کے اصلاحی اقدامات بشمول شرح تبادلہ میں مطابقت کرنا، مالیاتی حکمت عملی کو سخت کرنا اور مالی پالیسی کی وجہ سے کچھ بہتری آئی۔

بد قسمتی سے معاشی بحالی کے عمل کے دوران کورونا وائرس کے پھیلنا کی وجہ سے ہمیں کافی معاشی مشکلات کا سامنا کرنا پڑا اور خدمات و اشیاء کی مانگ میں تیزی سے کمی واقع ہوئی جس کی وجہ سے عالمی منڈیاں کساد بازاری کا شکار رہیں حکومت پاکستان اور سٹیٹ بینک نے کاروبار کی بحالی کیلئے فوری طور پر اقدامات کئے جن میں تعمیراتی صنعت کے لئے مراعات، پالیسی کی شرح میں کمی، قرضوں کی ادائیگی موخر کرنا، ٹیکسوں اور کئی آپریشنل مراعات کا اعلان کرنا شامل ہیں۔ کافی عرصہ سے بہتری کے متمنی صنعتکار اور پیداواری ادارے بشمول برآمد کنندگان نے ان اقدامات کو سراہا۔

مجھے خوشی ہے کہ زیر نظر سال کے دوران نئے 10,000 ٹن یومیہ پیداواری صلاحیت کے حامل مربوط سیمنٹ پلانٹ نے کام شروع کر دیا۔ مالیاتی سال کے اختتام کے بعد ۱۲ میگاواٹ کا ویسٹ ہیٹ ریکوری پلانٹ لگ گیا ہے اور کونلہ سے چلنے والا ۲۳ میگاواٹ پاور پلانٹ بھی تکمیل کے آخری مراحل میں ہے۔ ان پلانٹس کی وجہ سے ہمارا قومی گروتھ پر انحصار کم ہوگا اور سیمنٹ پلانٹ کے بلا تعطل چلنے سے اس کی پیداواری صلاحیت لمبی مدت تک قائم رہے گی۔

نئے پلانٹ سے پیداوار شروع ہونے کے بعد ہماری مقامی ترسیلات دگنا سے زیادہ ہو چکی ہیں اور اب آپ کی کمپنی اس قابل ہو جائے گی کہ برآمدی منڈیوں میں بھی منافع بخش رسائی حاصل کرے۔

خلاصہ یہ سال 20-2019 ایک مشکل سال تھا البتہ ہم محتاط اور محفوظ رہے لیکن میں آپ کو یہ یقین دلاتا ہوں کہ باہمی تعاون اور پر خلوص اقدامات سے ہم اس مشکل سے نکل جائیں گے اور مستقبل میں آپ کی کمپنی اچھے نتائج دی گی۔


علی خان

چیرمین بورڈ آف ڈائریکٹرز
پائیر سیمنٹ لمیٹڈ
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FORM OF PROXY

Registered Folio No. /
CDC Account No. _____

I/We _____
Name

of _____
Address

Being a member of PIONEER CEMENT LIMITED 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 34th Annual General Meeting of the Company to be held on Wednesday, October 28, 2020 at 135 Ferozpur Road, Lahore and at any adjournment thereof.

As witness my hand this _____ day of October 2020.

WITNESSES

Signature of the Shareholder/ Appointer

1. Name _____
Address _____
NIC # _____

2. Name _____
Address _____
NIC # _____

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 NIC.



AFFIX
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Pioneer Cement Limited
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