



PIONEER
CEMENT


2021 ANNUAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2021

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

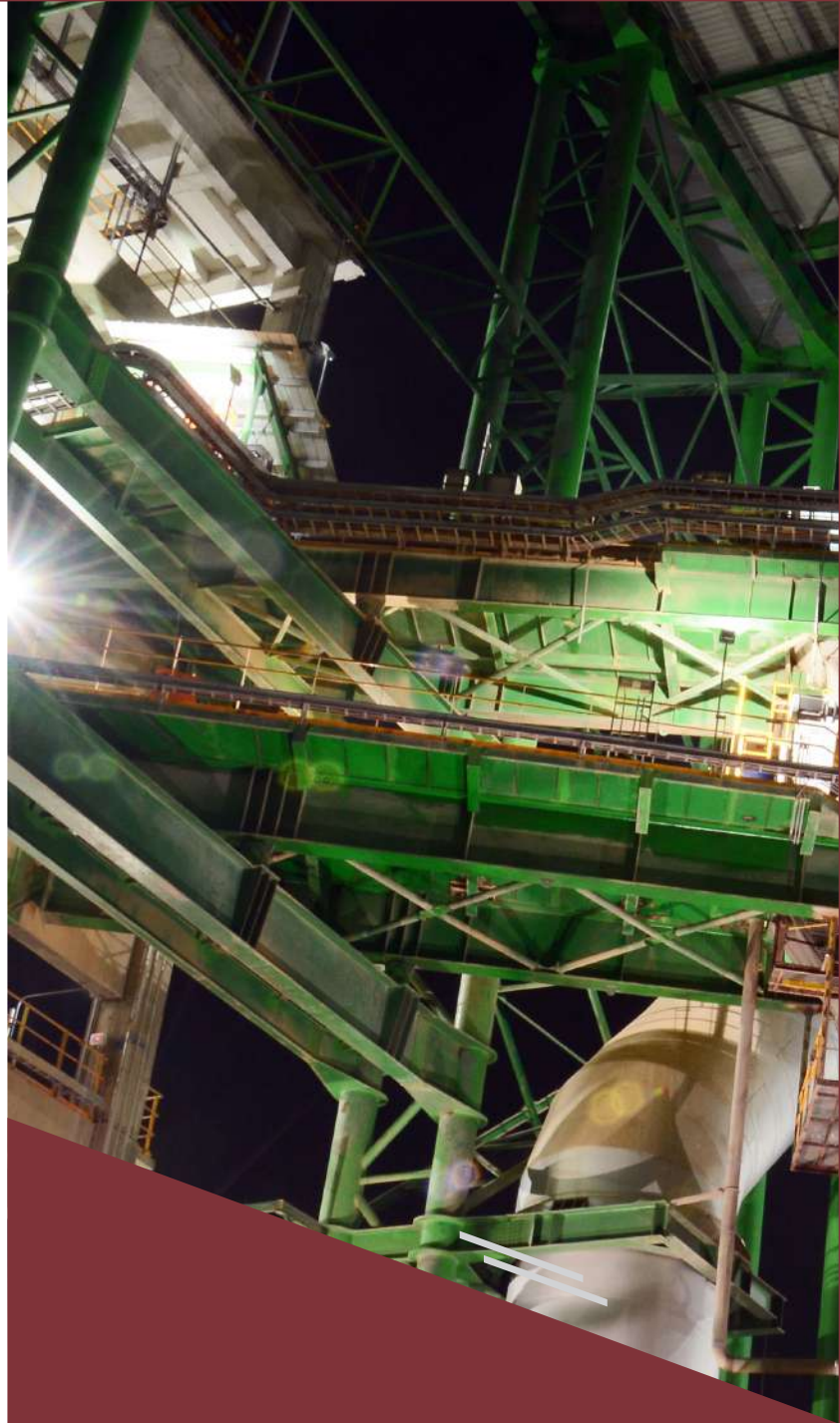
We are committed to produce high quality cement as per International standards. The management ensures that products of Pioneer Cement always exceed product quality requirements to achieve customer satisfaction.

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





Net Revenue
21,817.61
PKR in Million

Gross Profit
4,117.95
PKR in Million

Operating Profit
4,020.72
PKR in Million

EBITDA
5,001.94
PKR in Million

Profit after Taxation
1,974.45
PKR in Million

Earnings per Share
8.69
PKR

Breakup Value per Share
June 30, 2021
66.47
PKR

Market Value per Share
June 30, 2021
131.07
PKR

FINANCIAL RESULTS 2021



MILESTONES



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 an 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.

ENVIRONMENTAL INITIATIVES





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 local community. We have established a public dispensary in Chenki village and have also provided financial support to TB Center Foundation.

Health, safety and well-being of people is 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 all the 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 Waste Heat Recovery Power Plants (WHRPP) that generate electricity from these emissions.

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 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)
- Syed Mazher Iqbal (CEO)
- Ms. Aleeya Khan
- Mr. Shafiuddin Ghani Khan
- Mr. Mohammed Aftab Alam
- Mirza Ali Hasan 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
- Syed Mazher Iqbal (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
- Bank Islami Pakistan
- 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@pioneeracement.com

FACTORY

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

REGIONAL OFFICES

Karachi Office

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

Multan Office

House No. 218, Naqshband Colony
Khanewal Road, Multan
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Fax: +92 (61) 6510405

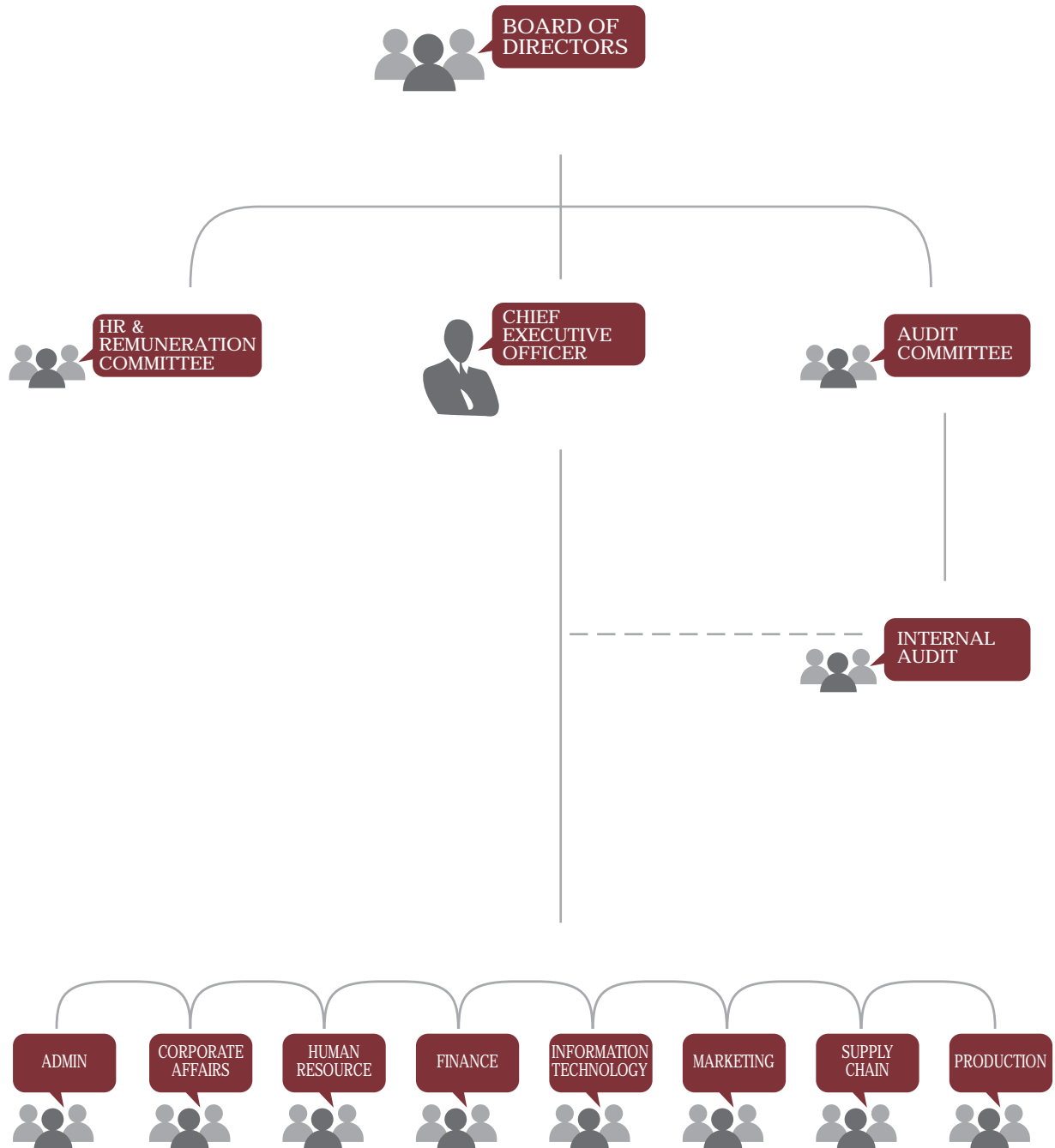
Faisalabad Office

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@pioneeracement.com

ORGANIZATIONAL STRUCTURE



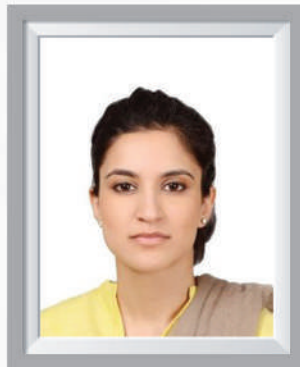
BOARD OF DIRECTORS



Mr. Aly Khan | Chairman



Syed Mazher Iqbal | CEO



Ms. Aleeya Khan



Mr. Shafiuddin Ghani Khan



Mr. Mohammed Aftab Alam



Mr. Jamal Nasim

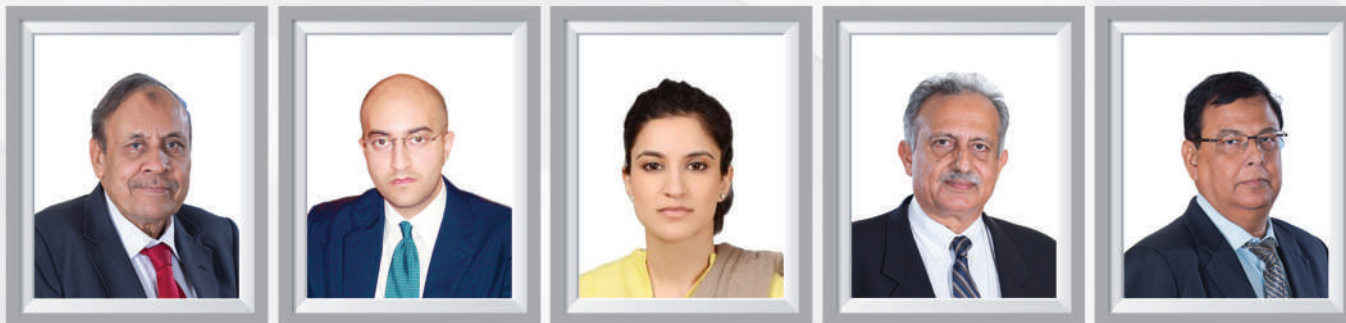


Mirza Ali Hasan Askari



Mr. Rafique Dawood

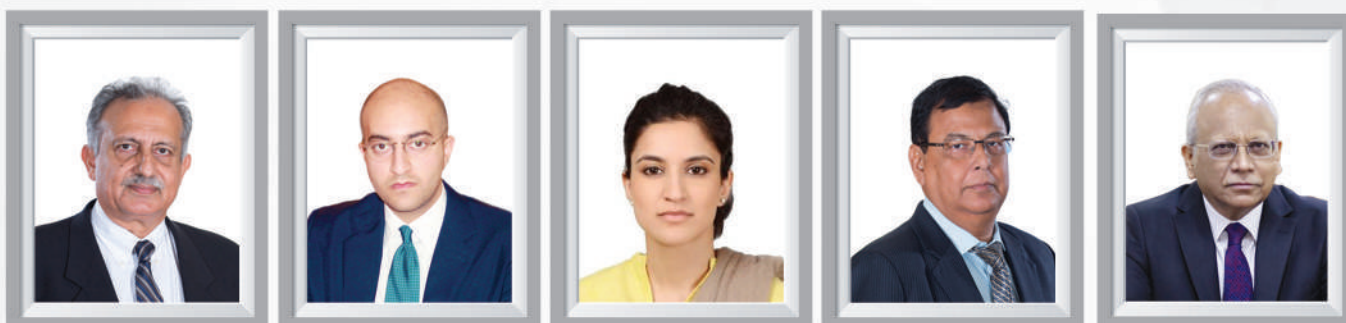
AUDIT COMMITTEE



Left to Right

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

HR & REMUNERATION COMMITTEE



Left to Right

Shafiuddin Ghani Khan (Chairman), Aly Khan, Aleeya Khan, Mohammed Aftab Alam, Syed Mazher Iqbal (CEO)

CHAIRMAN'S REVIEW REPORT



DEAR SHAREHOLDERS

I am pleased to present the performance review of Pioneer Cement Limited for the year ended June 30, 2021.

During the year your company, like our country, faced various uncertainties and challenges including the negative commercial windfall from the global COVID-19 pandemic; experienced as a consequence of the necessary multiple containment measures taken by the Provincial and Federal Government restricting public activity.

Coupled with rising inflation, high public sector debt and cross-border chaos; Pakistan's economy continues to be kept under intense pressure.

Today, as the world begins to re-open, industrial and commercial activity across the globe has seen unprecedented surges in demand, increasing international commodity prices and transportation costs to historic highs, directly impacting our input costs.

Despite all these challenges, timely monetary and fiscal policy measures by the Government of Pakistan have helped our economy move toward a fragile recovery.

In this time, your company has not only maintained stability, but has registered a turnaround from loss after tax during the year 2019-20 of Rs. 210 Million to a profit after tax of Rs. 1,974 Million for the current financial year.

The efficiencies of our new production line and reliance on captive power generation have to some small degree mitigated the adverse impact of rising input costs. However, the real value driver for us has been the 94.9% volumetric growth as a result of our capacity expansion.

With the Government's focus on the housing sector, increased allocations for public sector development programs and upward private sector demand, we remain hopeful that cement sales will continue the same bullish trend we have seen over the course of last year.

On behalf of the Board, I would like to share my gratitude to all our stakeholders for their continued support and their extended level of confidence in the Company.

A handwritten signature in black ink, appearing to read 'Aly Khan', written in a cursive style.

Aly Khan
Chairman
September 28, 2021

DIRECTORS' REPORT TO THE SHAREHOLDERS

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

The Directors of the Company are pleased to present their report together with audited financial statements for the year ended June 30, 2021 along with the Auditors' Report thereon.

GLOBAL ECONOMY

The outbreak of COVID-19 pandemic in the beginning of year 2020 has acutely impacted global socio-economic fabric. Global trade first witnessed supply shocks due to abrupt closure of businesses which has subsequently resulted into demand side shocks; both creating uncertainties for businesses. Social and economic activities witnessed unprecedented restrictions. Health care system across the globe remained under immense pressure and in certain countries, it completely collapsed.

To counter this health and economic crises, world governments took multiple measures including fiscal and monetary interventions to mainly focus on ensuring employment continuity and providing assistance to businesses. Recent global indicators suggest commencement of economic revival. However, the speed of recovery depends on measures including financial coordination of economies and country specific characteristics.

DOMESTIC ECONOMY

Our economy was already volatile caused by frequent boom and bust cycles, structural discrepancies, long outstanding energy sector inconsistencies and loss-making state-owned entities. FY 2021 started during the first wave of

COVID pandemic. Government responded through business incentivization schemes including reduction in policy rate and construction stimulus package etc. to minimize adverse impacts of economic and business restrictions. During the first half of current fiscal year, government started to gradually relax lock down restrictions on businesses and our economic indicators started showing recovery.

Provisional GDP growth rate for FY 2020-21 is 3.94% compared to budgeted target of 2.1%. This provisional growth rate is based on 2.77%, 3.57% and 4.43% growth in agriculture, industrial and services sectors respectively. During fiscal year 2021, Large Scale Manufacturing (LSM) exhibited 14.85% growth. Out of different subsectors of LSM, textile sector grew by 15.31% followed by Food, Beverages & Tobacco 11.01%, Petroleum 18.05%, Pharmaceutical 12.03%, chemicals 19.19% and automobiles 51.06%.

State Bank of Pakistan (SBP) has adopted a market-based exchange rate policy which has benefited exporters, at least, in nominal terms. Despite challenges, workers' remittances in Pakistan showed a growth of 27% and reached USD 29.4 billion. Exports also marked considerable growth of 15.44% and increased to USD 25.3 billion (2020: USD 21.4 billion). Due to above mentioned factors, our total foreign exchange reserves as on June 30, 2021 amounted to USD 24,398.2 million compared to USD 18,886.4 million held on June 30, 2020.

During the last two years, inflation has been a challenge mainly caused by devaluation of Pak Rupee and increased fuel prices in international market. Consumer Price Index (CPI) for the period July-May 2021 was 8.8% against 10.9% during SPLY. During the current year, food inflation was main contributor to CPI triggered by extended monsoon season as well as rise in prices of agrarian products in international markets.

FBR's tax collection grew by 18.21% during the year under review to stand at Rs. 4,732 billion compared to Rs. 3,997 billion collected during last year. Despite economic disruption, this growth reflects improvements introduced in tax collection system.

CEMENT INDUSTRY

During the financial year ended June 30, 2021, cement industry made total dispatches of 57.43 million tons (2020: 47.81 million tons); growth of 20.12%. Domestic sale increased to 48.12 million tons as compared to 39.97 million tons sold during the corresponding year. 9.31 million tons cement was exported registering growth of 18.75% over the last year.

The breakup of total industry dispatches is as follows:

Particulars	FY 2021	FY 2020	Change	
	-----Tons in million-----		(%)	
Local sales	48.12	39.97	8.15	20.39
Exports	9.31	7.84	1.47	18.75
Total	57.43	47.81	9.62	20.12

BUSINESS PERFORMANCE

1) Production and Sales Volume

A summary of the production and sales volume of the Company for the FY 2020-21 in comparison of corresponding year's volumes is as follows:

Particulars	FY 2021	FY 2020	Change
	---Tons in million ---		(%)
Installed Capacity (Cement)*	5,195,000	5,195,000	-
Cement Produced	3,408,046	1,736,560	96.25
Cement Dispatches	3,380,599	1,734,877	94.86

*as on close of financial year end.

Current year dispatches include 12,786 tons of exports.

2) Financial Performance

The financial performance of the Company is as follows:

Particulars	FY 2021	FY 2020	Change
	---Rs. in million ---		(%)
Net sales	21,817,605	6,286,951	247.03
Gross profit/(loss)	4,117,945	(103,094)	4,094.36
Operating profit/(loss)	4,020,718	(362,627)	1,208.78
Profit after tax/(loss)	1,974,446	(209,622)	1,041.91

REVENUE

Total gross sales for the current year under review amounted to Rs. 32,636.88 million; an increase of 162.74%. After deducting applicable taxes, duties and charges, net sales for the year amounted to Rs. 21,817.61 million (2020: Rs. 6,286.95 million). The net sales of comparative year have been adjusted by an amount of Rs. 2,593.63 million representing trial run sales from new production line which was made part of project cost as per the provisions of applicable financial reporting standards. Although, cement prices in local market improved during the year under review however, 162.74% increase in gross revenue is mainly supported by 94.86% increase in total dispatches.

COST OF SALES

Cost of sales for the current year amounted to Rs. 17,699.66 million (2020: Rs. 6,390.04 million); an increase of 176.99%. Prior year's cost of sales has been adjusted by trial run production cost of Rs. 3,238.76 million incurred on line-III. Total manufacturing cost for the year under review was Rs. 17,837.47 million (2020: Rs. 9,680.69 million); an increase of 84.26%. This increase of 84.26% is in line with the 94.86% increase in cement dispatches. Total manufacturing cost includes raw material cost of Rs. 1,678.46 million (2020: Rs. 883.43 million), fuel and power cost of Rs.12,052.94 million (2020: Rs.6,668.90 million) and packing material cost of Rs. 1,936.07 million (2020: Rs. 1,008.78 million). Following is the per ton analysis of cost of sales:

- Fuel and power cost per ton of cement sold amounted to Rs. 3,565 per ton compared to Rs. 3,844 per ton, last year; a drop of Rs.279 per ton. Despite increase in power tariff, fuel and power cost has dropped by 7.25% due to efficient operations of new production line.
- Packing material cost has dropped from 581 per ton last year to Rs. 573 per ton of cement sold.
- Salaries and wages cost per ton of cement sold has also dropped from Rs. 254 to Rs. 211 per ton yielding economies of scale after increase in production and sale levels.
- However, stores and spares consumption per ton of cement sold has increased to Rs. 99 compared to Rs. 84 incurred during the corresponding year.

OPERATING PROFIT AND PROFIT AFTER TAX

Due to growth in sales volumes, improved cement prices in local market and production economies

achieved from the operations of Line-III, your company has earned operating profit of Rs. 4,020.72 million (2020: loss of 362.63 million). Distribution cost for the year has dropped to Rs. 118.60 million from Rs. 252.70 million incurred last year. Prior year distribution cost included freight and handling charges of Rs. 122.33 million mainly incurred on local sales made on delivered basis. However, during the current year, nominal sales were made on delivered basis.

Finance cost for the year has increased to Rs. 1,817.68 million (2020: Rs.392.75 million). Current year charge to Profit or loss statement includes finance cost on loans obtained to finance new cement plant and waste heat recovery power plant whereas in the corresponding year, such cost was made part of project cost in line with the provisions of applicable financial reporting standards.

Profit after tax translates into Rs. 1,974.45 billion compared to last year's loss after tax of Rs.209.62 million.

EARNINGS PER SHARE

For the current financial year, earnings per share amounted to Rs. 8.69 per share compared to loss of Re. 0.92 per share reported for last year.

DIVIDENDS

Keeping in view the upcoming repayments of loans obtained to finance the expansion projects, the Board has decided not to recommend any dividend for FY 2020-21. However, the Board is optimistic about the future prospects of cement industry, Company performance and availability of future profits and will consider distribution of profits in coming periods and years.

COMPOSITION OF BOARD OF DIRECTORS

Total number of directors is eight comprising seven elected directors and Chief Executive Officer. During the year, following seven directors were elected unopposed in Annual General Meeting held on October 28, 2020:

- Mr. Aly Khan *
- Ms. Aleeya Khan
- Mr. Shafiuddin Ghani Khan
- Mr. Muhammed Aftab Alam
- Mirza Ali Hasan Askari
- Mr. Jamal Nasim
- Mr. Rafique Dawood

*subsequently appointed as chairman.

All the elected directors are non-executive including three independent directors. The positions of the Chairman and the CEO are kept separate in line with the requirements of the Code of Corporate Governance.

Total number of directors including CEO	
a) Male	7
b) Female	1

Composition	
Independent Director (elected)	3
Other Non-Executive Directors (elected)	4
Chief Executive Officer	1

MEETINGS OF BOARD OF DIRECTORS AND COMMITTEES

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

Meetings of Board of Directors		Attendance		
Sr. #	Name of Directors	Board of Directors	Audit Committee	HR & Remuneration Committee
1	Mr. Aly Khan (Chairman of BOD) Non-executive director	4	4	1
2	Ms. Aleeya Khan Non-executive director	4	4	1
3	Mr. Muhammed Aftab Alam Non-executive director	4	4	1
4	Mirza Ali Hasan Askari Non-executive director	4	-	-
5	Mr. Shafiuddin Ghani Khan (Chairman HR and Remuneration Committee) Independent director	4	4	1
6	Mr. Jamal Nasim (Chairman of Audit Committee) Independent director	4	4	-
7	Mr. Rafique Dawood Independent director	4	-	-
8	Mr. Sajid Feroze Resigned during the year	4	-	1
9	Syed Mazher Iqbal CEO - appointed during the year	-	-	-
No. of meetings held during the year		4	4	1

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. 30,000 per meeting attended.

The breakup of remuneration paid to the Chief Executive Officer including newly appointed CEO is disclosed in note 44 to the financial statements.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors has established an effective system of internal controls to ensure that business is conducted efficiently, assets of the Company are protected and financial statements are reliably presented. The Company has a competent and independent Internal Audit team that evaluates 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 to the Code of Corporate Governance.

The Board is pleased to confirm the following:

- The financial statements prepared by the management present fairly its state of affairs, the result of its operations, its cash flows position and changes in its equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- 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.
- The existing system of internal controls and procedures is regularly reviewed. This is formulated by the Board's Audit Committee and is updated when required.
- There is no significant doubt upon Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance.
- The Statement of Ethics and Business Strategy is prepared and circulated amongst the directors and employees.
- No default has been made in payment of any debt.
- There is no material change affecting the financial position of the Company occurring between financial year end and date of audit report.
- The Board has adopted a mission statement and a statement of overall corporate strategy.
- As required by the Code of Corporate Governance, statements regarding the following are annexed:
 - Key operating and financial data for last six years
 - Statement of Pattern of Shareholding
 - Statement of shares held by associated companies, undertakings and related persons
 - Statement of other information

HEALTH, SAFETY AND ENVIRONMENT

The Company is committed to provide its staff a safe, healthy and nurturing environment and accordingly has successfully achieved certification of ISO 14001:2015 and ISO 45001:2018. 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 all the applicable environmental laws and standards.

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 all the three production lines of the Company. The Company has installed two Waste Heat Recovery Power Plants having total power generation capacity of 18 MW; thus minimizing waste gases emission during production process. Our newly constructed cement plant is state of the art technology with efficient processes designed to save fuel and power consumption.

EMPLOYEE SAFETY

As a responsible corporate citizen, the Company gives highest priority to health and safety of its employees. Employees have been equipped with the safety tools and protection devices for protection from inherent noises. A dedicated Safety Department has been developed to promote compliance with safety rules and practices. Such rules and practices are reviewed and evaluated periodically and all necessary measures are taken to avoid any undesired event. Regular training sessions are conducted to promote best practices and ensure a safe work environment.

COMMUNITY INVESTMENT AND WELFARE SCHEME

The Company as a corporate citizen is constantly contributing towards 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 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 have fetched additional benefits from the expansion and enhancement plans of the Company. New job opportunities have already been generated at the plant site due to expansion of production capacity. The Company has reconstructed 8 km long road and other infrastructure in the factory vicinity improving general living standards of the adjacent communities.

CONTRIBUTION TO NATIONAL EXCHEQUER

The Company paid an amount of Rs. 11,224.98 million (2020: Rs. 4,578.46 million) into the Government treasury on account of income taxes, levies, sales tax and excise duty.



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, 2021 was Rs. 221.83 million - audited (2020: Rs. 189.04 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. Your Company also made arrangements for the free COVID-19 vaccination of its employees at factory premises. All the employees were encouraged to get themselves vaccinated. Compliance of COVID-19 related SOPs has been made mandatory and continuous monitoring is made in this regard.

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 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

Vision Holding Middle East Limited, a company incorporated in British Virgin Islands holds 106.863 million shares of the Company. Company's pattern of shareholding is in compliance with Section 227 (2) (f) of the Companies Act, 2017, as at June 30, 2021 and the relevant detail is annexed to the report.

AUDITORS

EY Ford Rhodes will retire at the conclusion of the 35th Annual General Meeting. They have offered themselves for reappointment. As suggested by Audit Committee, Board has recommended EY Ford Rhodes for reappointment.

FUTURE OUTLOOK

Sustainable economic growth, reduction in inflation with price control monitoring, efforts to resolve circular debt issue, energy sector reforms and facilitating expatriates' remittances remain focus of budget 2021-22. Government targets Rs. 5,829 million tax revenue collection in fiscal year 2021-22. Federal PSDP expenditures has been budgeted at Rs. 900 billion. Budgeted federal fiscal deficit is Rs. 3,990 billion; to be bridged through Rs. 1,246 billion net external financing, Rs. 2,492 billion net domestic financing supported by Rs. 252 billion privatization proceeds. Terms agreed with International Monetary Fund in order to complete the support program shall be critical.


We expect healthy quantitative growth in cement dispatches during financial year 2021-22. General elections are approaching and federal & provincial governments are expected to initiate new development projects. Naya Pakistan Housing Program and construction stimulus packages are also driving cement demand in local market.

On the other hand, coal prices in international market have been witnessing breakneck rallies. Recent CNF prices are more than three times of last year's purchase price. Pundits squarely attribute this hike to resurgence of economic activities after pandemic especially in Asian markets including China, India, Japan and South Korea. Supply side issues are also critical including China-Australia trade tensions and temporary disruptions in Indonesia, South Africa & Russia coal outputs. This high coal price remains a challenge for the profitability of Pakistani cement sector which heavily relies on imported coal to meet its fuel requirements. World economies are discouraging fossil fuel consumption and are moving towards renewable sources and accordingly, financing for coal-based power plants is drying up globally as well as domestically. Therefore, we are of the opinion that these sky rocket prices are not sustainable and experts are of the opinion that during the third quarter of FY 2021-22, prices are expected to settle down.

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.

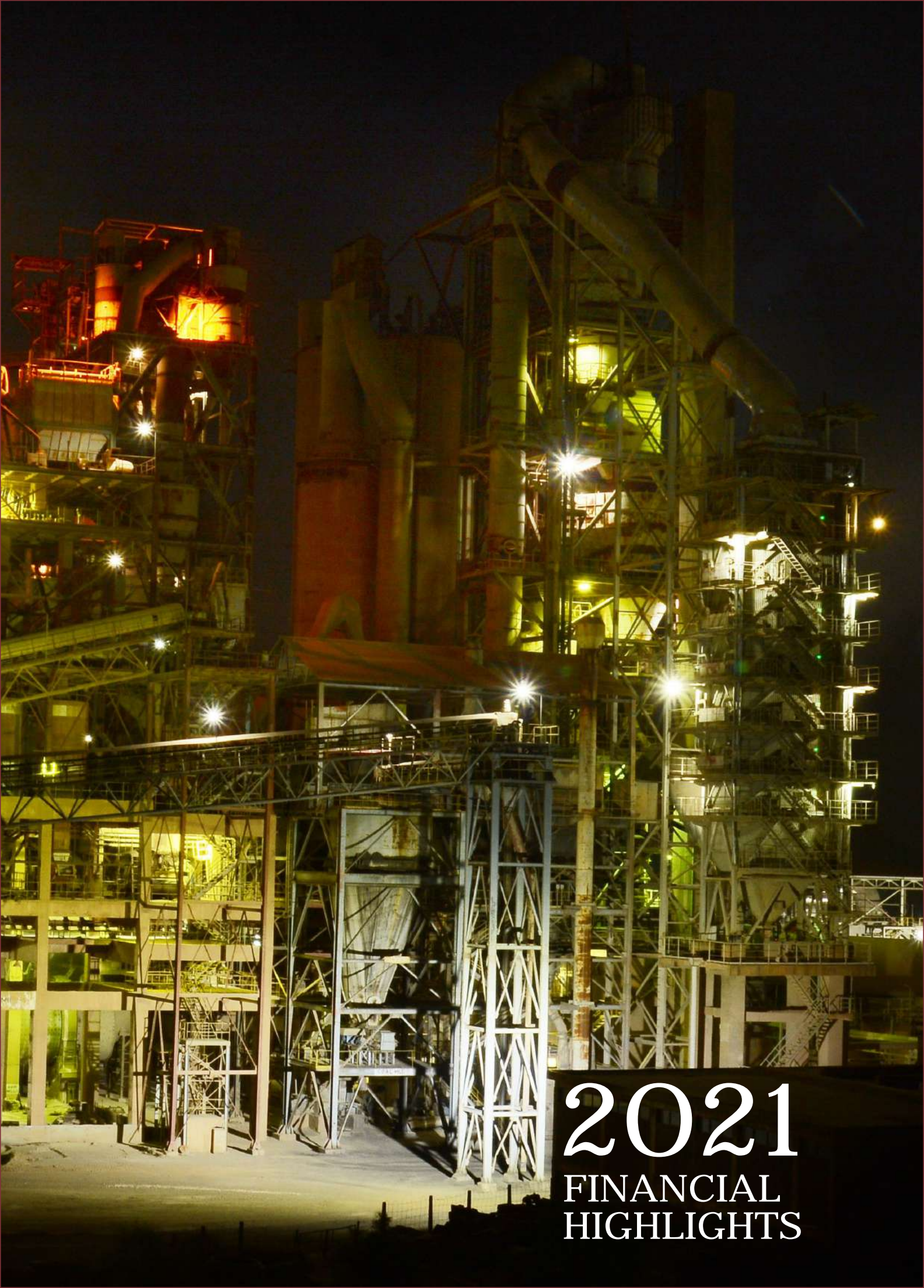
For and on behalf of the Board



Syed Mazher Iqbal
Chief Executive Officer
September 28, 2021



Aly Khan
Chairman
September 28, 2021



2021

FINANCIAL
HIGHLIGHTS

FINANCIAL HIGHLIGHTS

SIX YEARS AT A GLANCE

	2021	2020	2019	2018	2017	2016
Tons '000						
Production and sales						
Clinker production	2,955	1,540	1,257	1,551	1,564	1,185
Cement production	3,408	1,737	1,443	1,543	1,405	1,345
Cement / clinker dispatches						
Domestic market	3,368	1,723	1,384	1,577	1,634	1,310
International market	13	12	62	69	36	46
	3,381	1,735	1,446	1,646	1,670	1,356
Cement capacity utilization*	65.61%	50.42%	65.72%	70.31%	64.01%	61.27%
Rupees (million)						
Financial position						
Assets employed						
Property plant and equipment	42,945.19	41,557.94	36,106.52	22,920.02	12,237.40	10,384.00
Other long term assets	153.16	150.45	140.85	120.47	114.85	116.20
Current assets	8,382.55	7,326.13	6,030.04	6,070.88	5,407.92	4,267.50
Total assets	51,480.90	49,034.52	42,277.41	29,111.37	17,760.17	14,767.70
Financed by						
Shareholders equity	12,481.13	10,417.09	10,505.27	10,517.41	9,519.11	7,820.70
Surplus on revaluation of fixed						
Assets-net of tax	2,618.16	2,711.13	2,816.08	3,111.55	2,728.42	2,849.47
Long term liabilities	19,399.01	21,566.66	19,268.47	11,031.78	3,825.57	2,355.45
Other current liabilities	16,982.60	14,339.63	9,687.60	4,450.63	1,687.07	1,742.09
Total funds invested	51,480.90	49,034.52	42,277.41	29,111.37	17,760.17	14,767.70
Turnover and profit / (loss)						
Net turnover	21,817.61	6,286.95	9,733.65	10,121.32	10,630.99	9,366.50
Gross profit / (loss)	4,117.95	(103.09)	2,134.69	2,810.67	4,428.31	4,005.20
Operating profit / (loss)	4,020.72	(362.63)	1,593.94	2,307.58	4,104.20	3,864.10
Profit / (loss) before taxation	2,203.04	(755.38)	1,323.23	2,212.69	4,069.51	3,846.60
Profit / (loss) after taxation	1,974.46	(209.62)	790.38	1,644.02	2,917.55	2,518.80
Ebitda	5,001.94	62.64	2,102.99	2,821.60	4,569.36	4,245.90
Earnings / (loss) per share (rs.)	8.69	(0.92)	3.48	7.24	12.84	11.09
Breakup value per share (rs.)	66.47	57.80	58.65	60.00	53.92	46.90
Cash flow summary						
Net cash generated from						
Operating activities	4,415.05	524.52	3,284.90	1,775.38	1,751.13	3,149.41
Net cash used in investing						
Activities	(1,861.24)	(5,854.15)	(13,591.03)	(9,051.39)	(2,429.46)	(2,729.26)
Net cash (outflow) / inflow						
From financing activities	(2,582.58)	5,484.93	10,023.79	7,460.25	326.87	(1,851.59)
(Decrease) / increase in cash						
And cash equivalents	(28.78)	155.29	(282.34)	184.24	(351.46)	(1,431.43)
Cash and cash equivalents						
At beginning of the year	366.21	210.92	493.26	309.02	660.48	2,091.91
Cash and cash equivalents						
At end of the year	337.44	366.21	210.92	493.26	309.02	660.48

* Based on installed capacity as on close of the financial year

FINANCIAL PERFORMANCE

SIX YEARS AT A GLANCE

	UoM	2021	2020	2019	2018	2017	2016
Profitability ratios							
Gross profit / (loss) to sales	%	18.87	(1.64)	21.93	27.77	41.65	42.76
Operating profit / (loss) to sales		18.43	(5.77)	16.38	22.80	38.61	41.25
Net profit / (loss) before tax to sales		10.10	(12.02)	13.59	21.86	38.28	41.07
Net profit / (loss) after tax to sales		9.05	(3.33)	8.12	16.24	27.44	26.89
EBITDA to sales		22.93	1.00	21.61	27.88	42.98	45.33
Return on share capital		86.92	(9.23)	34.80	72.38	128.44	110.89
Return on capital employed		13.35	(1.20)	5.85	11.97	37.50	49.32

Liquidity ratios

Current ratio	Times	0.49	0.51	0.62	1.36	3.21	2.45
Acid test ratio		0.27	0.30	0.39	0.88	2.18	1.82
EBITDA to current Liabilities		0.29	0.00	0.22	0.63	2.71	2.44
Cash to current liabilities		0.02	0.03	0.02	0.11	0.18	0.38
Cash flow from operating activities to sales		0.20	0.08	0.34	0.18	0.16	0.34

Activity / turnover ratios

Inventory turnover	Times	5.23	2.43	3.47	3.74	4.37	4.24
No. of days to inventory	Days	69.83	149.90	105.27	97.47	83.58	86.09
Debtors turn over	Times	28.28	20.61	30.94	44.29	87.82	140.51
No. of days in receivables	Days	12.91	17.71	11.80	8.24	4.16	2.60
Creditors turnover	Times	3.37	1.74	4.16	7.14	7.97	6.19
No. of days in payables	Days	108.29	210.07	87.79	51.12	45.80	58.97
Operating cycle	Days	(25.55)	(42.46)	29.27	54.60	41.94	29.71
Total assets turnover	%	42.38	12.82	23.02	34.77	59.86	63.43
Fixed assets turnover	%	50.70	15.10	26.90	44.00	86.34	89.54

Investment valuation ratios

Earnings / (loss) per share	Rupees	8.69	(0.92)	3.48	7.24	12.84	11.09
Price earning ratio	Times	15.33	(68.52)	6.51	6.47	10.12	9.68
Market value per share as on June 30	Rupees	131.07	63.04	22.65	46.86	130.00	107.40
Cash dividend per share	Rupees	-	-	-	4.07	5.50	6.25
Dividend payout ratio	%	-	-	-	56.22	42.83	56.36

Capital structure ratios

Financial leverage ratio	Times	1.86	1.78	1.85	2.51	6.66	19.28
Debt / equity ratio - debt		1.77	2.02	1.61	0.79	0.19	0.06
Interest coverage ratio		2.21	(0.92)	5.89	24.32	118.30	221.17

ANALYSIS OF STATEMENT OF FINANCIAL POSITION

	2021	2020	2019	2018	2017	2016
Rs.(million)						
Share capital and reserves	12,481.13	10,417.09	10,505.27	10,517.41	9,519.11	7,820.70
Surplus on revaluation of fixed assets	2,618.16	2,711.13	2,816.08	3,111.55	2,728.42	2,849.47
Long term liabilities	19,399.01	21,566.66	19,268.47	11,031.78	3,825.57	2,355.45
Current liabilities	16,982.60	14,339.63	9,687.60	4,450.63	1,687.07	1,742.09
Total equity and liabilities	51,480.90	49,034.52	42,277.41	29,111.37	17,760.17	14,767.70
Non current assets	43,098.36	41,708.39	36,247.37	23,040.49	12,352.25	10,500.19
Current assets	8,382.55	7,326.13	6,030.04	6,070.88	5,407.92	4,267.51
Total assets	51,480.90	49,034.52	42,277.41	29,111.37	17,760.17	14,767.70

%

Vertical analysis

Share capital and reserves	24.24	21.24	24.85	36.13	53.60	52.96
Surplus on revaluation of fixed assets	5.09	5.53	6.66	10.69	15.36	19.30
Long term liabilities	37.68	43.98	45.58	37.90	21.54	15.95
Current liabilities	32.99	29.24	22.91	15.29	9.50	11.80
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	100.00
Non current assets	83.72	85.06	85.74	79.15	69.55	71.10
Current assets	16.28	14.94	14.26	20.85	30.45	28.90
Total assets	100.00	100.00	100.00	100.00	100.00	100.00

Horizontal analysis (i)

Cumulative

Share capital and reserves	59.59	33.20	34.33	34.48	21.72	100.00
Surplus on revaluation of fixed assets	(8.12)	(4.85)	(1.17)	9.20	(4.25)	100.00
Long term liabilities	723.58	815.61	718.04	368.35	62.41	100.00
Current liabilities	874.84	723.13	456.09	155.48	(3.16)	100.00
Total equity and liabilities	248.60	232.04	186.28	97.13	20.26	100.00
Non current assets	310.45	297.22	245.21	119.43	17.64	100.00
Current assets	96.43	71.67	41.30	42.26	26.72	100.00
Total assets	248.60	232.04	186.28	97.13	20.26	100.00

Horizontal analysis (ii)

Year vs Year

Share capital and reserves	19.81	(0.84)	(0.12)	10.49	21.72	16.37
Surplus on revaluation of fixed assets	(3.43)	(3.73)	(9.50)	14.04	(4.25)	76.68
Long term liabilities	(10.05)	11.93	74.66	188.37	62.41	12.10
Current liabilities	18.43	48.02	117.67	163.81	(3.16)	3.69
Total equity and liabilities	4.99	15.98	45.23	63.91	20.26	21.90
Non current assets	3.33	15.07	57.32	86.53	17.64	41.13
Current assets	14.42	21.49	(0.67)	12.26	26.72	(8.70)
Total assets	4.99	15.98	45.23	63.91	20.26	21.90

ANALYSIS OF STATEMENT OF PROFIT OR LOSS

	2021	2020	2019	2018	2017	2016
Rs.(million)						
Net turnover	21,817.61	6,286.95	9,733.65	10,121.32	10,630.99	9,366.53
Cost of sales	(17,699.66)	(6,390.05)	(7,598.97)	(7,310.65)	(6,202.69)	(5,361.33)
Gross profit / (loss)	4,117.95	(103.09)	2,134.69	2,810.67	4,428.31	4,005.20
Distribution cost	(118.60)	(252.70)	(182.38)	(166.91)	(94.06)	(59.98)
Administrative expenses	(128.39)	(108.60)	(143.06)	(97.54)	(84.58)	(81.54)
Other income / (charges)	149.76	101.77	(215.31)	(238.64)	(145.47)	0.40
Operating profit / (loss)	4,020.72	(362.63)	1,593.94	2,307.58	4,104.20	3,864.08
Finance cost	(1,817.68)	(392.75)	(270.70)	(94.90)	(34.69)	(17.47)
Profit / (loss) before taxation	2,203.04	(755.38)	1,323.23	2,212.69	4,069.51	3,846.61
Taxation	(228.58)	545.76	(532.86)	(568.67)	(1,151.96)	(1,327.83)
Profit / (loss) after taxation	1,974.46	(209.62)	790.38	1,644.02	2,917.55	2,518.78

%

Vertical analysis						
Net turnover	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	(81.13)	(101.64)	(78.07)	(72.23)	(58.35)	(57.24)
Gross profit / (loss)	18.87	(1.64)	21.93	27.77	41.65	42.76
Distribution cost	(0.54)	(4.02)	(1.87)	(1.65)	(0.88)	(0.64)
Administrative expenses	(0.59)	(1.73)	(1.47)	(0.96)	(0.80)	(0.87)
Other income / (charges)	0.69	1.62	(2.21)	(2.36)	(1.37)	0.00
Operating profit / (loss)	18.43	(5.77)	16.38	22.80	38.61	41.25
Finance cost	(8.33)	(6.25)	(2.78)	(0.94)	(0.33)	(0.19)
Profit / (loss) before taxation	10.10	(12.02)	13.59	21.86	38.28	41.07
Taxation	(1.05)	8.68	(5.47)	(5.62)	(10.84)	(14.18)
Profit / (loss) after taxation	9.05	(3.33)	8.12	16.24	27.44	26.89

Horizontal analysis (i)

Cumulative						
Net turnover	132.93	(32.88)	3.92	8.06	13.50	100.00
Cost of sales	230.14	19.19	41.74	36.36	15.69	100.00
Gross profit / (loss)	2.81	(102.57)	(46.70)	(29.82)	10.56	100.00
Distribution cost	97.74	321.31	204.07	178.28	56.83	100.00
Administrative expenses	57.45	33.19	75.45	19.62	3.73	100.00
Other income / (charges)	36,969.55	25,090.35	(53,393.32)	(59,169.55)	(36,106.19)	100.00
Operating profit / (loss)	4.05	(109.38)	(58.75)	(40.28)	6.21	100.00
Finance cost	10,304.60	2,148.16	1,449.54	443.19	98.59	100.00
Profit / (loss) before taxation	(42.73)	(119.64)	(65.60)	(42.48)	5.79	100.00
Taxation	(82.79)	(141.10)	(59.87)	(57.17)	(13.24)	100.00
Profit / (loss) after taxation	(21.61)	(108.32)	(68.62)	(34.73)	15.83	100.00

ANALYSIS OF STATEMENT OF PROFIT OR LOSS

	2021	2020	2019	2018	2017	2016
%						
Horizontal analysis (ii)						
Year vs Year						
Net turnover	247.03	(35.41)	(3.83)	(4.79)	13.50	11.17
Cost of sales	176.99	(15.91)	3.94	17.86	15.69	1.92
Gross profit / (loss)	(4,094.36)	(104.83)	(24.05)	(36.53)	10.56	26.53
Distribution cost	(53.07)	38.55	9.27	77.45	56.83	5.29
Administrative expenses	18.22	(24.09)	46.67	15.32	3.73	14.81
Other income / (charges)	47.16	(147.27)	(9.78)	64.05	(36,106.19)	(99.92)
Operating profit / (loss)	(1,208.78)	(122.75)	(30.93)	(43.78)	6.21	9.77
Finance cost	362.80	45.09	185.26	173.52	98.59	(68.98)
Profit / (loss) before taxation	(391.65)	(157.09)	(40.20)	(45.63)	5.79	9.86
Taxation	(141.88)	(202.42)	(6.30)	(50.64)	(13.24)	32.08
Profit / (loss) after taxation	(1,041.91)	(126.52)	(51.92)	(43.65)	15.83	0.91

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2021

----- Shares held -----

No. of Shareholders	From	To	Total Shares Held
1769	1	100	53,953
1984	101	500	558,857
1376	501	1,000	1,064,128
1542	1,001	5,000	3,667,393
306	5,001	10,000	2,327,441
108	10,001	15,000	1,400,701
58	15,001	20,000	1,069,529
41	20,001	25,000	939,425
34	25,001	30,000	972,162
17	30,001	35,000	573,676
22	35,001	40,000	839,720
7	40,001	45,000	295,664
16	45,001	50,000	790,864
6	50,001	55,000	316,850
12	55,001	60,000	701,262
11	60,001	65,000	686,329
9	65,001	70,000	617,204
9	70,001	75,000	659,034
6	75,001	80,000	463,790
2	80,001	85,000	164,800
4	85,001	90,000	351,500
9	90,001	95,000	841,158
14	95,001	100,000	1,389,110
2	100,001	105,000	204,000
4	105,001	110,000	436,784
1	110,001	115,000	111,500
2	115,001	120,000	232,552
1	120,001	125,000	123,500
4	125,001	130,000	512,271
1	130,001	135,000	133,000
1	135,001	140,000	137,000
2	140,001	145,000	285,500
3	145,001	150,000	450,000
1	150,001	155,000	152,000
3	155,001	160,000	475,400
2	175,001	180,000	354,000
1	180,001	185,000	183,500
3	185,001	190,000	566,000
2	190,001	195,000	384,500
8	195,001	200,000	1,598,000
1	205,001	210,000	207,500
1	210,001	215,000	211,682
1	225,001	230,000	227,500
3	240,001	245,000	728,000
1	245,001	250,000	250,000
1	255,001	260,000	258,000
1	265,001	270,000	266,500
1	270,001	275,000	273,944
1	285,001	290,000	286,755
1	290,001	295,000	294,500
1	295,001	300,000	300,000
1	300,001	305,000	305,000
1	305,001	310,000	310,000
2	320,001	325,000	644,353
1	355,001	360,000	356,000
1	365,001	370,000	370,000
1	370,001	375,000	372,000
3	395,001	400,000	1,200,000

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2021

----- Shares held -----

No. of Shareholders	From	To	Total Shares Held
1	430,001	435,000	435,000
1	470,001	475,000	471,500
1	490,001	495,000	491,500
2	495,001	500,000	1,000,000
1	515,001	520,000	517,000
1	595,001	600,000	600,000
1	600,001	605,000	602,500
1	635,001	640,000	638,800
1	670,001	675,000	675,000
1	685,001	690,000	686,500
1	695,001	700,000	700,000
1	845,001	850,000	850,000
1	895,001	900,000	897,500
1	945,001	950,000	950,000
1	1,120,001	1,125,000	1,122,500
1	1,160,001	1,165,000	1,163,500
1	1,315,001	1,320,000	1,318,500
1	1,495,001	1,500,000	1,500,000
1	1,615,001	1,620,000	1,618,500
1	1,710,001	1,715,000	1,714,500
1	1,720,001	1,725,000	1,723,500
1	1,785,001	1,790,000	1,787,600
1	2,270,001	2,275,000	2,272,601
1	2,500,001	2,505,000	2,502,000
1	3,340,001	3,345,000	3,342,000
1	3,495,001	3,500,000	3,500,000
1	3,700,001	3,705,000	3,703,000
1	3,745,001	3,750,000	3,750,000
1	3,995,001	4,000,000	4,000,000
1	4,545,001	4,550,000	4,547,500
1	4,690,001	4,695,000	4,690,100
1	7,955,001	7,960,000	7,959,707
1	24,605,001	24,610,000	24,609,001
1	106,860,001	106,865,000	106,863,193
7,461			227,148,793

CATEGORIES OF SHAREHOLDERS AND SHARES HELD AS AT JUNE 30, 2021

Categories of Shareholders	Shares Held	Percentage (%)
Directors, Chief Executive Officer, their spouse and minor children	31,173	0.0137
Associated Companies, undertakings and related parties	4,964,044	2.1854
NTT and ICP	477,500	0.2102
Banks, Development Financial Institutions, Non Banking		
Financial Institutions	4,841,728	2.1315
Insurance Companies	3,904,207	1.7188
Modarabas and Mutual Funds	11,345,649	4.9948
Shareholders holding 10% or more	131,472,194	57.8793
General Public		
a. Local	34,514,268	15.1946
b. Foreign	74,790	0.0329
Others		
1- Leasing Companies	114,640	0.0505
2- Investment Companies	404,216	0.1780
3- Joint Stock Companies	48,647,049	21.4164
4- Pension Funds	835,752	0.3679
5- Foreign Companies	115,686,930	50.9300
6- Others	1,306,847	0.5753

OTHER INFORMATION AS AT JUNE 30, 2021

Sr. No.	Name	No. of Shares Held	Percentage (%)
Associated Companies, Undertakings and Related Parties:			
1	CDC - IMPERIAL DEVELOPERS AND BUILDER (PRIVATE) LIMITED	4,690,100	2.0648
2	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	273,944	0.1206
Mutual Funds (Name Wise Detail)			
1	CDC - TRUSTEE ABL INCOME FUND - MT	176,000	0.0775
2	CDC - TRUSTEE ABL STOCK FUND	1,318,500	0.5805
3	CDC - TRUSTEE AKD AGGRESSIVE INCOME FUND - MT	37,500	0.0165
4	CDC - TRUSTEE AKD INDEX TRACKER FUND	26,900	0.0118
5	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	123,500	0.0544
6	CDC - TRUSTEE ALFALAH GHP INCOME FUND	11,000	0.0048
7	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	59,500	0.0262
8	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	372,000	0.1638
9	CDC - TRUSTEE ALFALAH GHP STOCK FUND	322,000	0.1418
10	CDC - TRUSTEE ALFALAH GHP VALUE FUND	78,000	0.0343
11	CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND	18,000	0.0079
12	CDC - TRUSTEE ATLAS STOCK MARKET FUND	200,000	0.0880
13	CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	190,500	0.0839
14	CDC - TRUSTEE FAYSAL MTS FUND - MT	63,000	0.0277
15	CDC - TRUSTEE FAYSAL STOCK FUND	1,714,500	0.7548
16	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	5,000	0.0022
17	CDC - TRUSTEE FIRST HABIB ASSET ALLOCATION FUND	8,000	0.0035
18	CDC - TRUSTEE FIRST HABIB STOCK FUND	50,500	0.0222
19	CDC - TRUSTEE HBL - STOCK FUND	110,000	0.0484
20	CDC - TRUSTEE HBL EQUITY FUND	126,500	0.0557
21	CDC - TRUSTEE HBL INCOME FUND - MT	41,500	0.0183
22	CDC - TRUSTEE HBL IPF EQUITY SUB FUND	22,000	0.0097
23	CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	22,000	0.0097
24	CDC - TRUSTEE HBL ISLAMIC EQUITY FUND	72,500	0.0319
25	CDC - TRUSTEE HBL MULTI - ASSET FUND	15,000	0.0066
26	CDC - TRUSTEE HBL PF EQUITY SUB FUND	41,000	0.0180
27	CDC - TRUSTEE JS ISLAMIC DEDICATED EQUITY FUND (JSIDEF)	14,402	0.0063
28	CDC - TRUSTEE JS ISLAMIC FUND	189,000	0.0832
29	CDC - TRUSTEE JS ISLAMIC PENSION SAVINGS FUND - EQUITY ACCOUNT	45,200	0.0199
30	CDC - TRUSTEE JS LARGE CAP. FUND	183,500	0.0808
31	CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT	81,000	0.0357
32	CDC - TRUSTEE LAKSON EQUITY FUND	243,500	0.1072
33	CDC - TRUSTEE LAKSON TACTICAL FUND	29,935	0.0132
34	CDC - TRUSTEE MCB DYNAMIC CASH FUND - MT	8,000	0.0035
35	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	2,502,000	1.1015
36	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	69,000	0.0304
37	CDC - TRUSTEE PAKISTAN INCOME FUND - MT	1,500	0.0007
38	CDC - TRUSTEE PICIC GROWTH FUND	144,000	0.0634
39	CDC - TRUSTEE PICIC INVESTMENT FUND	86,000	0.0379
40	CDC TRUSTEE UBL ASSET ALLOCATION FUND	20,000	0.0088
41	CDC TRUSTEE UBL DEDICATED EQUITY FUND	5,500	0.0024
42	CDC TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	207,500	0.0913
43	CDC TRUSTEE UBL STOCK ADVANTAGE FUND	243,000	0.1070

OTHER INFORMATION AS AT JUNE 30, 2021

Sr. No.	Name	No. of Shares Held	Percentage (%)
44	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	471,500	0.2076
45	CDC-TRUSTEE HBL ISLAMIC STOCK FUND	74,000	0.0326
46	CDC - MC FSL - TRUSTEE JS GROWTH FUND	602,500	0.2652
47	CDC - MC FSL TRUSTEE JS - INCOME FUND	3,000	0.0013
48	CDC - MSBFSL TRUSTEE ABL ISLAMIC STOCK FUND	517,000	0.2276
49	CDC - MC FSL - TRUSTEE JS VALUE FUND	266,500	0.1173
50	CDC - MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	16,000	0.0070
51	CDC - MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND	29,000	0.0128
52	CDC - MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	64,000	0.0282

Directors, their spouse and minor children:

1	MR. ALY KHAN	1	0.0000
2	SYED MAZHER IQBAL (CEO) (CDC)	10,500	0.0046
3	MS. ALEEYA KHAN	11	0.0000
4	MRS. FATIN ALY KHAN W/O MR. ALY KHAN	11	0.0000
5	MR. MOHAMMED AFTAB ALAM (CDC)	100	0.0000
6	MR. SHAFIUDDIN GHANI KHAN (CDC)	100	0.0000
7	MR. JAMAL NASIM	1,010	0.0004
8	MIRZA ALI HASAN ASKARI (CDC)	100	0.0000
9	MR. RAFIQUE DAWOOD (CDC)	19,340	0.0085

Executives:	25,250	0.0111
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Public Sector Companies & Corporations:	-	-
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Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	9,700,539	4.2706
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Shareholders holding five percent or more voting interest:

1	VISION HOLDING MIDDLE EAST LIMITED (CDC)	106,863,193	47.0455
2	MAPLE LEAF CAPITAL LIMITED (CDC)	24,609,001	10.8339

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
MR. JAMAL NASIM (CDC)	49,000	-

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting (AGM) of Pioneer Cement Limited will be held through video link at 135 Ferozepur Road, Lahore on Thursday, October 28, 2021 at 11:30 a.m. to transact the following business:-

1. To confirm minutes of last AGM held on October 28, 2020.
2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2021 and auditors' report thereon.
3. To appoint auditors for the year ending June 30, 2022 and to fix their remuneration. The Board has recommended, as suggested by Audit Committee, the appointment of M/s. EY Ford Rhodes, Chartered Accountants, the retiring auditors, who being eligible have offered themselves for re-appointment.
4. 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 28, 2021

ABDUL WAHAB
Company Secretary

Note:

1. Share transfer books closure

The share transfer books of the Company shall remain closed from October 21, 2021 to October 28, 2021 (both days inclusive) for the purpose of holding AGM. Transfer requests received at the Company's Registrar Office M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore prior to the close of business hours on October 20, 2021 will be treated in time for the purpose of attending the AGM.

2. Appointment of Proxy

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 its Registered Office not later than 48 hours before the meeting.

- a. The CDC shareholders 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. Change of Address

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

4. Submission of CNIC/NTN

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. Annual Report

Shareholders who wish to receive annual reports and notice of general meetings through email are requested to provide the following particulars through a letter duly signed by them containing:

- a. Name
- b. Registered Folio / CDC Account Number
- c. Email / Postal Address
- d. CNIC Number
- e. Shareholding
- f. 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(1)(b) of the Companies Act, 2017, if the Company receives request 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 Office of the Company.

"I/We, _____ of _____ being a member of Pioneer Cement Limited and holder of _____ ordinary shares as per Registered Folio / CDC Account Number _____ hereby opt for video conference facility at _____."

Signature of member

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.

7. Online participation in AGM

In view of the prevailing pandemic COVID-19 situation and in line with the directions issued to listed companies by the Securities & Exchange Commission of Pakistan (SECP), vide its Circular No.4 of 2021 dated February 15, 2021 and subsequent Circular No.6 of 2021 dated March 03, 2021, the Company has decided to hold AGM through video link.

Special arrangement for attending the AGM through video link will be as under:

- a. AGM will be held through Zoom application - a video link facility.
- b. Shareholders interested in attending the AGM through Zoom application are hereby requested to get themselves registered by sending an e-mail with subject: "Registration for AGM" at the earliest but not later than 72 hours before the meeting on shares@pioneercement.com along with a valid copy of both sides of CNIC.

Shareholders are advised to mention their Name, Folio/CDC Account Number, CNIC Number, Valid email address and contact number.

8. Conversion of physical shares into CDC Account

Section 72 of the Companies Act, 2017 requires every company to replace its physical shares with book-entry form within the period to be notified by the SECP.

The shareholders having physical shares are accordingly encourage to open their account with Investor Account Services of CDC or Sub-Account with any of the brokers and convert their physical shares into scripless form. This will facilitate the shareholders in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

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, 2021 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, 2021.



EY Ford Rhodes
Chartered Accountants
Audit Engagement Partner: Farooq Hameed
Lahore
Date: October 01, 2021

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. The total number of directors are 8 as per the following:-

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

2. The composition of board is as follows:

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

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

- c) Executive director
Syed Mazher Iqbal (CEO)

- d) Female non-executive director
Ms. Aleeya Khan

3. The directors have confirmed that none of them is serving as a director on 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;
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
Syed Mazher Iqbal (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)
- b) HR and Remuneration Committee (yearly);

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

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan 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 28, 2021

Independent Auditor's Report to the Members of Pioneer Cement Limited

Report on the audit of the financial statements for the year ended 30 June 2021

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 2021, 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 2021 and of the income, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
TAX CONTINGENCIES	
<p>As disclosed in note 31.1 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. 1,129.89 million as of 30 June 2021.</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 31.1 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:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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 Farooq Hameed.



EY Ford Rhodes
Chartered Accountants
Lahore: October 01, 2021



FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021



STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

Rupees in thousand	Note	2021	2020
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	42,945,194	41,557,935
Investment property	6	88,450	85,531
Long term deposits	7	64,714	64,922
		43,098,358	41,708,388
CURRENT ASSETS			
Stores, spares and loose tools	8	3,080,234	2,615,489
Stock-in-trade	9	658,882	418,089
Trade debts - unsecured	10	1,333,978	974,170
Loans and advances	11	720,854	855,637
Trade deposits and short term prepayments	12	7,048	2,306
Advance income tax - net	13	1,265,134	991,991
Sale tax receivable - net		-	360,269
Other receivables	14	236	228
Short term investments	15	978,738	741,736
Cash and bank balances	16	337,437	366,214
		8,382,541	7,326,129
TOTAL ASSETS		51,480,899	49,034,517



Chief Financial Officer



Chief Executive Officer



Chairman

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

Rupees in thousand	Note	2021	2020
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	17	3,500,000	3,500,000
Issued, subscribed and paid up share capital	18	2,271,489	2,271,489
Reserves			
Capital			
Share premium	19	197,517	197,517
Surplus on revaluation of property, plant and equipment -net of tax	20	2,618,157	2,711,132
Revenue			
Accumulated profits		10,012,127	7,948,088
		12,827,801	10,856,737
		15,099,290	13,128,226
LIABILITIES			
NON CURRENT LIABILITIES			
Long term financing - secured	21	16,794,355	18,901,627
Long term deposits	22	44,334	25,887
Deferred grant	23	5,868	6,624
Deferred liabilities	24	1,751,696	1,837,831
Retention money		802,746	794,691
		19,398,999	21,566,660
CURRENT LIABILITIES			
Trade and other payables	25	5,422,385	5,080,097
Loan from related party	26	350,000	500,000
Contract liabilities	27	119,792	110,053
Sales tax payable - net		457,180	-
Accrued interest / profit on financing	28	575,086	971,523
Short term borrowings - secured	29	5,257,251	5,892,041
Current portion of long term financing - secured	21	4,739,973	1,720,406
Unclaimed dividend	30	60,943	65,511
		16,982,610	14,339,631
TOTAL LIABILITIES		36,381,609	35,906,291
CONTINGENCIES AND COMMITMENTS	31	-	-
TOTAL EQUITY AND LIABILITIES		51,480,899	49,034,517

The annexed notes from 1 to 52 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, 2021

Rupees in thousand	Note	2021	2020
Revenue from contracts with customers (net of trial run)	32	21,817,605	6,286,951
Cost of sales (net of trial run)	33	(17,699,660)	(6,390,045)
Gross profit / (loss)		4,117,945	(103,094)
Distribution cost	34	(118,602)	(252,699)
Administrative expenses	35	(128,386)	(108,603)
Other operating income	36	302,530	102,796
Other operating expenses	37	(152,769)	(1,027)
		(97,227)	(259,533)
Operating profit / (loss)		4,020,718	(362,627)
Finance cost	38	(1,817,683)	(392,754)
Profit / (loss) before taxation		2,203,035	(755,381)
Taxation	39	(228,589)	545,759
Profit / (loss) after taxation		1,974,446	(209,622)
Earnings / (loss) per share - basic and diluted (Rupees)	40	8.69	(0.92)

The annexed notes from 1 to 52 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, 2021

Rupees in thousand	2021	2020
Profit / (loss) after taxation	1,974,446	(209,622)
Items that may be reclassified to statement of profit or loss subsequently		
Re-measurement (loss) / gain on defined benefit plan	(4,763)	23,247
Related tax	1,381	(6,742)
	(3,382)	16,505
Other comprehensive (loss) / income for the year	(3,382)	16,505
Total comprehensive income / (loss) for the year	1,971,064	(193,117)

The annexed notes from 1 to 52 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, 2021

Rupees in thousand	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	45	5,128,740	700,630
Income tax paid		(608,765)	(85,156)
Workers' profit participation fund paid		(80,000)	(13,305)
Workers' welfare fund paid		-	(31,527)
Gratuity and compensated absences paid		(22,808)	(18,554)
Provident fund paid		(20,772)	(19,862)
Decrease / (increase) in long term deposits - net		18,655	(7,710)
		(713,690)	(176,114)
Net cash generated from operating activities	A	4,415,050	524,516
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(1,862,956)	(5,876,688)
Proceeds from disposal of property, plant and equipment		1,712	-
Disposals of short term investments		-	22,536
Net cash used in investing activities	B	(1,861,244)	(5,854,152)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - secured - net		909,873	4,007,212
Loan from related party - net		(150,000)	500,000
(Decrease) / increase in short term borrowings - net		(634,790)	1,061,491
Finance cost paid - net		(2,703,098)	(80,664)
Dividend paid		(4,568)	(3,113)
Net cash (used in) / generated from financing activities	C	(2,582,583)	5,484,926
Net (decrease) / increase in cash and cash equivalents	A+B+C	(28,777)	155,290
Cash and cash equivalents at the beginning of the year		366,214	210,924
Cash and cash equivalents at the end of the year		337,437	366,214

The annexed notes from 1 to 52 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, 2021

Rupees in thousand	Issued, subscribed and paid-up capital	Reserves				Sub-Total	Total
		Capital		Revenue			
		Share premium	Surplus on revaluation of property, plant and equipment	Accumulated profits			
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 for the year	-	-	-	(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	
Profit after taxation for the year	-	-	-	1,974,446	1,974,446	1,974,446	
Other comprehensive loss for the year	-	-	-	(3,382)	(3,382)	(3,382)	
Total comprehensive income for the year	-	-	-	1,971,064	1,971,064	1,971,064	
Surplus on revaluation of property, plant and equipment realized through incremental depreciation - net of tax	-	-	(92,975)	92,975	-	-	
Balance as at 30 June 2021	2,271,489	197,517	2,618,157	10,012,127	12,827,801	15,099,290	

The annexed notes from 1 to 52 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, 2021

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 cement production capacity of 2,200 tons per day. During the year 2005, the capacity was optimized to 2,585 tons cement per day. In financial year 2006, another production line of 4,730 tons cement per day capacity was completed which started commercial operations from April 2006. During the year 2020, the Company completed the installation of another integrated cement plant with an installed cement production capacity of 10,000 tons per day which started commercial production in June 2020.

During the year, the Company completed the installation of 12 MW Waste Heat Recovery Power Plant and 24 MW Coal Power Plant, which are operational since December 2020 and June 2021, respectively.

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 2020, 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 3	Business Combinations - Definition of a Business (amendments)
IFRS 7 & IFRS 9	Financial instruments - Amendments regarding pre-replacement issues in the context of the interest rate benchmark reform (IBOR)
IAS 1 & IAS 8	Presentation of Financial Statements & Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material, to clarify the definition of material and its alignment with the definition used in the Conceptual Framework (amendments)
IFRS 16	Covid-19-Related Rent Concessions (Amendment to IFRS 16)

The adoption of amendments applied for the first time in the year did not have any material impact on the financial statements of the Company.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Standard or Interpretation		Effective date (annual periods beginning on after)
IFRS 7 & IFRS 9	Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	1 January 2021
IFRS 3	Business Combinations – The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.	1 January 2022
IAS 16	Property, plant and equipment – Amendment to clarify the prohibition on an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.	1 January 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.	1 January 2022
IAS 1	Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current.	1 January 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Amendments) - Definition of Accounting Estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty	1 January 2023
IFRS 10 & IAS 28	Consolidated Financial Statements & Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – (Amendment)	Not yet finalized

The Company expects that these amendments 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 2022.

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 2004
IFRS 17	Insurance Contracts	01 January 2023

The Company expects that the adoption of the above standards will not have any material impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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:

- a) recognition of revenue (Note 4.18);
- b) recognition of taxation and deferred tax (Note 4.13);
- c) determining the residual values, useful lives and revalued amounts of property, plant and equipment (Note 4.1);
- d) employment benefits (Note 4.10);
- e) impairment of inventories / adjustment of inventories to their net realizable value (Note 4.5);
- f) impairment of store, spares and loose tools (Note 4.4);
- g) impairment against expected credit losses (ECL) (Note 4.6);
- h) impairment of financial assets (Note 4.16.1); and
- i) investment property (Note 4.2);
- j) contingencies (Note 31.1).

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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.

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.

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 stores 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. |
|------------------------------|--|

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

- 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.

NRV signifies estimated selling price in ordinary course of business less estimated cost of completion and estimated cost necessary to make a 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, 2021

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 regimes.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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.

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 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.

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, deposits, other receivables, short term investments 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. Notwithstanding 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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 short term investments are classified under this category.

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.

The Company's financial assets at amortized costs includes long term deposits, trade debts, loans and other receivables, short term investments and bank balances

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 equity instruments designated at fair value through OCI.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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, deposits, lease liabilities, loan from related party, trade and other payables.

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

The Company recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

- Step 1 Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2 Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- Step 5 Recognise revenue when (or as) the Company satisfies a performance obligation.

Revenue from contracts 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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.

Rupees in thousand	Note	2021	2020
5 PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	5.1	40,660,329	34,650,824
Capital work in progress	5.2	2,284,865	6,907,111
		42,945,194	41,557,935

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

5.1 OPERATING PROPERTY,
PLANT AND EQUIPMENT

5.1		OPERATING PROPERTY, PLANT AND EQUIPMENT		2021									
Note	C O S T / R E V A L U A T I O N				RATE %	D E P R E C I A T I O N				WRITTEN DOWN VALUE			
	As at 01 July 2020	Additions/ transfers	Disposals/ transfers	As at 30 June 2021		As at 01 July 2020	Disposals/ transfers	For the year	As at 30 June 2021				
	----- Rupees ('000) -----					----- Rupees ('000) -----							
Owned													
	Freehold land	5.1.1	91,104	171,842	-	262,946	-	-	-	-	-	-	262,946
	Factory building on freehold land	5.1.1	3,590,876	551,453	-	4,142,329	4	120,182	1,845,046	1,965,228	2,177,101	-	2,177,101
	Leasehold improvements		10,833	-	-	10,833	33.3	-	10,833	-	-	-	-
	Roads and quarry development		56,008	-	-	56,008	20	-	56,008	-	-	-	-
	Plant and machinery line I	5.1.1	6,657,961	21,399	-	6,679,360	Units of production method	-	4,892,498	28,073	4,920,571	1,758,789	-
	Plant and machinery line II	5.1.1	8,454,574	60,132	-	8,514,706	Units of production method	-	2,344,051	172,124	2,516,175	5,998,531	-
	Plant and machinery line III		23,258,930	655,726	-	23,914,656	Units of production method	-	2,182	518,584	520,766	23,393,890	-
	Coal firing system	5.1.1	465,632	-	-	465,632	Units of production method	-	306,243	2,525	308,768	156,864	-
	Power generation plant		1,650,801	3,534	-	1,654,335	4	-	226,298	66,098	292,396	1,361,939	-
	Waste heat recovery plant - line III		-	1,514,987	-	1,514,987	4	-	-	30,039	30,039	1,484,948	-
	24 MW coal power plant		-	3,988,115	-	3,988,115	4	-	-	11,300	11,300	3,976,815	-
	Furniture and fixtures		40,545	1,914	(202)	42,257	10	-	29,041	1,799	30,638	11,619	-
	Office equipment		66,035	14,973	-	81,008	10	-	40,629	5,481	46,110	34,898	-
	Computers and accessories		36,126	542	(100)	36,568	33	-	31,732	2,789	34,421	2,147	-
	Vehicles		175,614	7,231	(1,678)	181,167	20	-	119,654	22,230	141,325	39,842	-
			44,555,039	6,991,848	(1,980)	51,544,907			9,904,215	(861)	10,884,578	40,660,329	-

2020												
Note	C O S T / R E V A L U A T I O N				RATE %	D E P R E C I A T I O N				WRITTEN DOWN VALUE		
	As at 01 July 2019	Additions/ transfers	Disposals/ transfers	As at 30 June 2020		As at 01 July 2019	Disposals/ transfers	For the year	As at 30 June 2020			
----- Rupees ('000) -----				----- Rupees ('000) -----								
Owned												
Freehold land	5.11	91,104	-	-	91,104	-	-	-	-	-	-	91,104
Factory building on freehold land	5.11	2,908,912	681,964	-	3,590,876	4	-	90,323	1,845,046	-	-	1,745,830
Leasehold improvements		10,833	-	-	10,833	33.3	-	-	10,833	-	-	-
Roads and quarry development		56,008	-	-	56,008	20	-	-	56,008	-	-	-
Plant and machinery line I	5.11	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	5.11	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		-	23,258,930	-	23,258,930	Units of production method	-	-	2,182	2,182	-	23,256,748
Coal firing system	5.11	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 fixtures		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
		20,532,299	24,022,740	-	44,555,039		9,478,947	-	25,268	9,904,215	-	34,650,824

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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	Cost	2021 Net book value	2020 Net book value
Freehold land	31,411	31,411	31,411
Factory building on freehold land	1,714,959	534,683	316,818
Plant and machinery - line I	4,297,827	1,324,801	1,324,565
Plant and machinery - line II	4,672,364	3,357,159	3,392,804
Coal firing system	372,489	158,663	161,217
Power generation plant	1,645,644	1,354,792	1,416,446
	12,734,694	6,761,509	6,643,261

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	2021	2020
5.1.4 Depreciation for the year has been allocated as follows:			
Cost of sales	33	845,097	334,102
Cost of sales (fuel and power)	33	125,142	78,748
Cost of sales (raw material consumed)	33	146	183
Distribution cost	34	1,635	2,590
Administrative expenses	35	9,204	9,645
		981,224	425,268

5.1.5 The operating fixed assets include fully depreciated assets having cost of Rs. 927.44 million (2020: Rs. 903.41 million).

5.1.6 The following assets were disposed off during the year:

Rupees in thousand	Note	Cost	Accumulated depreciation	Written down value	Sale proceeds/ Insurance claim	Gain on disposal
Suzuki Cultus	5.1.6.1	1,678	559	1,119	1,653	534
Other		302	302	-	59	59
As at 30 June 2021		1,980	861	1,119	1,712	593
As at 30 June 2020		-	-	-	-	-

5.1.6.1 This vehicle was damaged due to a natural hazard and was claimed from EFU General Insurance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Rupees in thousand	Note	2021	2020
5.2 Capital work in progress			
Opening balance		6,907,111	25,053,163
Additions during the year	5.2.1	2,262,274	5,794,842
Transferred to operating fixed assets		(6,884,520)	(23,940,894)
Closing balance		2,284,865	6,907,111

Represented by:

Waste heat recovery and coal power plants including

civil work		1,439,272	6,152,067
Other plant and machinery items		96,048	93,460
Office premises under construction	5.2.2	705,772	625,843
Other civil works		43,773	35,741
Closing balance		2,284,865	6,907,111

5.2.1 The amount of borrowing cost capitalized during the year amounts to Rs. 458.29 million (2020: Rs. 3,021.89 million). The applicable financing rates for these under construction projects range from KIBOR plus 20 bps to KIBOR plus 175 bps (2020: KIBOR plus 20 bps to KIBOR plus 175 bps).

5.2.2 This represents new head office building under construction located at 64-B/1, Gulberg-III, Lahore, having land area of 3 kanal 17 marlas and 41 square feet.

Rupees in thousand	Note	2021	2020
6 INVESTMENT PROPERTY			
Carrying value as on July 01		85,531	83,605
Fair value remeasurement gain for the year	36	2,919	1,926
Carrying value as at June 30		88,450	85,531

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 having total covered area of 9,630 square feet.

6.2 The forced sale value of investment property, based on revaluation at year end, is Rs. 75.183 million (2020: Rs. 72.70 million).

6.3 Net profit arising from investment property amounts to Rs. 5.89 million (2020: Rs. 5.28 million).

Rupees in thousand	Note	2021	2020
Breakup is given below:			
Rental income	36	9,256	8,415
Operating expenses		(3,366)	(3,132)
Net profit		5,890	5,283

7 LONG TERM DEPOSITS

Security deposits - considered good

- Utilities		35,848	35,848
- Others		28,866	29,074
	7.1	64,714	64,922

7.1 These are non-interest bearing and cover terms of more than one year in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Rupees in thousand	2021	2020
8 STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	687,866	536,649
Spare parts	2,053,315	1,856,839
Loose tools	53,561	15,435
	2,794,742	2,408,923
Stores in transit	329,425	250,499
	3,124,167	2,659,422
Provision for slow moving stores and spare parts	(43,933)	(43,933)
	3,080,234	2,615,489

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

Rupees in thousand	Note	2021	2020
9 STOCK IN TRADE			
Raw material	33.1	125,148	51,432
Packing material		76,982	47,716
Work in process	33	259,633	239,397
Finished goods	33	197,119	79,544
		658,882	418,089

10 TRADE DEBTS - UNSECURED

Trade debts	10.1	1,367,223	1,003,386
Provision for expected credit losses	10.2	(33,245)	(29,216)
		1,333,978	974,170

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

Rupees in thousand	1-30 days	31-90 days	91-180 days	Over 181 days	Total
As at 30 June 2021					
Expected credit losses rate	0.24%	6.72%	6.11%	34.14%	
Estimated total gross carrying amount at default	1,231,714	27,363	30,281	78,016	1,367,374
Expected credit loss	2,920	1,838	1,850	26,637	33,245
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 loss	1,289	1,070	3,809	23,048	29,216

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Rupees in thousand	Note	2021	2020
10.2 Provision for expected credit losses			
Opening balance		29,216	21,710
Provision for the year	34	4,029	7,506
Closing balance		33,245	29,216

11 LOANS AND ADVANCES

Unsecured and considered good			
Loans to employees		4,544	6,768
Banks' margin against letter of credit		11,731	8,029
Advances to:			
Suppliers		73,890	26,125
Contractors		332,571	776,571
Service providers		298,118	38,144
	11.1	720,854	855,637

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

12 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Trade deposits		9	9
Prepayments		7,039	2,297
		7,048	2,306

13 ADVANCE INCOME TAX - NET

Opening balance - net		991,991	1,048,047
Provision for tax during the year	39	(336,207)	(141,212)
		655,784	906,835
Advance income tax paid during the year		609,350	85,156
Closing balance - net		1,265,134	991,991

13.1 Securities and Exchange Commission of Pakistan (SECP) through its S.R.O No. 985 (I) / 2019 dated 02 September 2019, in partial modification of its previous S.R.O 229 (I) / 2019 dated 14 February 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) in respect of tax refunds due from government.

Rupees in thousand	Note	2021	2020
14 OTHER RECEIVABLES			
Receivable from WAPDA	14.1	19,381	19,381
Others		3,209	3,201
		22,590	22,582
Less: Provision for expected credit losses		(22,354)	(22,354)
		236	228

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Rupees in thousand	Note	2021	2020
15 SHORT TERM INVESTMENTS			
Fair Value Through Profit or Loss:			
- Investments with Shariah compliant funds			
Meezan Islamic Fund			
4,004,681 (2020: 4,004,681) Units		253,801	186,964
NBP Islamic Stock Fund			
23,222,138 (2020: 22,977,008) Units		295,734	217,438
KSE Meezan Index Fund			
913,849 (2020: 913,849) Units		66,593	48,811
Meezan Balanced Fund			
11,443,064 (2019:11,443,064) Units		185,380	156,926
Meezan Asset Allocation Fund			
3,520,814 (2020: 3,520,814) Units		174,139	128,708
Meezan Islamic Income Fund			
12,944 (2020: 12,253) Units		666	631
		976,313	739,478
- Investments with conventional funds			
ABL Government Securities Fund			
3,742 (2020: Nil) Units		38	-
NBP Government Securities Liquid Fund			
1,488 (2020:1,413) Units		15	14
NBP Money Market Fund			
239,644 (2020: 227,118) Units		2,372	2,244
		2,425	2,258
	15.1	978,738	741,736

15.1 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	2021	2020
16 CASH AND BANK BALANCES			
Cash in hand		735	1,186
Balance with banks in:			
- Deposit accounts	16.1	95,627	203,107
- Current accounts		241,075	161,921
	16.2	336,702	365,028
		337,437	366,214

16.1 These carry profits at rates ranging from 5.5% to 6% (2020: 5.6% to 12.6%) per annum.

16.2 Out of this, an aggregate amount of Rs. 69.68 million (2020: Rs. 1.97 million) has been deposited with Shariah-compliant Islamic Banks.

17 AUTHORIZED SHARE CAPITAL

2021	2020		2021	2020
No of shares in thousand			Rupees in thousand	
300,000	300,000	Ordinary shares of Rs.10/- each	3,000,000	3,000,000
50,000	50,000	Preference shares of Rs.10/- each	500,000	500,000
350,000	350,000		3,500,000	3,500,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

18 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2021	2020	Note	2021	2020
No of shares in thousand			Rupees in thousand	
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

18.1 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 2021 comprising 47% of paid up share capital. William Gordan Rodgers is authorized agent of VHME.

18.2 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.

18.3 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.

19 SHARE PREMIUM

This reserve can be utilized only for the purpose specified in section 81 (2) of the Companies Act, 2017.

20 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX

Rupees in thousand	Note	2021	2020
Gross surplus			
Opening balance		3,809,431	3,957,241
Transferred to accumulated profits in respect of incremental depreciation charged during the year		(130,951)	(147,810)
	20.1	3,678,480	3,809,431
Less: Deferred tax liability			
Opening balance		1,098,299	1,141,164
Incremental depreciation charge on related assets		(37,976)	(42,865)
		1,060,323	1,098,299
Closing balance of surplus on revaluation - net of tax		2,618,157	2,711,132

20.1 This includes surplus on revaluation of freehold land amounting to Rs. 59.69 million (2020: Rs. 59.69 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Rupees in thousand		Note	2021	2020
21	LONG TERM FINANCING - SECURED			
	ISLAMIC BANK			
	Meezan Bank Limited - I	21.1	450,000	450,000
	Meezan Bank Limited - II	21.2	375,000	375,000
	Payment during the year		(93,750)	-
			281,250	375,000
	Meezan Bank Limited - III	21.3	1,389,000	-
	Meezan Bank Limited - Syndicate	21.4	2,592,831	2,592,831
			4,713,081	3,417,831
	Current Portion - MBL I		(225,000)	(112,500)
	Current Portion - MBL II		(281,250)	(75,000)
	Current Portion - MBL - Syndicate		(259,283)	-
	Less: Current portion of long term financing		(765,533)	(187,500)
		A	3,947,548	3,230,331
	NATIONAL BANK OF PAKISTAN			
	Syndicate I			
	Conventional Component		12,999,740	12,999,740
	Islamic Component		1,999,960	1,999,960
		21.5	14,999,700	14,999,700
	Payment during the year		(1,500,000)	-
	Current portion of long term financing		(2,999,940)	(1,500,000)
			10,499,760	13,499,700
	Syndicate II			
	Conventional Component	21.6	2,081,000	2,081,000
	Current portion of long term financing		(693,667)	-
			1,387,333	2,081,000
	Bilateral facility	21.7	1,100,000	-
	Current portion of long term financing		(183,333)	-
			916,667	-
		B	12,803,760	15,580,700
	JS BANK LIMITED			
	Opening balance	21.8	123,502	-
	Additions during the year		63,374	129,930
	Payments during the year		(48,750)	-
	Finance cost		12,988	196
	Deferred grant - net		(10,567)	(6,624)
	Term Finance - under refinance scheme for payroll financing		140,547	123,502
	Current portion of long term financing		(97,500)	(32,906)
		C	43,047	90,596
		A+B+C	16,794,355	18,901,627

21.1 The Company has obtained Diminishing Musharaka / Ijarah facility of up to 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.

21.2 The Company has obtained Diminishing Musharaka / Ijarah facility of up to Rs. 600 million for cement grinding capacity enhancement project at 3 months KIBOR plus 1.1%. The facility is secured by creation of specific hypothecation charge over complete cement grinding mill up to Rs. 650 million. The facility is re-payable in five years including a grace period of one year on quarterly basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

- 21.3 During the year, the Company has obtained Diminishing Musharaka (Sale & Lease Back) facility amounting to Rs.1,390 million. This facility carries markup / profit at 3 months KIBOR plus 1.1% per annum payable semi annually whereas the principal is repayable in five years including a grace period of two years. The facility is secured by way of exclusive charge over waste heat recovery power plant, cement grinding mill and investments of the Company with Al Meezan Investments Management Limited and NBP Funds Management Limited with 35% margin.
- 21.4 The Company has obtained Syndicated Diminishing Musharaka facility amounting to Rs. 2,600 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.
- 21.5 The Company has obtained syndicated facility amounting to 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.
- 21.6 The Company has obtained syndicated facility amounting to Rs. 2,081 million to finance new integrated cement plant supported by a 12 MW waste heat recovery plant. 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.
- 21.7 During the year, the Company has obtained bilateral facility amounting to Rs. 2,100 million from National Bank of Pakistan to finance non-plant buildings and land development work for Line-III. This facility carries markup at 6 months KIBOR plus 1.50% per annum payable quarterly whereas the principal is repayable in seven years including a grace period of one year. 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.
- 21.8 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 cement grinding Mill Z-1 (Cement Line 1) of the Company amounting to Rs. 260 million inclusive of 25% margin.

Rupees in thousand		2021	2020
22	LONG TERM DEPOSITS		
	Security deposits payable in respect of:		
	Goods and services	39,442	22,900
	Office building	4,892	2,987
		44,334	25,887

- 22.1 As per the terms of the agreement, these deposits can be utilized in normal course of business.

23 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 21.8).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Rupees in thousand	Note	2021	2020
Movement during the year is as follows:			
Opening balance		6,624	-
Amount recognized as deferred grant during the year		10,567	7,765
Amount recognized as income during the year		(11,323)	(1,141)
Closing balance		5,868	6,624

24 DEFERRED LIABILITIES

Deferred tax liability	24.1	1,578,445	1,687,444
Gratuity - vested contractual employees	24.2	173,251	150,387
		1,751,696	1,837,831

24.1 Deferred tax liability

Deferred tax liability on taxable temporary differences:			
- accelerated tax depreciation		4,276,440	3,460,758
- surplus on revaluation of property plant and equipment	20	1,060,323	1,098,299
	A	5,336,763	4,559,057
Deferred tax asset on deductible temporary differences:			
- employee benefits		(59,975)	(52,146)
- provision for slow moving stores and spare parts		(11,467)	(11,467)
- provision for expected credit losses		(8,677)	(13,461)
- unused tax losses		(3,180,300)	(2,659,807)
- alternate corporate tax	39	(336,207)	-
- minimum tax		(135,686)	(134,732)
- others		(26,006)	-
	B	(3,758,318)	(2,871,613)
	A+B	1,578,445	1,687,444
Deferred tax is calculated in full on temporary differences under the liability method			
Opening balance		1,687,444	2,367,673
Charge recognized in statement of profit or loss	39	(107,618)	(686,971)
Charge recognized in other comprehensive income		(1,381)	6,742
Closing balance		1,578,445	1,687,444

24.2 Defined benefits plan: Gratuity

24.2.1 The amounts recognized in the statement of financial position are as follows:

Staff retirement benefits - gratuity	24.2.5	172,307	150,267
Benefit payable		944	120
		173,251	150,387

24.2.2 The amounts recognized in the statement of profit or loss are as follows:

Current service cost		15,916	16,973
Interest cost on defined benefit obligation		12,307	19,849
Expense recognized in the statement of profit or loss		28,223	36,822

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Rupees in thousand	2021	2020
24.2.3 The amounts chargeable to other comprehensive income are as follows:		
Remeasurement of Plan Obligations		
Actuarial losses / (gains) from changes in financial assumptions	549	(1,823)
Experience adjustments	4,214	(21,424)
Re-measurement loss / (gain) charged to other comprehensive income	4,763	(23,247)

24.2.4 Movements in the net liability are recognized as follows:

Opening balance	150,387	141,892
Expense recognized during the year	28,223	36,822
Benefits paid / payable	(10,122)	(5,080)
Re-measurement loss / (gain) charged to other comprehensive income	4,763	(23,247)
Closing balance	173,251	150,387

24.2.5 Movements in the present value of defined benefit obligation:

Opening balance	150,267	141,892
Current service cost	15,916	16,973
Interest cost on defined benefit obligation	12,307	19,849
Benefits paid	(10,122)	(5,080)
Benefits payable	(824)	(120)
Remeasurement:		
Actuarial losses / (gains) from changes in financial assumptions	549	(1,823)
Experience adjustments	4,214	(21,424)
Closing balance	172,307	150,267

Rupees in thousand	2022
24.2.6 Estimated expense to be charged to statement of profit or loss in next year	
Current service cost	19,652
Interest cost on defined benefit obligation	16,557
Amount chargeable to statement of profit or loss	36,209

24.2.7 Estimated contribution to post employment benefit plan in 2022 will be Rs. 13.477 million.

Qualified actuaries have carried out the valuation as at 30 June 2021. The projected unit credit method, based on the following significant assumptions, is used for valuation of the scheme:

	2021	2020
Discount rate for interest cost in profit or loss charge	8.50%	14.25%
Discount rate for obligation	10.00%	8.50%
Expected rates of salary increase in future years	9.00%	7.50%
Mortality rates	SLIC 2001-2005	
	Setback 1 year	
Retirement age assumption	Age 60	Age 60

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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

	Sensitivity level	Assumption	Defined benefit obligation
	+100 bps	Discount rate	(158,307)
	-100 bps	Discount rate	188,547
	+100 bps	Expected increase in salary	188,785
	-100 bps	Expected increase in salary	(157,853)

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 (2020: 9 years).

Rupees in thousand	Note	2021	2020
25 TRADE AND OTHER PAYABLES			
Creditors	25.1	3,192,161	2,657,044
Accrued expenses		610,588	673,775
Deposits		3,767	2,394
Employees' compensated absences	25.3	56,540	49,408
Workers' profit participation fund	25.4	30,152	-
Workers' welfare fund		41,858	-
Others		2,021	362
	A	3,937,087	3,382,983
Payable to Government on account of:			
Excise duty on cement		1,273,317	1,620,026
Royalty and excise duty		58,974	50,767
Other taxes		153,007	26,321
	B	1,485,298	1,697,114
	A+B	5,422,385	5,080,097

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

25.3 Employees' compensated absences

Opening balance as at 01 July		49,408	43,865
Charge to CWIP for the year		-	3,490
Charge as expense for the year		24,580	15,527
		73,988	62,882
Payments made during the year		(17,448)	(13,474)
Closing balance as at 30 June		56,540	49,408

25.4 Workers' profit participation fund

Opening balance as at July 01		-	13,305
Charge for the year	37	110,152	-
		110,152	13,305
Payments made during the year		(80,000)	(13,305)
Closing balance as at June 30		30,152	-

26 LOAN FROM RELATED PARTY

Loan from related party		350,000	500,000
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

26.1 This represents interest free, unsecured, short term loan from Imperial Developers and Builders (Private) Limited, which is payable on demand.

27 CONTRACT LIABILITIES

27.1 This represents advance consideration received from customers in ordinary course of business.

27.2 Revenue recognized in current period from contract liabilities balance of 2020 amounts to Rs. 28.80 million (2020: amount recognized from contract liabilities of 2019 amounting to Rs.29.72 million).

Rupees in thousand	Note	2021	2020
28 ACCRUED INTEREST / PROFIT ON FINANCING			
ISLAMIC BANKS			
Long term financing		120,109	198,464
Short term borrowings		2,169	51,525
	A	122,278	249,989
CONVENTIONAL BANKS			
Long term financing		375,644	611,772
Short term borrowings		77,164	109,762
	B	452,808	721,534
	A+B	575,086	971,523

29 SHORT TERM BORROWINGS - SECURED

Islamic Banks			
Meezan Bank Limited - Running Musharaka / Murabaha / Letter of Credit	29.1	450,225	555,886
Meezan Bank Limited - Running Musharaka	29.2	990,002	-
Meezan Bank Limited - Salam	29.3	-	839,089
	A	1,440,227	1,394,975
Conventional Banks			
Allied Bank Limited	29.4	508,667	476,996
National Bank of Pakistan	29.5	996,078	996,078
MCB Bank Limited	29.6	394,140	494,432
Bank Al Habib Limited	29.7	422,362	630,853
Habib Bank Limited	29.8	732,850	1,049,824
JS Bank Limited	29.9	409,972	352,163
United Bank Limited	29.10	352,955	398,012
Banks overdrawn		-	98,708
	B	3,817,024	4,497,066
	A+B	5,257,251	5,892,041

29.1 The Company has obtained Running Musharaka / Murabaha up to Rs. 550 million in aggregate (2020: Rs. 550 million). The facility carries provisional profit rate of 1 month KIBOR plus 0.50% p.a (2020: 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. During the year, this facility has been fully paid. In addition, the Company has also obtained LC Sight 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. This extendable facility will expire on 31 December 2021.

29.2 During the year, the Company has obtained Running Musharaka facility of Rs. 1,000 million. The facility carries profit rate of 1 month KIBOR plus 1.10% 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 and lien over investments of the Company with Al Meezan Investments Management Limited and NBP Funds Management Limited with 35% margin. This facility will expire on 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

- 29.3 This represents Salam facility amounting to Rs. Nil (2020: Rs. 840 million). 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. During the year, this facility has been fully paid.
- 29.4 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 (2020: Rs. 1,500 million). This facility carries markup at the rate of 3 months KIBOR plus 0.60% per annum (2020: 3 months KIBOR plus 0.35% per annum) payable 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 2021 and renewal is in process.
- 29.5 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 0.85% per annum (2020: 3 months KIBOR plus 0.35% per annum) subject to rebate linked to actual markup payment date 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 January 2022.
- 29.6 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 2022.
- 29.7 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 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. This extendable facility shall expire on 31 August 2024.
- 29.8 The Company has obtained running finance/letter of credit sight facility/FATR facility of Rs. 700 million. 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. Further, during the year, the Company has also obtained a letter of credit sight facility/FIM facility amounting to Rs. 550 million. The facility is secured against pledge of coal with 10% margin. These facilities carry markup at the rate of 3 months KIBOR plus 0.50% (2020: 0.35%) per annum payable on quarterly basis.
- 29.9 The Company has obtained letter of credit sight facility / FIM up to Rs. 700 million (June 2020: 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 whereas FIM is secured against pledge of coal with 5% margin. FIM carries markup at the rate of 3 months KIBOR plus 2% per annum. This facility contains LC sublimit of Rs. 300 million to import stores, spares and tools, Rs. 200 million for obtaining foreign technical services and FIM of Rs. 650 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 expires on 31 May 2022.
- 29.10 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% (2020: 1.25%) per annum payable on quarterly basis whereas NICF carries markup at the rate of 1 month KIBOR plus 1.50% (2020: 1.50%) . 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. This extendable facility will expire on 31 October 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Rupees in thousand	Note	2021	2020
30 UNCLAIMED DIVIDEND			
Opening balance		65,511	68,624
Dividend for the year		-	-
		65,511	68,624
Payments made during the year		(4,568)	(3,113)
Closing balance	30.1	60,943	65,511

30.1 This amount has been deposited in a separate account carrying 4.5% profit rate maintained with a shariah compliant bank.

31 CONTINGENCIES AND COMMITMENTS

31.1 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. 1,129.89 million (2020: Rs. 863.35 million).

31.1.1 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 has 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.

31.1.2 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. 1,251 million and Rs. 90.5 million respectively. However, certain number of appeals of Company as well as tax department are still pending adjudication at different appellate fora.

31.1.3 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). The ATIR after considering the facts of the case remanded the case back to the CIR (A) to decide the case on its merits, the case is pending adjudication.

31.1.4 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.

31.1.5 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.

31.1.6 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 CIR filed appeals before the ATIR, the Company's appeal is decided in its favour thereby deleting additions made into the taxable income of the Company, whereas appeal filed by the CIR is a pending adjudication.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

- 31.1.7 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.
- 31.1.8 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 honorable LHC, which is pending adjudication.
- 31.1.9 The ACIR initiated proceedings u/s 122(5A) of the Ordinance for Tax Year 2016 which resulted into impugned addition of Rs. 144 million thus creating impugned demand of Rs. 58 million. The Company, being aggrieved from the aforesaid impugned order filed an Appeal before the CIR-A. The CIR-A on order dated 28-01-2021 granted partial relief against the impugned addition. The Company being dissatisfied from the aforesaid Appellate Order, preferred appeal before the learned Appellate Tribunal Inland Revenue (the learned ATIR). However, the case has not been fixed for hearing till date.
- 31.1.10 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 from the aforesaid order, the Company filed appeal in terms of section 45B of the Act before CIR (A). The CIR (A) passed an order dated 16 November 2020 under section 11(2) of the Act for the tax year 2018, wherein the sales tax demand of Rs. 42.660 million was raised after deleting penalty. However, being aggrieved with the said order, the Company filed an appeal before ATIR which is pending adjudication.
- 31.1.11 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. The Company filed an appeal against order of DCIR. CIR (A) finalized the proceedings through its order dated 27 April 2021 wherein the sales tax demand of Rs 24.892 million was created. The Company filed an appeal before ATIR against the said order which is pending adjudication.
- 31.1.12 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). The CIR (A) passed an order dated 16-11-2020 under section 11(2) of the Act for the tax year 2017, wherein the sales tax demand of Rs. 20.950 million was raised after deleting penalty. However, being aggrieved with the said order, both the Company and CIR filed an appeal before ATIR which is pending adjudication.
- 31.1.13 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

- 31.1.14 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 February 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 Company 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.

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In view of the above, during the year ended 30 June 2008, the Company had filed a refund claim amounting to 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.

31.1.15 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.

31.1.16 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 adverse consequence to the Company, and accordingly, no provision has been made against the above in these financial statements.

31.1.17 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.

31.2 Commitments

31.2.1 Commitments in respect of outstanding letters of credit amount to Rs. 1,355.77 million (2020 Rs. 550.75 million). In addition, commitments in respect of contracts registered with banks amounts to Rs. 34.03 million (2020 Rs. 11.87 million).

Commitments in respect of issued letters of guarantees favouring Collector of Customs, Karachi amount to Rs. 78.86 million (2020: Rs. 78.86).

31.2.2 Contract for capital expenditure amounts to Rs. 1,829.20 million (2020 Rs. 1,784.39 million).

32 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

Rupees in thousand	2021	2020
32.1 Disaggregated revenue information		
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
Sales - gross	32,636,880	15,015,375
Less:		
Sales Tax	5,469,540	2,524,784
Federal Excise Duty	5,051,759	3,444,881
Commission	237,766	96,802
Discount and rebate	39,475	44,317
Freight on cement sold to projects	20,735	24,010
	10,819,275	6,134,794
	21,817,605	8,880,581
Trial run sales capitalized during the year	-	(2,593,630)
Total revenue from contracts with customers- net	21,817,605	6,286,951

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Rupees in thousand	Note	2021	2020
Types of revenue			
Cement - Local		32,553,109	14,947,732
Cement - Export	32.1.1	62,822	63,581
Paver - Local		20,949	4,062
		32,636,880	15,015,375
Geographical Markets			
Pakistan		32,574,058	14,951,794
Afghanistan		62,822	63,581
		32,636,880	15,015,375
Timing of revenue recognition:			
Goods transferred at a point in time		32,636,880	15,015,375
32.1.1 Export sales include rebate on exports amounting to Rs.nil (2020: Rs. 1.19 million).			
32.2 Contract balances			
Trade receivables	10	1,333,978	974,170
Contract liabilities	27	119,792	110,053
33 COST OF SALES			
Raw material consumed	33.1&5.1.4	1,678,461	883,429
Packing material consumed		1,936,070	1,008,783
Fuel and power	5.1.4	12,052,944	6,668,903
Stores and spare parts consumed		333,615	145,928
Salaries, wages and benefits	33.2	714,520	441,391
Travelling and conveyance		34,262	26,700
Insurance		22,237	9,741
Repairs and maintenance		92,884	51,667
Freight and handling charges		-	49,336
Depreciation	5.1.4	845,097	334,102
Other manufacturing expenses		127,381	60,708
Total manufacturing cost		17,837,471	9,680,688
Work in process			
Opening balance		239,397	201,136
Closing balance	9	(259,633)	(239,397)
		(20,236)	(38,261)
Cost of goods manufactured		17,817,235	9,642,427
Finished goods			
Opening balance		79,544	65,921
Closing balance	9	(197,119)	(79,544)
		(117,575)	(13,623)
		17,699,660	9,628,804
Trial run production cost capitalized during the year		-	(3,238,759)
		17,699,660	6,390,045
33.1 Raw material consumed			
Opening balance		51,432	28,565
Quarrying / transportation / purchases and other overheads		1,752,177	906,296
		1,803,609	934,861
Closing balance	9	(125,148)	(51,432)
		1,678,461	883,429

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Rupees in thousand	Note	2021	2020
33.2 Includes amount pertaining to employee benefits as follows:			
Defined contribution plan		15,367	10,696
Gratuity - vested contractual employees		28,223	36,822
Compensated absences		17,077	11,548
		60,667	59,066

34 DISTRIBUTION COST

Salaries, wages and benefits	34.1	74,467	73,646
Travelling and conveyance		1,450	2,299
Vehicle running expenses		3,165	3,617
Communication		2,556	3,783
Printing and stationery		1,041	1,541
Rent, rates and taxes		8,444	7,813
Utilities		3,844	3,830
Repairs and maintenance		1,767	1,662
Provision for expected credit losses	10.2	4,029	7,506
Legal and professional charges		2,460	517
Insurance		327	317
Fee and subscription		4,004	2,761
Advertisements / sales promotion		7,856	16,872
Freight and handling charges	34.2	47	122,329
Entertainment		1,510	1,616
Depreciation	5.1.4	1,635	2,590
		118,602	252,699

34.1 Includes amount pertaining to employee benefits as follows:

Defined contribution plan		2,699	2,942
Compensated absences		3,249	1,250
		5,948	4,192

34.2 This represents freight and handling charges against local and export sales.

35 ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	35.1	87,863	67,595
Travelling and conveyance		275	2,808
Vehicle running expenses		3,753	3,847
Communication		2,321	1,073
Printing and stationery		1,208	1,538
Rent, rates and taxes		7,071	6,836
Utilities		29	24
Repairs and maintenance		4,080	3,223
Legal and professional charges		3,884	5,055
Insurance		1,121	1,062
Auditors' remuneration	35.2	2,350	2,180
Fee and subscription		5,003	3,410
Depreciation	5.1.4	9,204	9,645
Entertainment		88	106
Others		136	201
		128,386	108,603

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Rupees in thousand	Note	2021	2020
35.1 Includes amount pertaining to employee benefits as follows:			
Defined contribution plan		2,706	2,468
Compensated absences		4,254	2,729
		6,960	5,197
35.2 Auditors' remuneration			
Annual audit fee		1,100	1,100
Fee for half yearly review		440	440
Special certifications		480	330
Out of pocket expenses		330	310
		2,350	2,180
36 OTHER OPERATING INCOME			
Income from financial assets			
Interest on bank deposits		18,061	19,983
Profit on bank deposits		1,246	4,217
- Income on mutual fund			
Dividend income			
- Shariah compliant investments		3,762	22,858
- Conventional investments		147	256
Remeasurement gain on short term investments - FV through profit or loss			
- Shariah compliant investments		233,638	10,452
- Conventional investments		41	3
Gain on disposal of short term investments			
- Conventional investments		-	2,344
		237,588	35,913
Liabilities written back		-	21,676
		256,895	81,789
Income from non-financial assets			
Scrap sales		32,042	9,861
Gain on disposal of fixed assets	5.1.6	593	-
Fair value gain on investment property	6	2,919	1,926
Rental income arising from investment property	6.3	9,256	8,415
Rental income		825	805
		45,635	21,007
		302,530	102,796
37 OTHER OPERATING EXPENSES			
Workers' profit participation fund	25.4	110,152	-
Workers' welfare fund		41,858	-
Donations	37.1 & 37.2	759	1,027
		152,769	1,027

37.1 This includes donation amounting to Rs. 0.5 million paid to District Administration, Pattoki for renovation and upgradation of elementary school situated in Pattoki.

37.2 None of the directors were interested in donee institutions.

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Rupees in thousand		2021	2020
38	FINANCE COST		
	Profit on Musharaka finance	134,825	124,562
	Mark-up on NBP Syndicates	1,377,962	6,045
	Mark-up on:		
	- Short-term borrowings	289,084	255,914
	- Salary loan	5,559	736
	Fee, charges and commission		
	- Bank charges	10,253	5,497
		1,817,683	392,754

39 TAXATION

	Current tax:		
	- Current year	336,207	141,538
	- Prior year	-	(326)
		336,207	141,212
	Deferred tax:		
	- Relating to the reversal of and origination of temporary differences	(107,618)	(686,971)
		228,589	(545,759)

39.1 The provision for current year tax represents tax on Alternate Corporate Tax at the rate of 17%.

		2021	2020
40	EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED		
	There is no dilution effect on the basic earning per share of the Company, which is based on:		
	Profit / (Loss) after taxation (Rupees in '000')	1,974,446	(209,622)
	Weighted average number of ordinary shares in issue ('000')	227,149	227,149
	Earnings / (Loss) per share - basic and diluted (Rupees)	8.69	(0.92)

41 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	2021	2020
Relationship with Company	Nature of Transaction			
Transactions:				
Common Directorship	Loan from related party - net		150,000	500,000
Key management personnel	Remuneration	44	235,990	186,504
Workers' profit participat on fund	Payments to WPPF	25.4	80,000	13,305
Staff retirement contribution plan	Contribution to staff provident fund		20,772	19,862
Balances:				
WPPF payable		25.4	30,152	-
Loan from related party		26	350,000	500,000

Certain assets are being used by employees of the company in accordance with their terms of agreement.

NOTES TO THE FINANCIAL STATEMENTS

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42 FINANCIAL RISK AND MANAGEMENT OBJECTIVES

42.1 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 30 June, 2021.

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. Gearing ratio at the year end is as follows:

		2021	2020
Gearing ratio			
Debt	Rupees in thousand	26,791,579	26,514,074
Equity	Rupees in thousand	15,099,290	13,128,226
Gearing ratio	% age	63.96%	66.88%

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. Relative of a director of the Company has provided 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 banks regarding compliance of financial ratios.

42.2 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 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 2021 and 30 June 2020.

42.3 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:

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Rupees in thousand	Carrying amount	Contractual cashflow	Up to 1 year	Between 1 to 5 years	5 years and above
30 June 2021					
Long term financing	21,534,328	25,713,392	6,437,377	19,276,015	-
Long term deposits	44,334	44,334	-	44,334	-
Deferred liabilities	173,251	173,251	-	173,251	-
Unclaimed dividend	60,943	60,943	60,943	-	-
Retention money	802,746	802,746	-	802,746	-
Trade and other payables	3,865,077	3,865,077	3,865,077	-	-
Loan from related party	350,000	350,000	350,000	-	-
Accrued mark up/profit on financing	575,086	575,086	575,086	-	-
Short term borrowings	5,257,251	5,257,251	5,257,251	-	-
	32,663,016	36,842,080	16,545,734	20,296,346	-
30 June 2020					
Long term financing	20,622,033	26,084,387	3,632,609	22,191,414	260,364
Long term deposits	25,887	25,887	-	25,887	-
Deferred liabilities	150,387	150,387	150,387	-	-
Unclaimed dividend	65,511	65,511	65,511	-	-
Retention money	794,691	794,691	-	794,691	-
Trade and other payables	3,382,983	3,382,983	3,382,983	-	-
Loan from related party	500,000	500,000	500,000	-	-
Accrued mark up/profit on financing	971,523	971,523	971,523	-	-
Short term borrowings	5,892,041	5,892,041	5,892,041	-	-
	32,405,056	37,867,410	14,595,054	23,011,992	260,364

42.4 Interest rate risk

At the reporting date, the profit, interest and mark-up rate profile of the Company's significant financial assets and liabilities are as follows:

	Effective rate		Carrying Amount	
	2021	2020	2021	2020
Variable rate instruments	(Percentage)	(Percentage)	(Rupees)	(Rupees)
Financial liabilities				
Long term financing	7.24% - 9.24%	10.29% - 15.3%	21,534,328	20,622,033
Short term borrowings	7.23% - 9.03%	8.83% - 14.2%	5,257,251	5,892,041
Deposits with banks	5.5% - 6%	5.6% - 12.6%	95,627	203,107

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in mark-up / interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, remain constant. The analysis is performed on the same basis for 2020.

	Profit and loss 100 bps	
	Decrease	Increase
	(Rupees)	(Rupees)
As at 30 June 2021		
Cash flow sensitivity - variable rate instruments	266,960	(266,960)
As at 30 June 2020		
Cash flow sensitivity - variable rate instruments	263,110	(263,110)

Fair value sensitivity analysis for fixed rate instruments

The Company does not have any financial instrument at fixed rate.

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42.5 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 (2020: Rs.3,507 million). The Company seeks to minimize its credit risk exposure through having exposure only to customers considered credit worthy.

Rupees in thousand	Note	2021	2020
Long term deposits	7	64,714	64,922
Trade debts	10	1,333,978	974,170
Other receivables	14	236	228
Short term investments	15	978,738	741,736
Bank balances	16	336,702	365,028
		2,714,368	2,146,084

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	2021	2020
Bank balances		
Banks having A1+ rating (PACRA)	222,008	174,664
Banks having A1 rating (PACRA)	14,952	-
Banks having A-1+ rating (JCR-VIS)	99,742	190,364
	336,702	365,028
Short Term investments		
Funds having AAA rating (PACRA)	15	14
Funds having AA rating (PACRA)	2,372	2,244
Funds having AA- rating (JCR-VIS)	38	-
Unrated (equity based funds)	976,313	739,478
	978,738	741,736

42.6 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.

42.7 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 15).

Rupees in thousand	Increase/ (decrease) in value	2021	2020
Short term investments (equity based funds)	+10%	97,874	74,174
	-10%	(97,874)	(74,174)

42.8 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.

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IFRS 13 Fair value Measurement 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 shows the carrying amounts and fair values of financial assets according to their 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.

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.

Rupees in thousand	Level 1	Level 2	Level 3
2021			
Short term investments	978,738	-	-
2020			
Short term investments	741,736	-	-

Rupees in thousand	Cash and cash equivalents	Amortized Cost	Fair value through OCI	Fair value through profit or loss	Total
2021					
Financial assets measured at fair value					
Short term investments	-	-	-	978,738	978,738
Financial assets not measured at fair value					
Long term deposits	-	64,714	-	-	64,714
Current assets					
Trade debts - unsecured	-	1,333,978	-	-	1,333,978
Loans and deposits	-	16,275	-	-	16,275
Trade deposits	-	9	-	-	9
Other receivables	-	236	-	-	236
Cash and bank balances	337,437	-	-	-	337,437
	337,437	1,415,212	-	978,738	2,731,387
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 deposits	-	14,797	-	-	14,797
Trade deposits	-	9	-	-	9
Other receivables	-	228	-	-	228
Cash and bank balances	366,214	-	-	-	366,214
	366,214	1,054,126	-	741,736	2,162,076

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

42.8.1 The Company does not hold any financial liability at fair value.

42.8.2 Financial liabilities by categories

Rupees in thousand	Note	2021	2020
Financial liabilities at amortized cost			
Long term financing - secured	21	21,534,328	20,622,033
Trade and other payables	25	3,865,077	3,382,983
Loan from related party	26	350,000	500,000
Accrued mark up / profit on financing	28	575,086	971,523
Short term borrowings - secured	29	5,257,251	5,892,041
		31,581,742	31,368,580
Current Liabilities		14,787,387	12,466,953
Non Current Liabilities		16,794,355	18,901,627
Total		31,581,742	31,368,580

43 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Rupees in thousand	Long term loans	Short term borrowings	Accrued interest/mark-up	Unclaimed dividend	Total
Balance as at 01 July 2020	20,622,033	5,892,041	971,523	65,511	27,551,108
Cash flows					
Proceeds from loans	2,552,373	-	-	-	2,552,373
Repayment of loans	(1,642,500)	(634,790)	-	-	(2,277,290)
Finance cost paid	-	-	(2,698,795)	-	(2,698,795)
Dividends paid	-	-	-	(4,568)	(4,568)
Total changes from financing cash flows	909,873	(634,790)	(2,698,795)	(4,568)	(2,428,280)
Other changes including non-cash					
Changes in running finances	-	-	-	-	-
Impact of recognition deferred grant-net	2,422	-	-	-	2,422
Finance cost charged to P&L	-	-	1,817,683	-	1,817,683
Finance cost capitalized	-	-	490,643	-	490,643
Total liability related other changes	2,422	-	2,308,326	-	2,310,748
Closing as at 30 June 2021	21,534,328	5,257,251	581,054	60,943	27,433,576
Balance as at 01 July 2019	16,621,445	4,830,550	659,433	68,642	22,180,070
Cash flows					
Proceeds from loans	4,232,016	1,061,491	-	-	5,293,507
Repayment of loans	(225,000)	-	-	-	(225,000)
Finance cost paid	-	-	(80,664)	-	(80,664)
Dividends paid	-	-	-	(3,131)	(3,131)
Total changes from financing cash flows	4,007,016	1,061,491	(80,664)	(3,131)	4,984,712
Other changes including non-cash					
Changes in running finances	-	-	-	-	-
Impact of recognition deferred grant-net	(6,428)	-	-	-	(6,428)
Finance cost capitalized	-	-	392,754	-	392,754
Total liability related other changes	(6,428)	-	392,754	-	386,326
Closing as at 30 June 2020	20,622,033	5,892,041	971,523	65,511	27,551,108

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

44 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	
	2021	2020	2021	2020	2021	2020
Number of persons	1	1	33	33	34	34
Basic salary	14,758	13,002	87,868	77,352	102,626	90,354
Contribution to staff provident fund trust	1,331	1,300	7,572	5,862	8,903	7,162
Allowances & benefits:						
- House rent	6,641	5,851	39,541	34,809	46,182	40,660
- Utilities	1,476	1,300	8,787	7,735	10,263	9,035
- Others	6,595	3,502	61,421	35,791	68,016	39,293
	30,801	24,955	205,189	161,549	235,990	186,504

44.1 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.

44.2 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. 30,000 per meeting attended accumulating to Rs. 0.735 million paid during the year. (2020: Rs. 0.495 million).

	2021	2020
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45 NUMBER OF EMPLOYEES

Number of employees at year end including permanent and contractual - total	1,105	1,080
Average number of employees during the year - total	1,096	1,093
Number of employees at year end including permanent and contractual - factory	1,010	982
Average number of employees during the year - factory	1,002	991

46 PROVIDENT FUND TRUST

The Company is maintaining 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Rupees in thousand	Note	2021	2020
47 CASH GENERATED FROM OPERATIONS			
Profit / (loss) before taxation	A	2,203,035	(755,381)
Adjustments for non-cash and other items:			
Depreciation	5.1.4	981,224	425,268
Provision for expected credit losses	10	4,029	7,506
Provision for gratuity and compensated absences	24.2.2&25.3	52,803	52,349
Finance cost	38	1,817,683	392,754
Gain on disposal of property, plant and equipment	5.1.6	(593)	-
Gain on remeasurement of investment property	6	(2,919)	(1,926)
Workers' profits participation fund	37	110,152	-
Workers' welfare fund	37	41,858	-
Dividend income	36	(3,909)	(23,114)
Gain on redemption of short term investment	36	-	(2,344)
Unrealized gain on investments		(233,679)	(10,455)
Liabilities written back		-	(21,676)
	B	2,766,649	818,362
Cash flows before working capital changes	C=A+B	4,969,684	62,981
Movement in working capital			
(Increase)/ decrease in current assets:			
Stores , spare parts and loose tools		(464,745)	(726,248)
Stock in trade		(240,793)	(92,277)
Trade debts		(363,838)	(498,952)
Loans and advances		134,783	(549,179)
Trade deposits and short term prepayments		(4,742)	5,957
Sales tax receivable		-	669,622
Other receivables		(8)	97
	D	(939,343)	(1,190,980)
Increase/ (decrease) in current liabilities:			
Trade and other payables		263,156	2,932,245
Retention money		8,055	(1,103,616)
Contract liability		9,739	-
Sales tax payable		817,449	-
	E	1,098,399	1,828,629
	F=D+E	159,056	637,649
	G=C+F	5,128,740	700,630

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021 Metric tons	2020 Metric tons
48 PRODUCTION CAPACITY (300 days basis)		
Rated capacity - cement		
- Line I	775,500	775,500
- Line II	1,419,000	1,419,000
- Line III	3,000,000	3,000,000
	5,194,500	5,194,500
Actual production - cement		
- Line I	757,077	819,546
- Line II	330,328	472,603
- Line III	2,320,641	444,411
	3,408,046	1,736,560
Sales		
- Local	3,367,813	1,722,414
- Exports	12,786	12,464

49 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issuance by the Board of Directors of the Company on September 28, 2021.

50 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation. However, no significant reclassifications have been made during the year except as given below:

Description	From	To	2020
Reclassification of Deposits	Trade and other payables	Long term deposits	21,650
Reclassification of remeasurement loss on short term investments	Other operating expenses	Other operating income	4,763

The above reclassification does not have any material effect on information presented in the statement of financial positions and cash flow. Therefore, third balance sheet has not been presented.

51 EVENTS AFTER REPORTING DATE

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

52 GENERAL

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



Chief Financial Officer



Chief Executive Officer

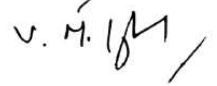


Chairman

سرگرمیوں کی بحالی سے منصوب کرتے ہیں۔ ترسیلات کے مسائل بھی اہم ہیں جن میں چین آسٹریلیا تجارتی کشیدگی اور انڈونیشیا، جنوبی افریقہ اور روس کوئلے کی پیداوار میں عارضی رکاوٹیں شامل ہیں۔ کوئلے کی یہ قیمت پاکستانی سیمنٹ سیکٹر کے منافع کے لئے ایک چیلنج ہے جو کہ اپنی ایندھن کی ضروریات کو پورا کرنے کیلئے برآمدی کوئلے پر بہت زیادہ انحصار کرتا ہے۔ عالمی معیشتیں فوسل ایندھن کی کھپت کی حوصلہ شکنی کر رہی ہیں اور قابل تجدید ذرائع کی طرف بڑھ رہی ہیں اور اس کے مطابق کوئلے پر مبنی بجلی گھروں کے لئے فنانسنگ کی عالمی اور مقامی سطح پر حوصلہ افزائی نہیں کی جا رہی۔ اس لئے ہمارا خیال ہے کہ بڑھتی ہوئی یہ قیمتیں جلد نیچے آئیں گی اور ماہرین کے مطابق مالی سال 2021-22 کی تیسری سہ ماہی کے دوران قیمتوں میں استحکام متوقع ہے۔

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 شکر گزار ہے۔

علی خان

چئیرمین

28 ستمبر 2021

سید مظہر اقبال

چیف ایگزیکٹو آفیسر

28 ستمبر 2021

ارکان کی تربیت کیلئے کوڈ آف کارپوریٹ گورننس کے مطابق پروگرام مرتب کئے ہیں۔

بورڈ کی اپنی کارکردگی کا جائزہ

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 پر ان کی 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 داری کی ترتیب

وژن ہولڈنگ مڈل ایسٹ لیمیٹڈ برٹش ورجن آئی لینڈ میں رجسٹرڈ ایک کمپنی ہے جو کہ کمپنی کے 106.863 ملین شیئرز کی مالک ہے۔ کمپنی کی 30 جون 2021 کی حصص داری کی ترتیب کمپنیز ایکٹ 2017 کی شق (f)(2)227 کے مطابق ہے اور رپورٹ کے ساتھ منسلک ہے۔

آڈیٹرز

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

مستقبل کا نقطہ نظر

پائیدار معاشی نمو، قیمتوں پر قابو پانے کا مربوط نظام، گردش قرضوں کے مسئلے کو حل کرنے کی کوششیں، توانائی کے شعبے میں اصلاحات اور تارکین وطن کی ترسیلات زر کو آسان بنانا بجٹ 2021-22 کا ہدف ہے۔ حکومت نے مالی سال 2021-22 میں 5,829 ملین روپے کی ٹیکس وصولی کا ہدف مقرر کیا ہے۔ وفاقی حکومت نے ترقیاتی اخراجات کا بجٹ 1900 ارب روپے رکھا ہے۔ مالی خسارہ 3,990 ارب روپے تک رہنے کی امید ہے جسے 1,246 ارب روپے کی بیرونی فنانسنگ، 2,492 ارب روپے کی ملکی فنانسنگ اور 252 ارب روپے کی نجکاری سے حاصل ہونے والی آمدنی سے پورا کیا جائے گا۔ معاونت پروگرام کو مکمل کرنے کیلئے بین الاقوامی مالیاتی فنڈ سے متعلق تمام نکات آئندہ کے لئے بہت اہم ہیں۔

ہم سال 2021-22 کے دوران سیمنٹ کی ترسیل میں صحت مندانہ اضافہ دیکھ رہے ہیں۔ عام انتخابات قریب آ رہے ہیں اور وفاقی اور صوبائی حکومتوں کی جانب سے نئے ترقیاتی منصوبوں کا آغاز متوقع ہے۔ نیا پاکستان ہاؤسنگ پراجیکٹ اور تعمیراتی پیکیج بھی مقامی منڈی میں سیمنٹ کی مانگ کو بڑھا رہے ہیں۔

دوسری جانب بین الاقوامی منڈی میں کولے کی قیمتوں میں اضافہ نظر آ رہا ہے اور حالیہ قیمتیں گزشتہ سال کے مقابلے میں تین گنا زیادہ ہیں۔ ماہرین اس اضافے کو خاص طور پر چین، بھارت، جاپان اور جنوبی کوریا سمیت ایشیائی منڈیوں میں وباء کے بعد اقتصادی

ساتھ تعمیل کو یقینی بنائے۔ یہ فوائد و ضوابط وقتاً فوقتاً دیکھے جاتے ہیں تاکہ کسی بھی ناخوشگوار واقع سے بچنے کیلئے ضروری اقدامات کئے جا سکیں۔

کمپنی 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، مقامی پرائمری سکول اور جوہر آباد میں ڈویژنل پبلک سکول کی مالی امداد شامل ہے۔ پلانٹ کے ارد گرد مقیم لوگ نئے پلانٹ کی تنصیب سے اور زیادہ فوائد حاصل کر رہے ہیں۔ نئی سڑک 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 11,224.98 ملین روپے (4,578.46:2020 ملین روپے) انکم ٹیکس، لیویز، سیلز ٹیکس اور ایکسائز ڈیوٹی کی مد میں جمع کرائے۔

بہبود ملازمین

پراویڈنٹ فنڈ گرہ بچو بیٹی

کمپنی اپنے تمام مستقل ملازمین کے لئے پراویڈنٹ فنڈ سکیم چلا رہی ہے جبکہ تمام معاہدہ جاتی ملازمین جن کی عمر 60 سال سے کم ہے کے لئے گرہ بچو بیٹی سکیم چلا رہی ہے۔ پراویڈنٹ فنڈ کی سرمایہ کاری کی آڈٹ شدہ قیمت 30 جون 2021 کو 221.83 ملین روپے ہے (189.04:2020 ملین روپے آڈٹ شدہ)۔

طبی سہولیات

کمپنی پالیسی کے تحت کمپنی کے تمام اہل ملازمین کو بشمول بیوی بچوں کے مفت طبی سہولت فراہم کی گئی ہے تاکہ وہ اپنے کار منصبی ذہنی سکون سے ادا کر سکیں۔ آپ کی کمپنی نے ملازمین کی سہولت کے لئے کمپنی کے احاطے میں کوویڈ-۱۹ ویکسین لگانے کا بندوبست کیا ہے اور تمام ملازمین کی حوصلہ افزائی کی ہے تاکہ وہ ویکسین لگوائیں۔ کورونا سے متعلقہ تمام ہدایات پر عمل درآمد کے لئے مستقل طور پر نظر رکھی جا رہی ہے۔

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 آگاہی اور تربیتی کورس کا اہتمام کریں۔ کمپنی نے بورڈ

✧ 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۔

✧ مستقبل میں کمپنی کی قابلیت پر 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 بھی تقسیم کیا گیا ہے۔

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

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

(۱) چھ سالہ مالیاتی اور کاروباری اعداد کا خلاصہ۔

(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 ISO 9001:2015 اور ISO 14001:2015 کے سرٹیفیکیٹ بھی حاصل کر چکی ہے۔ مزید برآں قدرتی ذرائع کے استعمال میں کمی کی بدولت آپ کی کمپنی کو گرین آفس ڈپلومہ 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 کیلئے دھول جمع کرنے والے آلات کمپنی کے پیداواری مقام پر لگائے ہیں۔ کمپنی نے 2 ویسٹ ہیٹ ریکوری پلانٹ بھی لگائے ہیں جن کی استعداد کار 18 میگا واٹ ہے جو کہ پیداواری عمل کے دوران پیدا شدہ گرم گیس کو استعمال کرتے ہوئے بجلی پیدا کرتے ہیں۔

ہمارا نیا تعمیر شدہ سیمنٹ پلانٹ جدید ترین ٹیکنالوجی کا حامل ہے جس میں ایندھن اور بجلی کی کھپت کم ہے۔

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 کو مطلوبہ آلات فراہم کئے گئے ہیں تاکہ وہ بحفاظت اپنا کام کر سکیں۔ ایک علیحدہ حفاظتی شعبہ بھی قائم کیا گیا ہے جو کہ حفاظتی قواعد و ضوابط قائم کر سکے اور اس کے

۷۔ جناب رفیق داؤد انڈیپنڈنٹ ۴

۸۔ جناب ساجد فیروز * چیف ایگزیکٹو آفیسر ۴

۹۔ جناب سید مظہر اقبال ** چیف ایگزیکٹو آفیسر

* سال کے دوران مستعفی ہوئے

** سال کے دوران تقرری کی گئی

موجودہ مالی سال کے دوران بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کی 4 جبکہ ایچ آر کمیٹی کی 1 میٹنگ ہوئی۔

ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز کی منظور کردہ معاوضے کی پالیسی کے مطابق ہر ڈائریکٹر کو فی میٹنگ -/30,000 روپے دیئے جاتے ہیں۔

چیف ایگزیکٹو کو ملنے والے معاوضے کی تفصیل مالی گوشواروں کے نوٹ 44 میں درج ہے۔

داخلی مالیاتی کنٹرول کی قابلیت

بورڈ آف ڈائریکٹرز نے داخلی معاملات کو کنٹرول کرنے کیلئے ایک موثر نظام بنایا ہے تاکہ کاروباری معاملات بہتر طریقے سے چلیں، کمپنی کے اثاثے محفوظ رہیں اور مالی گوشوارے شفافیت سے پیش کئے جائیں۔ پائینر سیمنٹ نے ایک قابل اعتماد اور آزادانہ آڈٹ ٹیم بنائی ہے جو کہ سہ ماہی بنیادوں پر مالی معاملات کا جائزہ لیتی 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 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:

✦ پائینر سیمنٹ کی انتظامیہ کے تیار کردہ مالی حسابات، کاروباری نتائج، کیش فلو کی حالت اور سرمایہ میں ردوبدل کا جائزہ پیش کرتے ہیں۔

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

✦ مالی حسابات کی تیاری میں اکاؤنٹنگ پالیسیز کا خیال رکھا گیا ہے اور اکاؤنٹنگ کے اندازے مناسب اور محتاط ہیں۔

✦ مالی حسابات کی تیاری میں پاکستان میں مروجہ بین الاقوامی اکاؤنٹنگ کے معیار کا خیال رکھا جاتا ہے اور اگران میں کوئی

تبدیلی ہو تو باقاعدہ ظاہر کیا جاتا ہے۔

- ۱۔ جناب علی خان (چیرمین) نان ایگزیکٹو
- ۲۔ محترمہ عالیہ خان نان ایگزیکٹو
- ۳۔ جناب شفیع الدین غنی خان انڈیپنڈنٹ
- ۴۔ جناب محمد آفتاب عالم نان ایگزیکٹو
- ۵۔ مرزا علی حسن عسکری نان ایگزیکٹو
- ۶۔ جناب جمال نسیم انڈیپنڈنٹ
- ۷۔ جناب رفیق داؤد انڈیپنڈنٹ

کمپنی کے تمام منتخب ڈائریکٹرز نان ایگزیکٹو ہیں جن میں تین انڈیپنڈنٹ ڈائریکٹرز بھی شامل ہیں۔ کوڈ آف کارپوریٹ گورننس ۲۰۱۹ کے تحت چیرمین اور چیف ایگزیکٹو کے عہدے الگ الگ ہیں۔

کل ارکان بشمول چیف ایگزیکٹو آفیسر

حضرات	۷
خاتون	۱
ترکیب	
انڈیپنڈنٹ	۳
نان ایگزیکٹو	۴
ایگزیکٹو	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	۴	۴	۱
۲۔	محترمہ عالیہ خان	نان ایگزیکٹو	۴	۴	۱
۳۔	جناب شفیع الدین غنی خان	انڈیپنڈنٹ	۴	۴	۱
۴۔	جناب محمد آفتاب عالم	نان ایگزیکٹو	۴	۴	۱
۵۔	مرزا علی حسن عسکری	نان ایگزیکٹو	۴		
۶۔	جناب جمال نسیم	انڈیپنڈنٹ	۴	۴	

تختوا هوں اور اجرت كى لاگت بهى فروخت كى سطح ميں اضافى كى وجہ سے 254 روپے فى ٹن سے كم هو كر 211 روپے فى ٹن هو گى هے

تا هم مشينرى كے پرزه جات كى لاگت بڑھ كر 99 روپے فى ٹن هو گى (2020:84 روپے فى ٹن)۔

آپريٹنگ منافع اور بعد از ٹكس منافع

فروخت كے حجم ميں اضافى، مقامى منڈى ميں سينٹ كى بهتر قيمتوں اور نئے پلانٹ كے چلنے كى وجہ سے آپ كى كمپنى نے 4,020.72 ملين روپے (2020:362.63 ملين روپے) كا آپريٹنگ منافع كمايا۔ رواں سال كے لئے تقسيمى لاگت كم هو كر 118.60 ملين روپے ره گى هے جو كه گزشتہ سال 252.70 ملين روپے تھى۔ گزشتہ سال كى تقسيمى لاگت ميں 122.33 ملين روپے كے كرائے اور ديكر اخراجات شامل تھے جو بنيادى طور پر سينٹ كى مقامى فروخت پر خرچ كئے گئے تھے تا هم رواں سال كے دوران يہى اخراجات بهت معمولى رھے۔

رواں سال كے لئے مالى لاگت 1,817.68 ملين روپے (2020:392.75 ملين روپے) هو گى هے۔ موجودہ سال كے مالى اخراجات ميں نئے سينٹ پلانٹ اور ويسٹ هيٹ ريكورى پلانٹ كى تعمير كى مالى معاونت كے لئے حاصل كردہ قرضوں پر مالى لاگت بهى شامل هے۔ جبكه گزشتہ سال ان اخراجات كو قابل اطلاق مالىاتى رپورٹنگ معياريات كى دفعات كے مطابق پراجيكت لاگت كا حصہ بنايا گيا تھا۔

رواں سال كمپنى نے 1,974.45 ارب روپے بعد از ٹكس منافع كمايا جب كه پچھلے سال بعد از ٹكس خسارہ 209.62 ملين روپے تھا۔

فى حصص آمدنى

موجودہ سال كے دوران كمپنى كو فى حصص 8.69 روپے كا منافع هوا جبكه پچھلے سال اس عرصہ كے دوران فى حصص نقصان 0.92 روپے تھا۔

قابل تقسيم منافع

توسيعى منصوبوں كى تعمير كے لئے حاصل كردہ قرضوں كى ادائىگى كو مدنظر ركھتے ہوئے بورڈ نے مالى سال 2021 كے لئے منافع كى تقسيم كى سفارش نہ كرنے كا فيصلہ كيا هے۔ تا هم بورڈ سينٹ كى صنعت كے مستقبل، كمپنى كى كار كردگى اور منافع كى دستيابى كے بارے ميں پراميد هے اور آنے والے وقت ميں منافع كى تقسيم پر غور كرے گا۔

بورڈ آف ڈائريكتورز

بورڈ اركان كى كل تعداد بشمول چيف ايگزيكيوٹو آفيسر آٹھ هے جن ميں ايك ايگزيكيوٹو اور سات نان ايگزيكيوٹو ڈائريكتورز شامل هيں۔ مندرجہ ذيل سات ڈائريكتورز سالانہ اجلاس عام منعقدہ 28 اكتوبر 2020 كو بلا مقابلہ منتخب ہوئے۔

ملین ڈالر ہو گئے ہیں۔

پچھلے دو سالوں کے دوران افراط زر، پاکستانی کرنسی کی قدر میں کمی اور عالمی منڈی میں تیل کی قیمتوں میں اضافہ ہماری صنعت کے لئے ایک چیلنج رہا ہے۔ جولائی تا مئی میں مہنگائی کی شرح 2021 میں 8.8 فیصد رہی جو کہ گزشتہ سال اسی عرصہ میں 10.9 فیصد تھی۔ زیر نظر سال کے دوران ایف بی آر کی ٹیکس کی وصولی کی مد میں 4,732 ارب روپے موصول ہوئے جو کہ پچھلے سال کے 3,997 ارب روپے کے مقابلے میں 18 فیصد زائد ہے۔ معاشی عدم استحکام کے باوجود یہ نمونیکس جمع کرنے کے نظام میں بہتری کی طرف اشارہ ہے۔

سیمنٹ کی صنعت

مالی سال 30 جون 2021 کے دوران سیمنٹ کی فروخت 20.12 فی صد اضافے کے ساتھ 57.43 ملین ٹن رہی۔ مقامی سطح پر سیمنٹ کی ترسیل 48.12 ملین ٹن رہی جو کہ گزشتہ سال اسی عرصہ کے دوران 39.97 ملین ٹن تھی۔ برآمدات 18.75 فیصد اضافے کے ساتھ 9.31 ملین ٹن رہیں۔

کاروباری کارکردگی

آمدن

موجودہ مالی سال کے دوران کمپنی کی مجموعی فروخت 32,636.88 ملین روپے رہی جو کہ گزشتہ سال کی نسبت 162.74% زیادہ ہے۔ تمام ٹیکسز اور اخراجات منہا کرنے کے بعد اس سال کی خالص فروخت 21,817.61 ملین روپے رہی (2020: 6,286.95 ملین روپے)۔ اگرچہ رواں سال میں مقامی منڈی میں سیمنٹ کی قیمت میں بہتری آئی ہے تاہم مجموعی آمدن میں 162.74 فیصد اضافے کی بڑی وجہ مجموعی ترسیلات میں 94.86 فیصد اضافہ بھی ہے۔

فروخت کی لاگت

موجودہ سال کے لئے فروخت کی لاگت 17,699.66 ملین روپے (2020: 6,390.04 ملین روپے) جبکہ کل پیداواری لاگت 17,837.47 ملین روپے رہی (2020: 9,680.69 ملین روپے)۔ یہ اضافہ سیمنٹ کی ترسیل میں 94.86 فیصد اضافے کی وجہ سے ہے۔ مجموعی لاگت میں خام مال کی لاگت 1,678.46 ملین روپے (2020: 883.43 ملین روپے)، ایندھن اور بجلی کی لاگت 12,052.94 ملین روپے (2020: 6,668.90 ملین روپے) اور پیکنگ میٹیریل کی لاگت 1,936.07 ملین روپے (2020: 1,008.78 ملین روپے) رہی۔ سیمنٹ کی فی ٹن لاگت میں اضافے کی بڑی وجوہات درج ذیل ہیں:

✦ ایندھن اور بجلی کی لاگت 3,565 روپے فی ٹن رہی (2020: 3,844 روپے فی ٹن)۔ بجلی کی قیمتوں میں اضافے کے باوجود ایندھن اور بجلی کی لاگت میں 7.25 فیصد کمی ہوئی جس کی بڑی وجہ نئے پیداواری پلانٹ پر انحصار ہے۔

✦ پیکنگ میٹیریل کی لاگت پچھلے سال کی 581 روپے فی ٹن سے کم ہو کر اس سال 573 روپے فی ٹن ہو گئی۔

ڈائریکٹرز رپورٹ برائے حصص داران

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

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2021 کو ختم ہونے والے مالی سال کی سالانہ رپورٹ بمع آڈٹ شدہ مالی گوشوارے اور آڈیٹرز رپورٹ بخوشی پیش کر رہے ہیں۔

عالمی معیشت

سال 2020 کے آغاز میں کوویڈ-19 وباء کے پھیلنے سے عالمی معیشت پر شدید اثر پڑا۔ عالمی تجارت میں کاروبار کی بندش کی وجہ سے اشیاء کی فراہمی مشکل ہو گئی۔ جس کے نتیجے میں کاروبار میں غیر یقینی صورت حال پیدا ہوئی۔ سماجی اور معاشی سرگرمیوں کو محدود کرنے کے باوجود عالمی سطح پر صحت کا نظام بھی بری طرح متاثر ہوا اور بعض ممالک میں توانا کام ہو گیا۔ صحت اور معیشت کے بحرانوں سے نکلنے کے لئے عالمی حکومتوں نے کئی اقدامات کئے تاکہ روزگار کے تسلسل کو یقینی بنایا جائے اور کاروباری اداروں کو مستحکم رکھا جاسکے۔ ان اقدامات کے نتیجے میں عالمی معیشت اب بحالی کی جانب گامزن ہے اور عالمی معاشی اشاریے بھی اسی بہتری کی طرف اشارہ کرتے ہیں۔ تاہم اس کی رفتار کا انحصار ہر ملک کی معیشت اور اس کے وسائل پر ہے۔

مقامی معیشت

وباء کے پھیلاؤ سے پہلے ہی ہماری معیشت انتظامی نقائص، توانائی کے شعبے کے مسائل اور غیر منافع بخش حکومتی اداروں کی وجہ سے غیر مستحکم تھی۔ مالی سال 2021 کا آغاز کو رونا وباء کی پہلی لہر کے دوران ہوا تھا۔ حکومت پاکستان نے کاروبار کی حوصلہ افزائی کے لئے کئی اقدامات کئے جیسے کہ شرح نمو میں کمی اور تعمیراتی پیکج کا اعلان وغیرہ۔ رواں مالی سال کی پہلی شش ماہی کے دوران حکومت نے کاروباری پابندیوں میں بتدریج کمی کی جس کی وجہ سے ہمارے معاشی اشاریوں میں بحالی کا رجحان شروع ہوا۔

مالی سال 2021 کے لئے عبوری جی ڈی پی شرح نمو 3.94 فیصد رہی جبکہ ہدف 2.1 فیصد تھا۔ یہ عبوری شرح نمو زراعت، صنعت اور خدمات کے شعبوں میں بالترتیب 2.77 فیصد، 3.57 فیصد اور 4.43 فیصد شرح نمو پر مبنی ہے۔ مالی سال 2021 کے دوران بڑے پیداواری اداروں کی شرح نمو 14.85 فیصد اضافہ رہی جو کہ ٹیکسٹائل سیکٹر میں 15.31 فیصد، خوراک، مشروبات اور تمباکو کے شعبے میں 11.01 فیصد، پٹرولیم کے شعبے میں 18.05 فیصد، دوا ساز اداروں میں 12.03 فیصد، کیمیکل میں 19.19 فیصد اور آٹوموبائل میں 51.06 فیصد اضافے پر مشتمل ہے۔

سٹیٹ بینک آف پاکستان نے نسبتاً آزادانہ ایکنج پالیسی بنائی ہے۔ مشکلات کے باوجود پاکستان میں بیرون ملک کارکنوں کی ترسیلات 27 فیصد اضافہ کے ساتھ 29.4 ارب ڈالر تک پہنچ گئی۔ برآمدات بھی 15.44 فیصد اضافہ کے ساتھ 25.3 ارب ڈالر ہو گئی ہیں۔ جو کہ پچھلے سال 21.4 ارب ڈالر تھیں۔ مذکورہ بالا عوامل کی وجہ سے ہمارے زر مبادلہ کے ذخائر 30 جون 2021 کو 24,398.2

۸۔ فزیکل شیئرز کی بک انٹری فارم میں تبدیلی

کمپنیز ایکٹ ۲۰۱۷ کی شق ۷۲ کے تحت تمام کمپنیز کے لئے یہ لازم ہے کہ وہ فزیکل شیئرز کو ای سی پی کے متعین کردہ وقت کے مطابق بک انٹری فارم میں تبدیل کر لیں۔
تمام وہ ممبران جن کے پاس فزیکل شیئرز موجود ہیں سے گزارش کی جاتی ہے کہ وہ جلد از جلد سی ڈی سی میں انوسٹر اکاؤنٹ یا کسی بھی بروکر کے پاس سب اکاؤنٹ کھلوائیں اور اپنے شیئرز کو فزیکل فارم سے بک انٹری فارم میں تبدیل کروائیں۔ اس طرح شیئرز ہولڈرز کو اپنے شیئرز محفوظ رکھنے اور خرید و فروخت میں آسانی ہوگی کیونکہ پاکستان سٹاک ایکسچینج کے ریگولیشنز کے مطابق اب فزیکل شیئرز کی خرید و فروخت کی اجازت نہیں ہے۔

سالانہ اجلاس عام کی اطلاع

بذریعہ نوٹس ہذا اطلاع دی جاتی ہے کہ پائینیر سیمنٹ لیمیٹڈ کے شیئر ہولڈرز کا ۳۵واں سالانہ اجلاس عام بروز جمعرات ۲۸ اکتوبر ۲۰۲۱ء، ۱۱:۳۰ بجے بذریعہ وڈیولنک مندرجہ ذیل امور کی انجام دہی کیلئے کمپنی کے رجسٹرڈ آفس ۱۳۵، فیروز پور روڈ لاہور میں منعقد ہوگا۔

۱۔ شیئر ہولڈرز کے ۳۴ویں سالانہ اجلاس عام منعقدہ ۲۸ اکتوبر ۲۰۲۰ء کی کارروائی کی توثیق۔

۲۔ ۳۰ جون ۲۰۲۱ء کو ختم شدہ سال کیلئے کمپنی کے آڈٹ شدہ حسابات، مع آڈیٹرز کی رپورٹ پر غور کرنا اور انہیں منظور کرنا۔

۳۔ سال ۲۰۲۰ جون ۲۰۲۱ء کیلئے کمپنی کے آڈیٹرز کی تقرری اور ان کیلئے مشاہرہ کا تعین کرنا۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی تجویز پر سبکدوش ہونے والے M/s. EY Ford Rhodes، چارٹرڈ اکاؤنٹنٹ کی دوبارہ تقرری کی سفارش کی ہے۔

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

حسب الحکم بورڈ

مورخہ: ۲۸ ستمبر ۲۰۲۱

عبدالوہاب
کمپنی سیکرٹری

نوٹ:

۱۔ کمپنی کے کھاتے برائے منتقلی حصص مورخہ ۲۱ اکتوبر، ۲۰۲۱ء سے ۲۸ اکتوبر ۲۰۲۱ء تک (دونوں دن شامل ہیں) اجلاس عام کے انعقاد کیلئے بند رہیں گے۔ کمپنی کے شیئر رجسٹر اری میسرز کارپ لنک پرائیویٹ لیمیٹڈ، ونگز آرکیڈ، کے کمرشل، ماڈل ٹاؤن، لاہور کو مورخہ ۲۰ اکتوبر، ۲۰۲۱ء کو دفتری اوقات کار کے ختم ہونے تک موصول ہونے والے شیئر ٹرانسفر کو سالانہ اجلاس میں شرکت کیلئے بروقت تصور کیا جائے گا۔

۲۔ کوئی بھی شیئر ہولڈر جو اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کا ارادہ ہے۔ وہ اپنی جگہ اجلاس میں شرکت کرنے کیلئے اپنا پر کسی مقرر کرنے کا ارادہ بھی ہذا ہے۔ پر کسی کیلئے ضروری ہے کہ وہ اجلاس کے انعقاد کیلئے مقرر کردہ وقت سے کم از کم ۲۸ گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہو جائے۔

(الف)

سی ڈی سی اکاؤنٹ ہولڈرز کو ہدایت کی جاتی ہے کہ وہ اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کی غرض سے اپنا اصل کمپیوٹر ائڈ قومی شناختی کارڈ یا سپورٹ ساتھ لائیں۔

(ب) کمپنی کی صورت میں بورڈ کی قرارداد یا پاور آف اٹارنی مع نامزد فرد کے نمونہ دستخط اجلاس میں شرکت کیلئے پیش کرنا ہوگا۔

چیمین کی جائزہ رپورٹ

مجھے 30 جون 2021 کو ختم ہونے والے سال کے لئے پائیر سیمنٹ لمیٹڈ کی کارکردگی کا جائزہ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

اس سال کے دوران کمپنی کو ہمارے ملک کی طرح غیر یقینی صورتحال اور مختلف چیلنجز کا سامنا کرنا پڑا جن میں عالمی وباء کوئیڈ-19 سے تجارت پر ہونے والے منفی اثرات بھی شامل ہیں۔ اس کے علاوہ صوبائی اور وفاقی حکومت کی جانب سے عوامی سطح پر تمام سرگرمیوں کو محدود کر دیا گیا۔

بڑھتی ہوئی افراط زر، سرکاری شعبے کے زیادہ قرضوں اور سرحد پار غیر یقینی صورتحال کی وجہ سے پاکستان کی معیشت مسلسل دباؤ میں رہی۔

اب چونکہ دنیا بھر میں دوبارہ سرگرمیاں بحال ہونا شروع ہو گئی ہیں جس کی وجہ سے اشیاء کی طلب میں اضافہ ہوا ہے۔ بین الاقوامی منڈی میں بھی اشیاء کی قیمتوں میں تیزی سے اضافہ ہوا اور بین الاقوامی نقل و حمل کے اخراجات بھی بلند ترین سطح پر ہیں جس سے ہماری پیداواری لاگت براہ راست بڑھ رہی ہے۔

ان تمام چیلنجز کے باوجود حکومت پاکستان کی جانب سے بروقت مانیٹری اور مالیاتی پالیسی جیسے اقدامات سے ہماری معیشت کو بحالی میں مدد ملی ہے۔

اس غیر یقینی صورتحال میں بھی آپ کی کمپنی نے نہ صرف استحکام برقرار رکھا ہے بلکہ سال 20-2019 کے دوران ہونے والے 210 ملین روپے کے بعد از ٹیکس خسارے کو اس سال کے دوران 1,974 ملین روپے بعد از ٹیکس منافع میں تبدیل کیا ہے۔

ہماری نئی پیداواری لائن کی کارکردگی اور بجلی کی پیداوار پر خود انحصاری نے کچھ حد تک بڑھتی ہوئی پیداواری لاگت کے منفی اثرات کو کم کیا ہے۔ تاہم ہمارے لئے سب سے اہم فروخت کے حجم میں 94.9 فیصد اضافہ ہے۔

ہاؤسنگ سیکٹر پر حکومت کی توجہ، سرکاری شعبے کے ترقیاتی پروگراموں کے لئے مختص رقم میں اضافہ اور نجی شعبے کی بڑھتی ہوئی مانگ کی وجہ سے ہم پر امید ہیں کہ سیمنٹ کی فروخت اس تیزی کے رجحان کو برقرار رکھے گی۔

بورڈ کی جانب سے میں اپنے تمام شراکت داروں کی مسلسل حمایت اور کمپنی پر ان کے اعتماد پر شکریہ ادا کرتا ہوں۔



علی خان

چیمین بورڈ آف ڈائریکٹرز

28 ستمبر 2021



جمع پونجی

سرمایہ کاری سمجھداری کے ساتھ

سرمایہ کاری کی آگاہی کے لیے انتقابی اقدام

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جہاں رہیئے، آگاہ رہیئے

SECP کی جانب سے پیش ہے "جمع پونجی" ایک ایسا ویب پورٹل جو آپ کو سرمایہ کاری سے متعلق ہر قسم کی معلومات فراہم کرتا ہے تاکہ آپ ایک اچھی سرمایہ کاری کا فیصلہ کر سکیں۔ جمع پونجی میوچل فنڈز، پنشن فنڈز، اسلامک فنانسنگ، کیپٹل مارکٹ، لیزنگ کمپنیز اور انوسٹمنٹ بینک وغیرہ میں سرمایہ کاری سے متعلق آپ کے سوالات کے جوابات فراہم کرتا ہے اور ساتھ ہی آن لائن ٹولز کے ذریعے ہی کھیل ہی کھیل میں منافع بخش سرمایہ کاری کے سلسلے میں آپ کو رہنمائی بھی فراہم کرتا ہے۔



کھیل ہی کھیل
میں سیکھیں
سرمایہ کاری کا ہنر

مفت آن لائن ٹولز:

سکیم میٹر ماک ٹریڈنگ رسک پروفائلر
نالج سینٹر کیلکولیٹر نیوز لیٹر سکرپشن



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

FORM OF PROXY

Registered Folio / 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 35th Annual General Meeting of the Company to be held on Thursday, October 28, 2021 at 135 Ferozepur Road, Lahore and at any adjournment thereof.

As witness my hand this _____ day of October 2021.

Signature of the Shareholder / Appointer

WITNESSES

1 Name _____

Address _____

CNIC # _____

2 Name _____

Address _____

CNIC # _____

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



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Company Secretary
Pioneer Cement Limited
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