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COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Directors

Syed Muhammad Anwar	Chief Executive Officer
Mr. Haroon Iqbal	

Non-Executive Directors

Mr. Ishtiaq Ahmad	Chairman Board of Directors
Mr. Waseem-ul-Haque Ansari	
Mr. Ghazanfar Babar Siddiqui	
Mr. Muhammad Naeemuddin Malik	

Independent Director

Mr. Aziz-ul-Haque

AUDIT COMMITTEE MEMBERS

Mr. Aziz-ul-Haque	Chairman
Mr. Ishtiaq Ahmed	Member
Mr. Ghazanfar Baber Siddiqi	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Aziz-ul-Haque	Chairman
Syed Muhammad Anwar	Member
Mr. Ishtiaq Ahmad	Member

CHIEF FINANCIAL OFFICER

Mr. Imran Ahmed Javed

COMPANY SECRETARY

Mr. Muhammad Hanif German

REGISTERED ADDRESS

Dewan Centre, 3-A, Lalazar, Beach Hotel Road,
Karachi, Pakistan.

HEAD OFFICE

Block-A, 2nd Floor, Finance & Trade Centre,
Shahrah-e-Faisal, Karachi, Pakistan.

FACTORY

1. Deh Dhando, Dhabeji
   District, Malir, Karachi.
2. Kamilpur Near Hattar
   District, Haripur, Khyber Pakhtoonkhuwa.

AUDITORS

Faruq Ali & Co.
Chartered Accountants

SHARES REGISTRAR TRANSFER AGENT

BMF Consultants Pakistan (Pvt.) Limited
Anum Estate, Room No. 310 & 311, 3rd Floor,
49, Darul Aman Society, Main Shahrah-e-Faisal,
Adjacent to Baloch Colony Bridge, Karachi, Pakistan.

LEGAL ADVISOR

Muhammad Azhar Faridi (Advocate)

WEBSITE

www.yousufdewan.com

The Vision Statement

"The vision of Dewan Cement Limited is to become leading market player in the cement sector".

The Mission Statement

To assume leadership role in the technological advancement of the industry and to achieve the highest level of qualitative and quantitative indigenization.

To be the finest organization in its industry, and to conduct its business responsibly and in a straight forward manner.

To seek long-term and good relations with our suppliers and Sales Agents with fair, honest and mutually profitable dealings.

To achieve the basic aim of benefiting its customers, employees and shareholders and to fulfill its commitments to the society.

To create a work environment highlighting team work, which motivates, recognizes and rewards achievements at all levels of the organization, because "In ALLAH we believe, and in people we trust".

To be honest, initiative and be able to respond effectively to changes in all aspects of life, including technology, culture and environment.

To be a contributing corporate citizen for the betterment of society and to exhibit a socially responsible behaviour.

To conduct with integrity and strive to be the best.

NOTICE OF THE FORTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fortieth Annual General Meeting of **Dewan Cement Limited ("DCL"** or **"the Company")** will be held on Thursday, **October 24, 2019, at 04:00 p.m.** at Dewan Cement Limited Factory Site, at Deh Dhando, Dhabeji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur'aan and other religious recitals:

ORDINARY BUSINESS:

1. To confirm the minutes of the preceding Annual General Meeting of the Company held on Thursday, October 25, 2018;

2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2019, together with the Directors' and Auditors' Reports thereon;

3. To confirm the appointment of the Statutory Auditors' of the Company for the year ended June 30, 2020, and to fix their remuneration;

4. To consider any other business with the permission of the Chair.

By order of the Board

Muhammad Hanif German
Company Secretary

Karachi: September 27, 2019

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 17, 2019 to October 24, 2019 (both days inclusive).

2. Members are requested to immediately notify change in their addresses, if any, at our Shares Registrar Transfer Agent BMF Consultants Pakistan (Private) Limited, located at Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, adjacent to Baloch Colony Bridge, Karachi, Pakistan.

3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the abovesaid address, not less than 48 hours before the meeting.

4. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and Exchange Commission of Pakistan:

   a) For Attending Meeting:

   i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (CNIC), or original passport at the time of attending the meeting.

ii) In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) at the time of meeting.

b) For Appointing Proxies:

i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.

ii) Two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form, shall witness the proxy.

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

iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.

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

5. Notice to Shareholders who have not provided CNIC:

CNIC of the shareholders is mandatory in terms of directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(1)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc. and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Shares Registrar without any further delay.

6. Mandate for E-DIVIDENDS for shareholders:

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 5, 2013 had advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed.

7. **Electronic Transmission of Financial Statements Etc.:**

SECP through its notification No. SRO 787(1)/2014 dated September 8, 2014 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desires to avail this facility. The members who desire to opt to receive aforesaid statements and notice of AGM through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: **http://www.yousufdewan.com/DCL/index.html**

CHAIRMAN'S REVIEW

The board of directors are responsible for the management of the company, which formulates all significant policies and strategies. The board is governed by relevant laws & regulations and its obligation, rights, responsibilities and duties are as specified and prescribed therein.

The Board of Directors comprises of individuals with diversified knowledge who endeavor to contribute towards the aim of the Company with the best of their abilities.

An annual evaluation of the Board of Directors of the Company is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

During financial year ended June 30, 2019, the four board meetings were held. The Board of Directors of the Company received agenda as and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings. All of the directors are equally involved in important decisions. the Board's overall performance and effectiveness has been assessed as Satisfactory.

Ishtiaq Ahmed
Chairman Board of Directors

September 24th, 2019
Place: Karachi

DIRECTORS' REPORT

The management of your company takes pleasure in presenting you the Fortieth Annual Report of the company together with the audited accounts for the financial year ended June 30, 2019. This is the 16th annual report since the management and controlling shares of the company were taken over by Yousuf Dewan Companies.

OVERVIEW

Cement industry witnessed sluggish growth of 2.13% for the financial year 2018 - 2019. Total dispatches were 46.87 million tons which includes 40.33 million tons local and 6.54 million tons exports.

In previous financial year dispatches were 45.89 million tons including 41.15 million tons local and 4.75 million exports.

The drop in the local dispatches was 1.98% and phenomenal growth in exports was 37.72%.

COMPANY'S PERFORMANCE:

The highlights of the financial results are tabulated below:

	2019	2018
	(Rupees in '000')	
Sales		
- Local - net	**11,400,141**	13,085,243
- Export - net	**653,884**	338,642
	12,054,025	13,423,885
Gross profit	**1,227,298**	2,117,505
Net Profit before tax	**278,464**	1,247,656
Net Profit after tax	**(275,304)**	902,242
Basic Earnings per share	**Rs. (0.57)**	Rs. 1.87
Diluted Earnings per share	**Rs. (0.57)**	Rs. 1.87

Dispatches	**Qty in Tons 2019**	**Qty in tons 2018**	**% Increase/ (Decrease)**
Local Dispatches - Cement	**1,804,546**	2,133,031	(15.40)
Local Dispatches - GGBS	**5,500**	19,724	(72.12)
Export Dispatches	**137,857**	81,225	69.72

Company recorded decline in local sales volume by 15.40% mainly due to slowdown in construction activities in the country. Whereas export sales increased by 69.72% from last year. Effect of increase in excise duty by 20% also put negative impact on profitability of the company.

FUTURE OUTLOOK

Capacity utilization of the industry was 78.89%. Plants added new capacities and more expansions are underway but many have stopped capital expenditure and slashed production. GDP decreased from 5.5% in 2017-18 to 3.29% in 2018-19. If the scenario gets better, it will reach 78 million tons per annum by 2022 and excess supply situation may arise.

CPEC (China Pakistan Economic Corridor) and PSDP (Public Sector Development Program) are being reviewed by the government. Nominal growth is expected in the local market on the back of dams and million homes/year project.

Increasing inflation and interest rates, currency devaluation, taxes and axle load restrictions will put pressure on input costs. Dealers and retailers are skeptical in purchasing of cement due to the tax policies announced by the government. Cement prices have fallen drastically affecting margins.

We have witnessed exceptional increase in exports in a decade. Despite restriction by India, export demand is expected to increase due to clinker exports to Bangladesh and Sri Lanka and USD PKR parity.

ONGOING LITIGATIONS

As far as creditors mentioned in the financial statements are concerned, a number of recovery suits have been instituted by Banks / Financial Institutions. These suits are being successfully defended by our Counsels. Further the cases are not being persuade by the banks as restructuring is under process. The counsels have submitted their observations / opinion in respect of litigation being handled by them and all of them are of the view that these suits can be successfully defended.

OBSERVATIONS IN THE AUDITORS' REPORT

The auditors have qualified their report on the following basis, which are duly explained:

Advance for Pre-IPO Investment:

The auditors do not concur with the management assertion regarding the classification of advance for Pre-IPO investment amounting to Rs. 3,110 million as long-term liability.

The management is of the view that since IPO was not closed by the arrangers so TFC's could not be issued. We have offered them revised terms of restructuring and are very much hopeful that it will be closed in near future. It is pertinent to mention here that almost 27% of the loan was restructured and timely payment are being made as committed.

Provision for markup:

The Company has not made provision of markup amounting to Rs. 787.131 million on its markup bearing liability.

The management has approached its bankers / financial institutions for restructuring of its long-term obligations. The management is confident that the Company's restructuring proposals given by the management will be accepted by the financial institutions / bankers. Therefore the Company has not made any provision for markup as the markup will not be paid.

Going Concern Assumption:

The auditors have added an emphasis of matter paragraph on the company's ability to continue as a going concern. However, the management is of the view that the Company's restructuring proposals will be accepted by the financial institutions / bankers and preparation of the financial statement on going concern assumption is justified.

STATEMENT OF CORPORATE GOVERNANCE AND FINANCIAL REPORTING FRAMEWORK

The directors are pleased to state that the company is compliant with the provisions of the Code of Corporate Governance as required by Securities and Exchange Commission of Pakistan (SECP).

Following are the statements on Corporate and Financial Reporting Frame work:

a) The financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flow and changes in equity;

b) Proper books of accounts of the company have been maintained;

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

d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements except for the departures disclosed in financial statements;

e) The system of internal control is sound in design and is effectively implemented and monitored. The process of review will continue and any weaknesses in control will be removed;

f) The doubts about the company's ability to continue as a going concern and its mitigating factors are disclosed in note 2 to the financial statements;

g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;

h) There are no outstanding taxes and levies other than those disclosed in the annexed financial statements;

i) The value of investment of provident fund based on their respective latest accounts is Rs. 245.147 million.

j) The pattern of shareholding of the Company as at June 30, 2019 is annexed;

k) Statement of shares held by associated undertakings and related persons (has been given separately).

l) Statement of the Board meetings held during the year and attendance by each director.

m) Key operating and financial statistics for the last six years (have been given separately).

DIVIDEND

The Board is not in a position to recommend dividend for the period under review.

TRADING IN COMPANY SHARES

None of the Directors, CFO, Company Secretary, their spouses and minor children have traded in the shares of the Company during the year other than that has already been disclosed in the pattern of shareholding.

BOARD MEETING

During the year four meetings of the Board of Directors were held, Directors' attendance in these meeting is as under:

Name of Directors	No. of meetings Attended
Mr. Ishtiaq Ahmed	3
Mr. Haroon Iqbal	4
Syed Muhammad Anwar	4
Mr. Aziz-ul-Haque	4
Mr. Ghazanfar Baber Siddiqui	4
Mr. Waseem-ul-Haque Ansari	3
Muhammad Naeemuddin Malik	3

AUDIT COMMITTEE MEETING

During the year four meetings of the audit committee were held, members' attendance in these meeting is as under:

Name of Members	No. of meetings Attended
Mr. Aziz-ul-Haque	4
Mr. Ishtiaq Ahmed	4
Mr. Ghazanfar Baber Siddiqui	4

HUMAN RESOURCES & REMUNERATION COMMITTEE MEETING

During the year one meeting of the HR Committee was held, Members' attendance in this meeting is as under:

Name of Members	No. of meetings Attended
Mr. Aziz-ul-Haque	1
Syed Muhammad Anwar	1
Mr. Ishtiaq Ahmed	1

AUDITORS APPOINTMENT

The present auditors M/s. Faruq Ali & Co., Chartered Accountants, retire and being eligible, have offered their services for re-appointment as auditors for the ensuing year ending June 30, 2020.

The audit committee and the Board of Directors have recommended appointment of M/s. Faruq Ali & Co., Chartered Accountants as auditors of the company for the coming year.

VOTE OF THANKS

The Board would like to place on record its gratitude to its valuable shareholders, Federal and Provincial government functionaries, banks, development financial institutions, and customers for their cooperation, continued support and patronage.

The Board also expresses its thanks to the executives, staff members and workers of the company and wishes to place on record its appreciation for the efforts they are making in turning around the company.

CONCLUSION

In conclusion, we bow, beg and pray to Almighty Allah, Rahman-o-Rahim, in the name of our beloved prophet, Muhammad, Peace be upon him for continued showering of His Blessings, Guidance, Strength, Health and Prosperity to us, our company, Country and Nation; and pray to Almighty Allah to bestow peace, harmony, brotherhood and unity in true Islamic spirit to whole of Muslim Ummah, amen, Summa-Ameen.

On behalf of the Board of Directors

Syed Muhammad Anwar
Chief Executive Officer

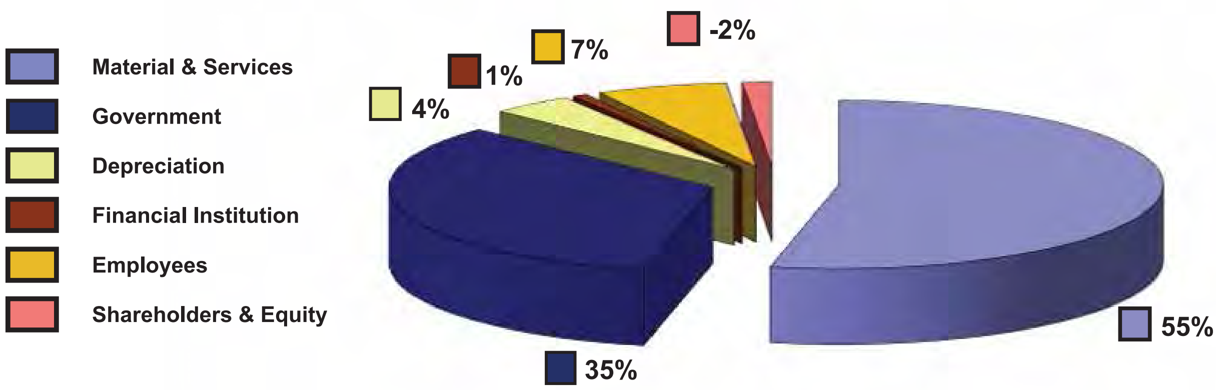
Haroon Iqbal
Director

Dated: September 24, 2019
Place: Karachi

KEY OPERATING AND FINANCIAL STATISTICS FOR LAST SIX YEARS

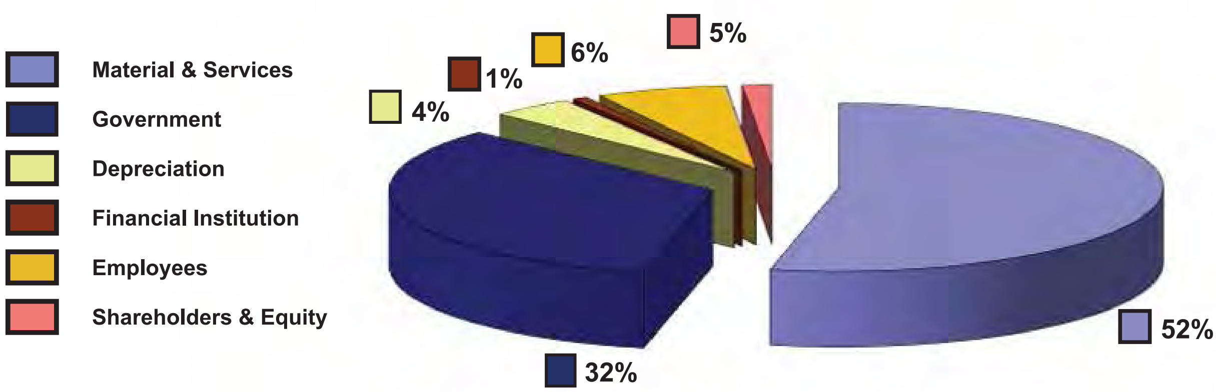
Particulars	2019	2018	2017	2016	2015	2014
	----------------(Tons. in thousands)-----------------					
QUANTITATIVE DATA						
Clinker Production	**1,769**	2,097	1,913	1,854	1,561	1,478
Cement Production	**1,873**	2,215	2,035	2,000	1,713	1,529
Cement Despatches	**1,873**	2,214	2,037	2,001	1,710	1,528
Clinker Despatches	**69**	-	-	5	-	18
GGBS Despatches	**5**	19	48	1	-	-
ASSETS EMPLOYED	--------------------(Rs. in million)--------------------					
Fixed Assets	**26,865**	26,791	27,017	22,121	21,292	20,654
Long term advances & deffered costs	**141**	145	124	120	110	105
Current Assets	**2,889**	3,311	3,126	3,194	3,237	2,611
Total Assets Employed	**29,895**	30,247	30,267	25,435	24,639	23,370
FINANCED BY						
Shareholder equity	**17,017**	17,266	16,380	13,126	11,644	9,772
Redeemable Capital	**3,110**	3,110	3,110	3,160	3,460	3,460
Long term loan & long term liabilities/Deposits	**1,069**	1,465	2,446	2,308	2,492	2,411
Deffered liabilities	**3,571**	3,110	2,969	2,070	1,702	2,027
Current liabilities	**5,128**	5,296	5,362	4,771	5,341	5,700
TOTAL FUNDS INVESTED	**29,895**	30,247	30,267	25,435	24,639	23,370
TURNOVER & PROFIT						
Turnover (Net)	**12,054**	13,424	12,856	12,879	11,245	9,963
Operating Profit / (Loss)	**296**	1,069	1,467	1,636	756	437
Profit / (Loss) Before Taxation	**278**	1,248	1,570	1,912	732	483
Profit / (Loss) After Taxation	**(275)**	902	1,306	1,500	710	437
Accumulated Profit / (Loss)	**5,414**	5,493	4,371	2,958	1,338	521

WEALTH GENERATED AND DISTRIBUTED DURING 2018-2019



Total Revenue Rs. 18,091.114 million

WEALTH GENERATED AND DISTRIBUTED DURING 2017-2018



Total Revenue Rs. 19,769.876 million

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017 FOR THE YEAR ENDED JUNE 30, 2019

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

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

   a) Male: 7

   b) Female: The requirement to have female representation in the Company's board will be complied upon reconstitution of the Board.

2. The composition of board is as follows:

Category	Names
Independent Directors	Mr. Aziz-ul-Haque
Other Non-executive Directors	Mr. Waseem-ul-Haque Ansari Mr. Ghazanfar Baber Siddiqi Mr. Ishtiaq Ahmed Mr. Muhammad Naeemuddin Malik
Executive Directors	Syed Muhammad Anwar Mr. Haroon Iqbal

3. Six Directors have confirmed that they are not serving as Director in more than five listed Companies including this Company, however, one Director is serving as Director in more than five listed Yousuf Dewan Companies.

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

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

6. All the powers of the board have been duly exercised and decision on relevant matters have been taken by 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 compiled with requirements of Act and the regulations with respect to frequency, recording and circulating minutes of meeting of board.

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

9. Five Directors are qualified under the directors training program. During the year the board did not arrange training program. However, we will arrange the same in the next coming session.

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

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

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

a)	Audit Committee :	Mr. Aziz-ul-Haque	Chairman
		Mr. Ishtiaq Ahmed	Member
		Mr. Ghazanfar Baber Siddiqi	Member
b)	HR and Remuneration Committee :	Mr. Aziz-ul-Haque	Chairman
		Syed Muhammad Anwar	Member
		Mr. Ishtiaq Ahmed	Member

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 :	4 quarterly meetings during the financial year ended June 30, 2019
b)	HR and Remuneration Committee :	1 annual meeting held during the financial year ended June 30, 2019

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

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

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, 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.

Dated: 28th September, 2018
Place: Karachi

Syed Muhammad Anwar
Chief Executive Officer

Haroon Iqbal
Director

FARUQ ALI & CO
CHARTERED ACCOUNTANTS

C-88 Ground Floor, KDA Scheme No.1,
Main Karsaz Road Opp. Maritime
Museum, Karachi-75350
E-mail: info@fac.com.pk

Telephone : (021 34301966)
: (021 34301967)
: (021 34301968)
: (021 34301969)
Fax : (021 34301965)

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 ('the Regulations') prepared by the Board of Directors of Dewan Cement Limited (the Company) for the year ended 30 June 2019 in accordance with the requirements of regulation 40 of the Regulations.

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

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

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

Following instances of non-compliance with the requirements of the Regulations were observed which are not stated in the Statement of Compliance:

a) The composition of board includes Mr. Aziz ul Haque, as independent director, whereas in our view he does not meet the criteria of independence on account of his cross directorship in associated companies,

b) The chairman of the Audit Committee shall be an independent director, whereas in our view Mr. Aziz ul Haque does not meet the criteria of independence due to the reason referred in paragraph (a) above;

c) The chairman of the HR and Remuneration Committee shall be an independent director, whereas in our view Mr. Aziz ul Haque does not meet the criteria of independence due to the reason referred in paragraph (a) above;

Based on our review, except for the above instances of non-compliance, 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 Regulations as applicable to the Company for the year ended 30 June 2019.

Further, we highlight that one of the directors of the Company is serving as a director in more than five listed companies as disclosed in the note 3 in the Statement of Compliance.

Dated: September 24, 2019
Place: KARACHI

Engagement partner: Muhammad Faisal Nini

CHARTERED ACCOUNTANTS

FARUQ ALI & CO
CHARTERED ACCOUNTANTS

C-88 Ground Floor, KDA Scheme No.1, Main Karsaz Road Opp. Maritime Museum, Karachi-75350
E-mail: info@fac.com.pk

Telephone : (021 34301966)
: (021 34301967)
: (021 34301968)
: (021 34301969)
Fax : (021 34301965)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Qualified Opinion

We have audited the annexed financial statements of Dewan Cement Limited ('the Company'), which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

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

a) The Company has classified 'advances for investment in term finance certificates' amounting to Rs. 3,110 million (refer note 19 to the financial statements) as long term liability for the reason mentioned in said note. We do not concur with the management's assertion regarding its classification as long-term liability. In our opinion the entire liability should be classified as current liability as per terms of agreement with the investors.

b) The Company has not made provision of markup for the year amounting to Rs.787.131 million (up to 30 June 2019: Rs.5,482.413 million) due to the reason mentioned in note 33.1 to the financial statements. In our opinion, since the Company admitted the liability in the standstill agreements executed with lenders during the year and for which consent decrees were obtained, the provision of markup should have been made in these financial statements. Had the provision of markup been made in the financial statements, the loss after taxation would have been higher by Rs.787.131 million and markup payable would have been higher and shareholders' equity would have been lower by Rs.5,482.413 million.

Material Uncertainty Relating to Going Concern

We draw attention of the members to note 2 in the financial statements which indicates loss after taxation of Rs.275.304 million, and as of that date its current liabilities exceeded its current assets by Rs. 2,238.349 million, a consent decree was obtained majority of the lenders on the terms and conditions stipulated in standstill agreement (refer note 26.1(a)) in the financial statements and certain lenders have gone into litigation for recovery of their liabilities through attachment and sale of the Company's hypothecated / mortgaged properties and some of the lenders have also filed winding up petitions (refer note 26.1(b) in the financial statements. These conditions, along with other matters as set forth in note 2, indicate the existence of material uncertainty which may cast significant doubt about Company's ability to continue as going concern therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The amounts of current liabilities reported in said note do not include the effect of matters discussed in Basis for Qualified Opinion. Our opinion is not modified in respect of this matter.

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. In addition to the matters described in the Basis for Qualified Opinion section and in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

S.no.	Key audit matters	How the matter was addressed in our audit
1.	**First time adoption of IFRS 9 - Financial Instruments**	
	As referred to in note 3.3.1 to the financial statements, the Company has adopted IFRS 9 with effect from 1 July 2018. The new standard requires the Company to make provision for financial assets (trade debts) using Expected Credit Loss (ECL) approach as against the Incurred Loss Model previously applied by the Company. Determination of ECL provision for trade debts requires significant judgement and assumptions including consideration of factors such as historical credit loss experience and forward-looking macro-economic information. We have considered the first time application of IFRS 9 requirements as a key audit matter due to significance of the change in accounting methodology and involvement of estimates and judgments in this regard.	Our key procedures to review the application of IFRS 9 included, amongst others, review of the methodology developed and applied by the Company to estimate the ECL in relation to trade debts. We also considered and evaluated the assumptions used in applying the ECL methodology based on historical information and qualitative factors as relevant for such estimates. Further, we assessed the integrity and quality of the data used for ECL computation based on the accounting records and information system of the Company as well as the related external sources as used for this purpose. We checked the mathematical accuracy of the ECL model by performing recalculation on test basis.

S.no.	Key audit matters	How the matter was addressed in our audit
		In addition to above, we assessed the adequacy of disclosures in the unconsolidated financial statements of the Company regarding application of IFRS 9 as per the requirements of the above standard.
2.	**Revenue recognition**	
	Refer notes 4.12 and note 27 to the financial statements relating to revenue recognition. The Company has reported revenues for the year of Rs.12,054.025 million. There is potential for material misstatement within revenue, particularly in relation to revenue being recorded in the wrong period, due to cut off errors or management bias. We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not being recognized in the appropriate period and risk of misapplication of the new accounting standard IFRS 15 Revenue from Contracts with Customers.	Our procedures included: • We obtained an understanding of, assessed and tested the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period; • We assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; • We compared, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; • We inspected credit notes issued to record sales returns subsequent to year end, if any; • We reviewed management's IFRS 15 assessment to verify the reasonableness, accuracy and completeness of the impact on the financial statements of the Company; and We obtained an understanding of the nature of the revenue contracts entered into by the Company, tested a sample of sales contracts to confirm our understanding and assessed whether or not management's application of IFRS 15 requirements was in accordance with the standard.

S.no.	Key audit matters	How the matter was addressed in our audit
	Stock and Store and Spares	
3.	Stock in trade as disclosed in note 4.12 to the annexed financial statements includes: • raw materials comprising limestone, clay, gypsum, laterite and bauxite; and • work-in-progress mainly comprising clinker. Further, stores and spares, as disclosed in note 27 to the annexed financial statements mainly include coal. The significance of the balance coupled with the judgment involved has resulted in the Valuation of Inventories being identified as a Key Audit Matter.	We performed a range of audit procedures with respect to inventory items including amongst others, physical observation of inventory count, test of valuation methods and their appropriateness in accordance with the applicable accounting standards, and an evaluation of the usability of the inventory items based on management reports for slow moving and obsolete items and the impact of the same on the net realizable value of the inventories. We also assessed the adequacy of the disclosures made in respect of the accounting policies and the details of inventory balances held by the Company at the year end.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, except for the matters described in the Basis for Qualified Opinion section, we further report that in our opinion

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

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

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

d) 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 auditor's report is Muhammad Faisal Nini.

Dated: September 24, 2019
Place: KARACHI

Engagement partner: Muhammad Faisal Nini.

CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Notes	2019	2018
ASSETS			
		-----(Rupees in '000')-----	
NON CURRENT ASSETS			
Property, plant and equipment	5	**26,865,212**	26,791,269
Long term deposits	6	**128,256**	127,411
Long term loans	7	**12,147**	17,690
		27,005,615	26,936,370
CURRENT ASSETS			
Stores and spare parts	8	**1,322,484**	1,515,203
Stock in trade	9	**471,698**	828,195
Trade debts - Unsecured	10	**313,952**	293,660
Loans and advances - Unsecured, Considered good	11	**170,093**	145,095
Trade deposits and short term prepayments	12	**13,183**	12,866
Other receivables - Considered good	13	**121,986**	129,934
Short term investments	14	**291**	9,551
Taxation - Net		**404,856**	277,811
Cash and bank balances	15	**71,018**	98,485
		2,889,561	3,310,800
		29,895,176	**30,247,170**
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
850,000,000 (2018: 850,000,000) Ordinary shares of Rs. 10/- each		**8,500,000**	8,500,000
Issued, subscribed and paid-up share capital	16	**4,841,133**	4,841,133
Revenue reserves			
Un-appropriated profit		**5,413,615**	5,493,314
Capital reserve			
Merger reserve		**629,444**	629,444
Surplus on revaluation of property, plant and equipment	17	**6,132,920**	6,301,917
		17,017,112	17,265,808
NON CURRENT LIABILITIES			
Long term financings	18	**122,207**	241,267
Advances for investment in term finance certificates	19	**3,110,000**	3,110,000
Long term deposits and payables	20	**946,553**	1,224,135
Deferred tax liability - Net	21	**3,571,394**	3,109,879
		7,750,154	7,685,281
CURRENT LIABILITES			
Trade and other payables	22	**1,563,824**	1,748,548
Short term borrowings	23	**579,159**	579,159
Mark-up payable	24	**792,661**	792,661
Current and overdue portion of non-current liabilities	25	**2,030,270**	2,030,270
Dividend payable		**12,927**	12,927
Unpaid and unclaimed dividend		**1,780**	1,780
Sales tax payable		**147,289**	130,736
		5,127,910	5,296,081
CONTINGENCIES AND COMMITMENTS	26	**--**	--
		29,895,176	**30,247,170**

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

Syed Muhammad Anwar	**Imran Ahmed Javed**	**Haroon Iqbal**
Chief Executive Officer	Chief Financial Officer	Director

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2019

	Notes	2019	2018
		-----(Rupees in '000')-----	
Turnover - Net	27	**12,054,025**	13,423,885
Cost of sales	28	**(10,826,727)**	(11,355,978)
Gross profit		**1,227,298**	2,067,907
Operating expenses			
Distribution cost	29	**(139,089)**	(156,596)
Administrative expenses	30	**(701,220)**	(688,686)
Other operating expenses	31	**(91,334)**	(153,311)
		(931,643)	(998,593)
Operating profit		**295,655**	1,069,314
Other income	32	**3,551**	200,131
Finance cost	33	**(20,742)**	(21,789)
Profit before taxation		**278,464**	1,247,656
Taxation - Net	34	**(553,768)**	(345,414)
(Loss) / profit after taxation		**(275,304)**	**902,242**
(Loss) / earnings per share - Basic and diluted (Rupees)	35	**(0.57)**	**1.87**

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

Syed Muhammad Anwar	**Imran Ahmed Javed**	**Haroon Iqbal**
Chief Executive Officer	Chief Financial Officer	Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	-----(Rupees in '000')-----	
(Loss) / profit for the year	**(275,304)**	902,242
Other comprehensive income:		
Items that will not be subsequently reclassified to profit or loss:		
Effect of change in tax rates on balance of revaluation on property, plant and equipment	**26,608**	(16,798)
Total comprehensive (loss) / income for the year	**(248,696)**	**885,444**

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

Syed Muhammad Anwar
Chief Executive Officer

Imran Ahmed Javed
Chief Financial Officer

Haroon Iqbal
Director

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Notes	2019	2018
		-----(Rupees in '000')-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**278,464**	1,247,656
Adjustments for non-cash and other items:			
Depreciation	5.3	**768,074**	866,994
(Gain) / loss on disposal of operating fixed assets	5.4	**(686)**	2,085
Workers' Profit Participation Fund	31	**14,955**	67,164
Liabilities no longer payable written back	32	**--**	(196,676)
Unwinding of discount	33	**8,806**	10,159
Dividend income	32	**(268)**	(938)
Workers' Welfare Fund	32	**5,683**	28,459
(Gain) / Loss on sale of short term investments		**(267)**	14,096
Loss on remeasurement of short term investments	31	**42**	7,743
Finance cost	31	**11,936**	11,630
Exchange loss		**66,654**	29,964
Cash inflows before working capital changes		**1,153,393**	2,088,336
Movement in working capital			
(Increase) / decrease in current assets			
Stores and spare parts		**192,719**	(293,239)
Stock in trade		**356,497**	(131,057)
Trade debts - Unsecured		**(20,292)**	(48,197)
Loans and advances - Unsecured		**(24,998)**	1,138
Trade deposits and short term prepayments		**(317)**	(1,189)
Other receivables - Considered good		**7,948**	30,254
		511,557	(442,290)
Increase / (decrease) in current liabilities			
Trade and other payables		**(126,790)**	74,393
Sales tax payable		**16,553**	58,659
		(110,237)	133,052
Cash generated from operations		**1,554,713**	1,779,098
Payment for:			
Taxes		**(192,690)**	(26,729)
Workers' Profit Participation Fund	22.2	**(72,245)**	(91,094)
Workers' Welfare Fund	22.3	**--**	(13,992)
Finance cost		**(6,855)**	(4,832)
Net cash inflows from operating activities		**1,282,923**	1,642,451
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		**(842,357)**	(653,255)
Sale proceeds on disposal of operating fixed assets	5.4	**1,026**	10,140
Sale proceeds on sale of short term investment		**9,485**	16,843
Net change in long term loans		**5,543**	(2,089)
Dividend received		**268**	938
Net change in long term deposits		**(845)**	(18,360)
Net cash outflows from investing activities		**(826,880)**	(645,783)

	Notes	2019	2018
		-----(Rupees in '000')-----	
CASH FLOWS FROM FINANCING ACTIVITIES			
Net change in long term financings		**(127,866)**	(127,866)
Net change in long term deposits and payables		**(355,644)**	(893,039)
Net cash outflows from financing activities		**(483,510)**	(1,020,905)
Net decrease in cash and cash equivalents		**(27,467)**	(24,237)
Cash and cash equivalents at the beginning of the year		**98,485**	122,722
Cash and cash equivalents at the end of the year	15	**71,018**	**98,485**

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

Syed Muhammad Anwar
Chief Executive Officer

Imran Ahmed Javed
Chief Financial Officer

Haroon Iqbal
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

	Issued, subscribed & paid-up share capital	Revenue reserves	Capital reserves			Total Equity
		Un-appropriated profit	Merger reserve	Surplus on revaluation of property, plant & equipment	Total capital reserves	
	------------------------(Rupees in '000')------------------------					
Balance as on 1 July 2017 - *As restated*	4,841,133	4,371,622	629,444	6,538,165	7,167,609	16,380,364
Profit for the year ended 30 June 2018	--	902,242	--	--	--	902,242
Other comprehensive loss	--	--	--	(16,798)	(16,798)	(16,798)
Total comprehensive income for the year	--	902,242	--	(16,798)	(16,798)	885,444
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	219,450	--	(219,450)	(219,450)	--
Balance as at 30 June 2018	4,841,133	5,493,314	629,444	6,301,917	6,931,361	17,265,808
Loss for the year ended 30 June 2019	--	(275,304)	--	--	--	(275,304)
Other comprehensive income	--	--	--	26,608	26,608	26,608
Total comprehensive loss for the year	--	(275,304)	--	26,608	26,608	(248,696)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	195,605	--	(195,605)	(195,605)	--
Balance as at 30 June 2019	4,841,133	5,413,615	629,444	6,132,920	6,762,364	17,017,112

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

Syed Muhammad Anwar
Chief Executive Officer

Imran Ahmed Javed
Chief Financial Officer

Haroon Iqbal
Director

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

1 STATUS AND NATURE OF BUSINESS

Dewan Cement Limited ('the Company / DCL') was incorporated in Pakistan as a public limited company in March, 1980. Its shares are quoted in the Pakistan Stock Exchange. The principal activity of the Company is manufacturing and selling of cement.

The registered office of the Company is situated at Dewan Centre 3-A, Lalazar Beach Hotel Road, Karachi. The Company has two production facilities at Deh Dhando, Dhabeji Karachi, Sindh and Kamilpur Hattar Industrial Estate, district Khyber Pakhtunkhwa. The Company has regional offices located in Hyderabad, Islamabad and Peshawar.

2 GOING CONCERN ASSUMPTION

The financial statements for the year ended 30 June 2019 reflects loss after taxation of Rs.275.304 million, and as of that date its current liabilities exceeded its current assets by Rs.2,238.349 million (2018: Rs.1,985.281 million). The Company's short-term borrowing facilities have expired and not been renewed and the Company has been unable to ensure scheduled payments of long term borrowings due to the liquidity problems. Following course, majority of the lenders had gone into litigation for repayment of liabilities through attachment and sale of Company's hypothecated / mortgaged properties and certain lenders had also filed winding up petitions as more fully explained in note 26.1(a) and note 26.1(b). These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company is fully committed to discharge its admitted liability in stand still agreements as more fully explained in note 26.1(a). Furthermore, the Company's has increased its performance over the period of years, its cash flows are positive and expected growth in the economy are positively linked to the Company's growth. Accordingly, these financial statements have been prepared on a going concern basis.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan with the exception of departure of IFRS as mentioned in note 33.1 to the financial statements, for which the management concludes that provisioning of mark up would conflict with the objectives of the financial statements. 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.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except that certain fixed assets and certain investments which are carried at fair values.

3.3 New standards, amendments to approved accounting standards and new interpretations

3.3.1 Adoption of standards and amendments effective during the year

The Company has adopted the following accounting standards, the amendments and interpretations of IFRSs which became effective during the current year:

IFRS 2 Share based Payments: Classification and Measurement of Share Based Payments Transactions (Amendments)

IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

IAS 40 Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the financial statements except for IFRS 9 and IFRS 15. The impact of adoption of IFRS 9 and IFRS 15 is given below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company elected the modified retrospective method and applied the standard retrospectively to only the most current period presented in the financial statements. Accordingly, the information presented for the previous corresponding period has not been restated.

The Company generates its revenue from sale of goods. The Company's contracts with customers for the sale of goods generally include one performance obligation. The Company has concluded that revenue from sale of goods should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition and the amount of revenue recognised.

In general the contracts for the sale of goods do not provide customers with a right of return and volume rebates. Accordingly, the application of the constraint on variable consideration did not have any impact on the revenue recognised by the Company.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement bringing together aspects of the accounting for financial instruments: classification and measurement and impairment.

Classification and measurement

Except for certain trade receivables, under IFRS 9, 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.

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

At transition date to IFRS 9, the Company has financial assets measured at amortised cost and equity instruments at FVOCI. The new classification and measurement of the Company's financial assets are, as follows:

Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion.

Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Company intends to hold for the foreseeable future and which the Company has irrevocably elected to so classify upon initial recognition or transition. The Company classified its unquoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9. Under IAS 39, the Company's unquoted equity instruments were classified as AFS financial assets.

The accounting for the Company's financial liabilities remains largely the same as it was under IAS 39. Accordingly, the adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities.

Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

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.

For trade and other receivables, the Company has applied the standard's simplified approach and has calculated 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. 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. The adoption of the ECL requirements of IFRS 9 did not result in any difference in the existing impairment allowances of the Company's debt financial assets.

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

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

Standard or interpretation		"Effective date (annual periods beginning on or after)"
IFRS 3	Definition of a Business (Amendments)	1-Jan-20
IFRS 3	Business Combinations: Previously held interests in a joint operation	1-Jan-19
IFRS 9	Prepayment Features with Negative Compensation (Amendments)	1-Jan-19
IFRS 10	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IFRS 11	Joint Arrangements: Previously held interests in a joint operation	1-Jan-19
IFRS 16	Leases	1-Jan-19
IAS 1 & IAS 8	Definition of Material (Amendments)	1-Jan-20
IAS 12	Income Taxes: Income tax consequences of payments on financial instruments classified as equity	1-Jan-19
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments)	1-Jan-19
IAS 23	Borrowing Costs - Borrowing costs eligible for capitalization	1-Jan-19
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments)	1-Jan-19
IFRIC 23	Uncertainty over Income Tax Treatments	1-Jan-19

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application. The Company is currently evaluating the impact of these standards.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for annual reporting period beginning on or after 01 January 2019. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework.

The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, the 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	**IASB effective date (annual periods beginning on or after**
IFRS 14 Regulatory Deferral Accounts	1-Jan-16
IFRS 17 Insurance Contracts	1-Jan-21

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

3.4 Functional and presentation currency

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

3.5 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognised in the financial statements are as follows:

3.5.1 Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful lives and residual values used in the calculation of depreciation. The estimates of revalued amounts of revalued assets are based on valuations carried out by a professional valuer. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company.

Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

3.5.2 Stores and spare parts

The Company reviews the net realizable value (NRV) and impairment of stores and spare parts to assess any diminution in the respective carrying values and wherever required provision for NRV / impairment is made. The calculation of provision involves the use of estimates with regards to future estimated use and past consumption along with stores and spares holding period.

3.5.3 Stock in trade

The Company reviews the net realizable value (NRV) of stock in trade to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock in trade and corresponding effect in profit and loss account of those future years. Net realizable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

3.5.4 Trade debts

The Company reviews its doubtful trade debts at each reporting date to assess whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

3.5.5 Income tax

In making the estimates for income tax currently payable by the Company, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

3.5.6 Future estimation of export sales

Provision for deferred tax has been calculated based on an estimate that the future ratio of export sales to total sales will remain at the same level as average of last three years including the current financial year. Any change in the estimate in future years will affect the provision in this regard in those years.

3.5.7 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

4 SIGNIFICANT ACCOUNTING POLICIES

Except as described below in note 4.1, the significant accounting policies are consistently applied in the preparation of these financial statements are the same as those applied in earlier period presented.

4.1 Changes in significant accounting policies

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 01 July 2018 which are effective from annual periods beginning on or after 01 July 2018 and for reporting period / year ending on or after 30 June 2019 respectively.

The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

4.1.1 IFRS 15 'Revenue from Contracts with Customers'

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

The Company has applied the modified retrospective method upon adoption of IFRS 15 as allowed under the Standard. This method requires the recognition of the cumulative effect (without practical expedients) of initially applying IFRS 15 to retained earnings. Under this transition method, comparative information for prior periods has not been restated and continues to be reported in accordance with the previous standard under IAS 18 and related interpretations.

Apart from providing more extensive disclosures, the application of IFRS 15 has not had a significant impact on the financial position and / or financial performance of the Company for the reasons described below. Accordingly there was no adjustment to retained earnings on application of IFRS 15 at 1 July 2018.

Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. Control of the underlying goods could be transferred and revenue recognized when the product leaves the seller's location, based on legal title transfer, the entity's right to receive payment, or the customer's ability to redirect and sell the goods, but there might be additional performance obligations for shipping and in-transit risk of loss. The Company allocates the transaction price to each of the performance obligations, and recognize revenue when each performance obligation is satisfied, which might be at different times.

The Company manufactures and contracts with customers for the sale of exercise books and prolables, which generally include single performance obligation. The management has concluded that revenue from sale of goods be recognised at the point in time when control of the asset is transferred to the customer, which is when the goods are dispatched to the customer. Invoices are generated and revenue is recognised at that point in time, as the control has been transferred to the customers. Invoices are usually payable within 30 days. No discounts, sales commission and return are offered. The above is generally consistent with the timing and amounts of revenue the Company recognised in accordance with the previous standard, IAS 18. Therefore, the adoption of IFRS 15 which replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations, did not have an impact on the timing and amounts of revenue recognition of the Company.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of transaction prices for the time value of money. As required for the financial statements, the Company disaggregated revenue recognised from contracts with customers into primary geographical markets and major product lines.

4.1.2 IFRS 9 'Financial Instruments'

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

Classification and measurement of financial assets and financial liabilities

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

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

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

- The determination of business model within which a financial asset is held; and

- "The designation and revocation of previous designation of certain financial assets as measured at FVTPL."

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

- It is held within business model whose objective is to hold assets to collect contractual cash flows; and

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

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

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

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

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

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

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

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

The accounting policies that apply to financial instruments are stated in note 4.15 to the financial statements.

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

As at 30 June 2018	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount	New carrying amount
			---(Rupees in '000')---	
Long term deposits	Loans & receivables	Amortized cost	**127,411**	127,411
Trade debts	Loans & receivables	Amortized cost	**293,660**	293,660
Advances, deposits and other receivable	Loans & receivables	Amortized cost	**292,719**	292,719
Trade deposits	Loans & receivables	Amortized cost	**8,014**	8,014
Cash and bank balances	Loans & receivables	Amortized cost	**98,485**	98,485
Total financial assets			**820,289**	**820,289**

Impairment

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

The Company applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance for all trade debts. Impairment losses related to trade debts are presented separately in the statement of profit or loss account. Trade debts are written off when there is no reasonable expectation of recovery. Management used actual credit loss experience over past years to base the calculation of ECL on adoption of IFRS 9. Given the Company's experience of collection history and historical loss rates / bad debts and normal receivable aging, the move from an incurred loss model to an expected loss model has not had an impact on the financial position and / or financial performance of the Company.

Loss allowance on debt securities are measured at 12 months expected credit losses as those are determined to have low credit risk at the reporting date. Since there is no loss given default, no credit loss is expected on these securities. Loss allowance on other securities and bank balances is also measured at 12 months expected credit losses. Since these assets are short term in nature, therefore no credit loss is expected on these balances.

4.2 Property, plant and equipment

4.2.1 Operating fixed assets

Property, plant and equipment are stated at cost or revalued amounts less accumulated depreciation or accumulated impairment, if any, except capital work-in-progress which is stated at historical cost.

The value of leasehold land is being amortised over the lease period in equal installments. Quarry development cost is amortised over its estimated useful life.

Depreciation on additions is charged from the month in which the asset is available for use, whereas on disposals, no depreciation is charged in the month of disposal. Depreciation on all tangible fixed assets, except plant and machinery, is charged to profit and loss account using the reducing balance method at the rates mentioned in note 5.1 to the financial statements. Depreciation on plant and machinery is charged using units of production method.

Any revaluation increase arising on the revaluation of assets is recognised in other comprehensive income and presented as a separate component of equity as “Revaluation surplus on property, plant and equipment”, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of assets is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company’s shareholders. The surplus on revalued assets to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

The carrying values of property, plant and equipment are reviewed for impairment on periodic basis. If any indication exists that the carrying value exceeds the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements which increases the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account. When revalued assets are sold, the relevant undepreciated surplus is transferred directly by the Company to its unappropriated profit account.

4.2.2 Capital work-in-progress

All expenditure connected with specific assets incurred during development, installation and construction period are carried as capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

4.2.3 Assets subject to finance lease

The Company accounts for fixed assets acquired under finance lease by recording the assets and the related liability at the amounts which are determined on the basis of discounted value of minimum lease payments. Financial charges are allocated to accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged to profit and loss account applying the same basis as for owned assets.

4.3 Borrowing costs

The Company capitalizes borrowing costs relating to qualifying assets, during the period in which these are acquired and developed for the intended use. Other borrowing costs are charged to profit and loss account.

4.4 Investments

All investments are initially recognised at cost, being the fair value of the consideration given including the transaction costs associated with the investment. After initial recognition these are categorised and accounted for as follows:

At fair value through profit and loss

These investments are initially recognized at fair value. Subsequent to initial recognition, these are measured at fair value (generally the quoted market price). All realized and unrealized gains and losses arising from changes in fair value of investments are taken to profit and loss account in the period in which such gains and losses arise.

4.5 Stores and spare parts

These are valued at lower of average cost and net realisable value (NRV). Stores and spare parts in-transit are valued at invoice value plus other charges incurred thereon.

Provision / write off, if required, is made in the accounts for slow moving, obsolete and unusable items to bring their carrying value down to NRV.

4.6 Stock in trade

These are valued at lower of cost and net realisable value (NRV). Cost is determined as follows:

- Raw and packing material - at average cost
- Work-in-process - at average cost of goods produced
- Finished goods - at average cost of goods produced

NRV is the estimated selling price in the ordinary course of business less the estimated cost of completion and costs necessarily to be incurred to make the sale.

4.7 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortized cost using the effective interest rate method, if applicable, less provision for impairment, if any. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Trade debts and receivables are written off when considered irrecoverable.

4.8 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably measured.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to passage of time is recognized as interest expense.

4.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cheques in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

4.10 Taxation

4.10.1 Current

Provision for current taxation is based on taxable income at the current rates of taxation or based on turnover or accounting profit at the specified rates, whichever is higher, after taking into account tax credits and rebates available.

4.10.2 Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the amounts used for financial reporting purpose and amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets may be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

4.11 Trade and other payables

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

4.12 Revenue recognition

The following are the specific recognition criteria that must be met before revenue is recognised.

- Sales are recorded on passage of title to the customers which generally coincides with dispatch of goods to customers.

- Dividend income is recognized when right to receive the dividend is established.

- Profit on bank deposits, interest income and other revenues are accounted for on accrual basis.

4.13 Staff retirement benefits

4.13.1 Provident fund

The Company operates separate defined contributory provident funds for all its employees who are eligible for the plan. Equal contributions are made by the Company and employees to the funds at the rate of 8.33% of basic salary.

4.13.2 Compensated absences

The Company accounts for compensated absences on the basis of unavailed earned leaves balance of each employee at the end of the year using current salary levels.

4.14 Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Government grants related to assets, including non-monetary grants at fair value, are deducted from the cost of respective assets.

4.15 Financial instruments

4.15.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); and
- Measured at amortised cost.

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

Subsequent measurement

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss account.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss account.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognised in the statement of profit or loss account.

Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account.

4.15.2 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

4.15.2.1 Trade debts, advances and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable.

These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

4.15.2.2 Cash and cash equivalents

For the purpose of presentation in statement of cash flow, cash and cash equivalents includes cash in hand, balances with banks and investments with maturities of less than three months or less from acquisition date that are subject to insignificant risk of changes in fair value and short term borrowings availed by the Company, which are repayable on demand and form an integral part of the Company's cash management.

4.15.3 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

4.15.3.1 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the statement of profit or loss account over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

4.15.3.2 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

4.15.4 Derivative financial instruments - Other than hedging

Derivatives that do not qualify for hedge accounting are recognised in the statement of financial position at estimated fair value with corresponding effect to statement of profit or loss account. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

4.15.5 Derivative financial instruments - Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and accumulated in hedging reserve. Any ineffective portion of changes in fair value of derivative is recognised immediately in the statement of profit or loss account. The amount accumulated in equity is removed therefrom and included in the initial carrying amount of non-financial asset upon recognition of non-financial asset.

The fair value of forward exchange contracts is estimated using appropriate valuation techniques. These are carried as assets when the fair value is positive and liabilities when the fair value is negative.

4.15.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

4.16 Impairment

4.16.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

4.16.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

4.17 Foreign currency translations

Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation are charge to profit and loss account.

4.18 Sales tax

Revenue, expenses and assets are recognized, net off amount of sales tax except:

- Where sales tax incurred on a purchase of asset or service is not recoverable from the taxation authorities, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;

- Receivables or payables that are stated with the amount of sales tax included; and

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

4.19 Related party transactions

All transactions with related parties are priced using the methods prescribed under the Companies Act, 2017 as approved by the Board of Directors of the Company.

	Notes	2019	2018
5 PROPERTY, PLANT AND EQUIPMENT		-----(Rupees in '000')-----	
Operating fixed assets - At cost less accumulated depreciation	5.1	**25,268,498**	25,032,286
Assets subject to finance lease	5.2	**426**	532
Capital work in progress - At cost	5.5	**1,596,288**	1,758,451
		26,865,212	**26,791,269**

5.1 Operating fixed assets - At cost less accumulated depreciation

	2019									
	COST / REVALUATION				ACCUMULATED DEPRECIATION					
	As at 1 July 2018	Additions/ Transfer During the year	(Disposal during the year)	As at 30 June 2019	As at 1 July 2018	(On disposal)	Charge for the year	As at 30 June 2019	Book value as at 30 June 2019	Rate %
	(Rupees in '000')									
Leasehold land	200,865	--	--	200,865	15,374	--	2,009	17,383	183,482	1
Freehold land	403,159	2,125	--	405,284	--	--	--	--	405,284	-
Quarry	915	--	--	915	915	--	--	915	--	-
Buildings on leasehold land and quarry development	1,462,022	263,333	--	1,725,355	703,209	--	48,036	751,245	974,110	5 to 10
Buildings and civil works on Freehold land	1,421,912	--	--	1,421,912	847,324	--	54,677	902,001	519,911	5 to 10
Roads	389,273	104,885	--	494,158	121,286	--	13,399	134,685	359,473	5
Plant and machinery	27,615,884	619,353	--	28,235,237	5,014,215	--	630,244	5,644,459	22,590,778	UOP
Electric installation	163,615	--	(79)	163,536	33,021	(23)	933	33,931	129,605	5
Furniture and fixture	140,462	--	--	140,462	90,338	--	7,842	98,180	42,282	10 to 20
Office equipment	39,511	12,498	--	52,009	16,399	--	1,752	18,151	33,858	10 to 20
Computers	72,434	570	--	73,004	62,916	--	3,272	66,188	6,816	33
Vehicles	155,449	1,756	(2,999)	154,206	128,218	(2,715)	5,804	131,307	22,899	20
	32,065,501	1,004,520	(3,078)	33,066,943	7,033,215	(2,738)	767,968	7,798,445	25,268,498	

	2018									
	COST / REVALUATION				ACCUMULATED DEPRECIATION					
	As at 1 July 2017	Additions/ Transfer During the year	(Disposal during the year)	As at 30 June 2018	As at 1 July 2017	(On disposal)	Charge for the year	As at 30 June 2018	Book value as at 30 June 2018	Rate %
	(Rupees in '000')									
Leasehold land	200,865	--	--	200,865	13,365	--	2,009	15,374	185,491	1
Freehold land	403,159	--	--	403,159	--	--	--	--	403,159	-
Quarry	915	--	--	915	915	--	--	915	--	-
Buildings on leasehold land and quarry development	1,462,022	--	--	1,462,022	651,464	--	51,745	703,209	758,813	5 to 10
Buildings and civil works on Freehold land	1,421,912	--	--	1,421,912	786,734	--	60,590	847,324	574,588	5 to 10
Roads	389,273	--	--	389,273	107,181	--	14,105	121,286	267,987	5
Plant and machinery	27,615,884	--	--	27,615,884	4,297,076	--	717,139	5,014,215	22,601,669	UOP
Electric installation	163,615	--	--	163,615	32,038	--	983	33,021	130,594	5
Furniture and fixture	112,178	28,284	--	140,462	83,505	--	6,833	90,338	50,124	10 to 20
Office equipment	39,511	--	--	39,511	15,400	--	999	16,399	23,112	10 to 20
Computers	70,057	2,377	--	72,434	58,879	--	4,037	62,916	9,518	33
Vehicles	177,827	1,982	(24,360)	155,449	131,932	(12,135)	8,421	128,218	27,231	20
	32,057,218	**32,643**	**(24,360)**	**32,065,501**	**6,178,489**	**(12,135)**	**866,861**	**7,033,215**	**25,032,286**	

5.1.1 Had there been no revaluation, the net book value of the following items of property, plant and equipment would have been as follows:

	2019	2018
	-----(Rupees in '000')-----	
Leasehold land	**744**	907
Freehold land	**81,093**	75,693
Buildings on leasehold land and quarry development	**599,562**	342,648
Buildings and civil works on freehold land	**349,159**	384,863
Plant and machinery	**15,374,881**	15,178,075
	16,405,439	**15,982,186**

5.1.2 Following are the particulars of the Company's immovable fixed assets:

S.No	Business Unit Type	Location	Total Area of land in acre
1	Karachi Plant	Naclass No.2 , Dah Dhando, District Malir, Karachi, Sindh	150
2	Hattar Plant	Kamalpur Village, Hattar, District Haripur, Khyber Pakhtunkhwa	113

5.1.3 The forced sale value of the revalued property, plant and equipment owned by the Company had been assessed at Rs.17,748.650 million as on latest valuation date.

5.2 Assets subject to finance lease

Particulars	COST			ACCUMULATED DEPRECIATION			Book value as at 30 June 2019	Rate %
	As at 1 July 2018	Additions	As at 30 June 2019	As at 1 July 2018	For the year	As at 30 June 2019		
	(Rupees in '000')							
Vehicles	7,413	--	7,413	6,881	106	6,987	426	20
2019	7,413	--	7,413	6,881	106	6,987	426	

Particulars	COST			ACCUMULATED DEPRECIATION			Book value as at 30 June 2018	Rate %
	As at 1 July 2017	Additions	As at 30 June 2018	As at 1 July 2017	For the year	As at 30 June 2018		
	(Rupees in '000')							
Vehicles	7,413	--	7,413	6,748	133	6,881	532	20
2018	**7,413**	**--**	**7,413**	**6,748**	**133**	**6,881**	**532**	

5.3 The depreciation charge for the year has been allocated as follows:

		2019	2018
		(Rupees in '000')	
Cost of sales	28	**760,154**	857,050
Distribution cost	29	**192**	456
Administrative expenses	30	**7,728**	9,488
		768,074	**866,994**

5.4 Detail of assets disposed off during the year:

Particulars	Cost	Accumulated depreciation	Book Value	Sale proceeds/ disposal value	Gain/ (loss) on disposal	Mode of Disposal	Particulars of Buyer
	(Rupees in '000')						
Electric installation							
Generator	79	23	56	40	(16)	Negotiation	Outsider
Vehicles:							
Honda CD motor cycle	64	32	32	30	(2)	Negotiation	Outsider
Suzuki motor cycle	98	26	72	46	(26)	Negotiation	Outsider
Kia Rio	999	914	85	460	375	Negotiation	Outsider
Hyundai Santro	689	649	40	240	200	Negotiation	Outsider
Lancer GLX	1,149	1,094	55	210	155	Negotiation	Outsider
30 June 2019	**3,078**	**2,738**	**340**	**1,026**	**686**		
30 June 2018	24,360	12,135	12,225	10,140	(2,085)		

5.5 Capital work in progress - At cost

	Notes	2019	2018
		(Rupees in '000')	
Opening balance		**1,758,451**	1,137,839
Additions during the year		**825,408**	620,612
		2,583,859	1,758,451
Capitalized during the year		**(987,571)**	--
	5.5.1	**1,596,288**	**1,758,451**

5.5.1 Breakup is as follows:

	2019	2018
Owned		
Plant and machinery	**1,359,961**	1,497,455
Civil works on freehold land	**236,327**	260,996
	1,596,288	**1,758,451**

		Notes	2019	2018
6	**LONG TERM DEPOSITS**		-----(Rupees in '000')-----	
	Electricity deposits - Interest free		**125,160**	125,160
	Others		**3,096**	2,251
			128,256	**127,411**
7	**LONG TERM LOANS**			
	Considered good - return free			
	Executives	7.1 & 7.2	**11,363**	12,865
	Employees	7.2	**6,170**	6,237
			17,533	19,102
	Recoverable within one year	11	**(5,386)**	(1,412)
			12,147	**17,690**

7.1 Reconciliation of carrying amount of loans to executives:

	2019	2018
Opening balance	**12,865**	12,716
Disbursement during the year	**5,073**	4,532
Repayment / adjustment during the year	**(6,575)**	(4,383)
Closing balance	**11,363**	**12,865**

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

	2019	2018
Muhammad Adil	1,600	2,800
Majid Ali Bhatti	1,257	--

Loans given to employees are in accordance with the Company policy and are repayable within a period of 3 to 5 years. These loans are return free and are secured against the outstanding provident fund balance of the respective employees. These loans are carried at cost due to practicality and materiality of the amounts involved. Receivable from executives of the Company does not include any amount receivable from Directors or Chief Executive. The maximum amount due from executives of the Company at the end of any month during the year was Rs.14.354 million (2018: Rs.12.876 million).

		2019	2018
8	**STORES AND SPARE PARTS**		
	Stores and spare parts - In hand	**1,256,767**	1,383,444
	Stores and spare parts - In transit	**71,586**	137,628
		1,328,353	1,521,072
	Provision for obsolete and slow moving stocks	**(5,869)**	(5,869)
		1,322,484	**1,515,203**

9 STOCK IN TRADE

	Notes	2019	2018
		-----(Rupees in '000')-----	
Raw and packing material		**195,822**	322,928
Work in process		**167,914**	411,034
Finished goods		**107,962**	94,233
		471,698	**828,195**

10 TRADE DEBTS - Unsecured

Considered good		**313,952**	293,660

10.1 The ageing of trade debts as at 30 June is as follows:

Neither past due nor impaired		**313,952**	293,660

10.2 Following are the details of debtors in relation to export sales:

Name of Foreign Jurisdiction	Type of transaction		
Asia	Letter of Credit	**5,501**	13,037

11 LOANS AND ADVANCES - Unsecured, considered good

	Notes	2019	2018
Current portion of loans due from employees - Return free	7	**5,386**	1,412
Advances to employees - Return free	11.1	**1,307**	1,554
Suppliers and contractors - Return free		**163,400**	142,129
		170,093	**145,095**

11.1 Advances to employees are given to meet business expenses and are settled as and when the expenses are incurred.

12 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Trade deposits - Considered good, return free			
Short term deposits		**544**	544
Margin against bank guarantees		**7,470**	7,470
		8,014	8,014
Short term prepayments		**5,169**	4,852
		13,183	**12,866**

13 OTHER RECEIVABLES - Considered good

	Notes	2019	2018
Sales tax claim	13.1	**13,502**	13,502
Export rebate receivable		**13,920**	13,386
Refundable input tax	13.2	**21,415**	29,570
Other receivable	13.3	**73,149**	73,476
		121,986	**129,934**

13.1 Represents claims of sales tax filed before the collector of sales tax and large tax payer unit for the different periods.

13.2 This mainly include refundable input tax from M/s. Peshawar Electric Supply Company (PESCO).

13.3 This represent amount paid under protest by the Company on the basis of decision of the Custom Tribunal. However the Company has filed reference before the Honourable High Court against the decision of the Tribunal. In the reference numerous legal issues has been raised on the basis of which the Company anticipate that the order of the Tribunal will be vacated and amount will be refunded and if not refunded, will be charged off.

14 SHORT TERM INVESTMENTS

At fair value through profit and loss

2019	2018		Notes	2019	2018
---(Number of Share)---				-----(Rupees in '000')-----	
--	94,805	Cherat Cement Ltd		--	9,218
17,717	17,717	BankIslami Pakistan Ltd		**204**	212
6,930	6,930	Samba Bank Ltd		**31**	53
2,603	2,603	Faysal Bank Ltd		**56**	68
92,500	92,500	Zeal Pak Cement Ltd		**--**	--
119,750	**214,555**			**291**	**9,551**

15 CASH AND BANK BALANCES

	Notes	2019	2018
Cash in hand		**2,728**	2,936
Cash at banks:			
- Current accounts		**67,510**	95,330
- Deposit / saving accounts	15.1	**780**	219
		68,290	95,549
		71,018	**98,485**

15.1 These represent deposit accounts and saving accounts with commercial banks carrying profit ranging from 3.5% to 10.25% (2018: 4% to 5.6%) per annum.

16 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2019	2018		2019	2018
-----(Number of Share)-----			-----(Rupees in '000')-----	
431,125,000	431,125,000	Ordinary shares of Rs. 10/- each issued as fully paid in cash	**4,311,250**	4,311,250
21,250,000	21,250,000	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	**212,500**	212,500
31,738,343	31,738,343	Ordinary shares of Rs. 10 each issued on conversion of loan from sponsors	**317,383**	317,383
484,113,343	**484,113,343**		**4,841,133**	**4,841,133**

16.1 At reporting date, 131,625,455 shares (2018: 131,625,455 shares) are held by associated companies.

		Notes	2019	2018
17	**SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**		-----(Rupees in '000')-----	
	Gross surplus			
	Opening balance		**8,541,534**	8,852,817
	Transfer to unappropriated profit in respect of ncremental depreciation charged during the current year		**(273,408)**	(311,283)
		17.1	**8,268,126**	8,541,534
	Deferred tax liability			
	Opening balance		**(2,239,617)**	(2,314,652)
	On incremental depreciation for the year		**77,803**	91,833
	Effect of reduction in effective tax rate on account of a portion of the income of the Company being assessed under Final Tax Regime		**26,608**	(16,798)
			(2,135,206)	(2,239,617)
			6,132,920	**6,301,917**

17.1 This represents surplus on revaluation of leasehold land, freehold land, buildings on leasehold land and quarry development, buildings and civil works on freehold land and plant and machinery. The revaluation are carried on the basis of market value or depreciated replacement values as applicable. The latest revaluation was carried out on 30 June 2017 by an independent valuer M/s Anderson Consulting (Private) Limited which resulted in surplus on property, plant and equipment amounting to Rs. 2,626.751 million.

17.2 The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

18 LONG TERM FINANCING

	Notes	2019	2018
Long-term loan financial institution - Secured			
Long term loan - I	18.1	**93,333**	93,333
Long term loan - II	18.2	**200,000**	200,000
Long term loan - III	18.3	**300,000**	300,000
Long term loan - IV	18.4	**75,000**	75,000
Long term loan - V	18.5	**500,000**	500,000
Long term loan - VI	18.6	**350,000**	350,000
Long term loan - VII	18.7	**92,861**	92,861
Long term loan - VIII	18.8	**250,000**	250,000
Restructured long term financing - I	18.9	**143,246**	243,246
Restructured long term financing - II	18.10	**79,587**	96,342
Restructured long term financing - III	18.11	**47,222**	58,333
		2,131,249	2,259,115

	Notes	2019	2018
		-----(Rupees in '000')-----	
Present value adjustment		**(60,259)**	(60,259)
		2,070,990	2,198,856
Total interest charged to profit and loss account		**40,277**	31,471
		2,111,267	2,230,327
Current maturity of long term financing		**(127,866)**	(127,866)
Overdue portion of long term financing		**(1,861,194)**	(1,861,194)
	25	**(1,989,060)**	(1,989,060)
		122,207	**241,267**

18.1 Represents loan obtained from a Development Financial Institution (DFI) carrying mark up at the rate of KIBOR plus 2.5% per annum with sales price of Rs.120 million and purchase price of Rs.234.4 million. The loan is repayable in 9 equal semi-annual installments commencing one year after the date of disbursement of loan i.e. April 26, 2006. The loan is secured by way of hypothecation ranking charge over fixed assets to be converted in to first pari passu charge within 90 days from the date of disbursement.

18.2 Represents loan obtained from a DFI carrying mark up at the rate of KIBOR plus 3.25% per annum with sales price of Rs.200 million and purchase price of Rs.289.375 million. The loan is repayable in 8 equal semi-annual installments starting two years after the date of disbursement of loan i.e. November 1, 2006. The loan is secured by way of ranking charge convertible to a first pari-passu charge within ninety days of the disbursement of the facility over all present and future fixed assets of the Company with a margin of 25 percent.

18.3 Represents loan obtained from a DFI carrying mark up at the rate of KIBOR plus 4.5% per annum with sales price of Rs.300 million and purchase price of Rs.637.685 million. The loan is repayable in 6 equal semi-annual installments commencing thirty months after the date of disbursement of loan i.e. November 7, 2006. The loan is secured by way of first pari-passu charge over all present and future fixed assets of the Company and corporate guarantees provided by certain group companies.

18.4 Represents loan obtained from a DFI carrying mark up at the rate of KIBOR plus 3% per annum with sales price of Rs.75 million and purchase price of Rs.117.729 million. The loan is repayable in 8 equal semi-annual installments commencing two years after the date of disbursement of loan i.e. July 28, 2006. The loan is secured by way of hypothecation ranking charge over all present and future fixed assets of the Company with 25% margin to be converted in to first pari-passu charge in favour of the DFI within 120 days from the date of first drawdown of the facility.

18.5 Represents loan obtained from a commercial bank carrying mark up at the rate of KIBOR plus 2.5% per annum with sales price of Rs.500 million and purchase price of Rs.975.562 million. The loan is repayable in 10 equal semi-annual installments commencing 30 months after the date of disbursement of loan i.e. October 31, 2006.

The loan is secured by creating first pari-passu charge by way of hypothecation over the hypothecated assets in the sum of Rs.666.667 million in favour of the bank and creation of first pari-passu charge by way of mortgage by deposit of title deeds in respect of the mortgaged properties in the sum of Rs. 666.667 million in favour of the bank.

18.6 Represents loan obtained from a commercial bank carrying mark up at the rate of KIBOR plus 2.5% per annum with sales price of Rs.500 million and purchase price of Rs.700 million. The loan is repayable in 10 equal semi-annual installments commenced from December 2006. The loan is secured by creating first pari passu hypothecation charge over present and future plant and machinery and creation of first pari passu equitable mortgage charge over all land and building.

18.7 Represents loan obtained from a commercial bank carrying mark up at the rate of 3 months KIBOR plus 2% per annum with sales price of Rs.165 million and purchase price of Rs.239.309 million. The loan is repayable in 13 equal quarterly installments beginning one year after the date of restructuring of terms of loan i.e. June 28, 2008. The loan is secured by creating first pari-passu charge by way of hypothecation over the hypothecated assets in the sum of Rs.240 million in favour of the bank. Initially a ranking charge is created which will be upgraded to first pari passu charge with in 120 days of draw down.

18.8 Represents loan obtained from a commercial bank carrying mark-up at the rate of 3 months KIBOR plus 2% per annum with sales price of Rs.250 million and purchase price of Rs.353.136 million. The loan is repayable in eight equal quarterly installments commencing from the fifth quarter from date of disbursement. The financing is secured by ranking hypothecation charge and equitable mortgage over fixed assets of the Company valuing Rs.333.33 million with 25% margin. The charge was to be converted into first pari passu within 180 days from date of disbursement.

18.9 A settlement has been reached on 18 October 2012 with a lender by way of compromise agreement executed between the Company and bank, and consequently a compromise decree has been passed by Honourable High Court. The entire principle amounts of demand finance, export re-finance, advance against TFCs and liability against letter of credits aggregating Rs.843.246 million are now repayable in 33 equal installments of Rs.25 million each and last installment of Rs.18.246 million. The settlement of mark-up will be subject to the over all restructuring proposal offered to other lenders.

The loan is secured against joint pari-passu charge in the sum of Rs.426.667 million and Rs.186.66 million over present and future fixed assets of the Company and ranking charges of Rs.345 million and Rs.134 million over present and future current assets of the Company.

18.10 Advance for investment in term finance certificates from a lender has been restructured for which a compromise agreement has been executed dated 15 January 2013 thereby the liability has been acknowledged at principal outstanding amount of Rs.150 million which was repayable in 35 equal installments of Rs.4.160 million each and last installment of Rs.4.4 million commencing after grace period of one year. The liability is secured by first pari passu charge over plant and machinery and land and buildings.

A supplemental compromise agreement has been executed dated 9 May 2016 thereby the liability has been further rescheduled at principal outstanding amount of Rs.150 million (Rs.20.148 million has been paid at the time of signing of supplemental compromise agreement) and Rs.129.852 was repayable in 31 equal quarterly installments of Rs.4.189 million each commencing from 30 July 2016. The other terms and conditions will remain same as per the master agreement dated 15 January 2013.

18.11 Advance for investment in term finance certificates from a lender has been restructured for which a compromise agreement has been executed dated 13 September 2013 thereby the liability has been acknowledged at principal outstanding amount of Rs.100 million which is now repayable in 36 equal quarterly installments of Rs.2.777 million each commencing after grace period of one year. The liability is secured by first pari passu charge over plant and machinery and land and buildings.

18.12 The loans disclosed in 18.10 and 18.11 is interest free and have been measured at amortized cost in accordance with International Accounting Standard 39, Financial Instruments: Recognition and Measurement, and have been discounted using the weighted average interest rate ranging from 7% to 8% per annum.

18.13 The lenders listed in 18.1 to 18.8 are in litigation with the Company as more fully explained in note 26.1(a) and note 26.1(b) to the financial statements.

	Notes	2019	2018
19 ADVANCES FOR INVESTMENT IN TERM FINANCE CERTIFICATES		-----(Rupees in '000')-----	
Advance for investment in term finance certificates - Secured	19.1	**3,110,000**	3,110,000

19.1 It represents private placement (Pre-IPO) investment of Rs.3,110 million received as advanced against issue of rated, listed and secured term finance certificates out of total issue of Rs.5,000 million for a tenure of six years. The Company was required to complete the public offering on or before 270 days of signing of the respective agreements. i.e. 5 October 2008. The Company was unable to complete the requisite formalities of public offering due to the factors beyond its control (Force Majure) i.e. global recession and unforeseen shut down of stock exchanges. Following course, certain investors have filed suits and winding up petitions in Hon'able High Court of Sindh as more fully explained in note 26.1(a) and note 26.1(b) to the financial statements.

The principal terms and conditions for the proposed issue of rated, listed and secured Term Finance Certificates (TFCs) were as follows:

a) The tenor was six years inclusive of a grace period of 18 months.

b) Profit payments payable semi-annually in arrears on the outstanding principal amount and calculated on a 365-days year basis. The first profit payment will fall due six months from the issue date and subsequently every six months thereafter.

c) Carries a floating rate of return of KIBOR plus 2 percent per annum.

d) Will be redeemed in nine equal semi annual installments starting from the twenty-fourth month of the issue.

e) Secured by first pari passu charge over plant and machinery and land and buildings.

	Notes	2019	2018
20 LONG TERM DEPOSITS AND PAYABLES		-----(Rupees in '000')-----	
Security deposits	20.1	**644,331**	1,000,788
Retention money		**6,122**	4,467
Provision in respect of supplier's credit	20.2	**296,100**	218,880
		946,553	**1,224,135**

20.1 These represent return free security deposits received from stockists and are repayable on cancellation or withdrawal of stockists arrangement and are also adjustable against unpaid amount of sales.

20.2 Represents bills payable in respect of plant and machinery imported. In respect of such liability, in prior years, a memorandum of understanding was signed alongwith a repayment plan. However, in view of certain disputes, this amount is still appearing as payable. The matter is currently under litigation and the amount that would actually be payable and its timing are now considered to be uncertain. In view of the litigations and disputes in respect of amount involved, as well as, the expected time that litigation would entail, the management is confident that this provision is not payable within the next twelve months and has, accordingly, been included in non-current liabilities. The change in supplier's credit balance represents exchange loss which is taken into profit and loss account.

21 DEFERRED TAX LIABILITY - Net

Deferred taxation comprises temporary difference relating to:

	2019	2018
Accelerated tax depreciation	**3,609,491**	3,345,784
Surplus on revaluation of fixed assets	**2,250,747**	2,248,256
Provisions and others	**(65,468)**	(53,098)
	5,794,770	5,540,942
Effect of reduction in effective tax rate on account of transfer of income of the Company being assessed under Final Tax Regime	**(297,471)**	(389,267)
	5,497,299	5,151,675
Accumulated tax losses and available tax credits	**(1,925,905)**	(2,041,796)
	3,571,394	**3,109,879**

21.1 Movement of deferred tax liabilities

	2019	2018
Balance as at beginning of the year	**3,109,879**	2,968,545
Tax charge recognised in statement of profit or loss	**488,123**	124,536
Tax charge recognised in other comprehensive income	**(26,608)**	16,798
Balance as at end of the year	**3,571,394**	**3,109,879**

		Notes	2019	2018
22	**TRADE AND OTHER PAYABLES**		-----(Rupees in '000')-----	
	Creditors	22.1	**950,807**	1,188,153
	Accrued liabilities		**262,719**	225,754
	Advance from customers		**60,978**	22,808
	Custom duty payable		**22,848**	22,848
	Creditors for capital expenditure		**1,150**	2,210
	Excise duty and royalty payable		**193,698**	172,771
	Workers' Profits Participation Fund	22.2	**14,955**	67,164
	Workers' Welfare Fund	22.3	**40,051**	34,368
	Tax deducted at source		**16,472**	12,373
	Others		**146**	99
			1,563,824	**1,748,548**

22.1 This includes an amount of Rs.54.289 million (2018: Rs.54.289 million) representing overdue letters of credit which carry mark-up at the rate of 1 month KIBOR + 2% per annum (2018: 1 month KIBOR + 2% per annum).

22.2 Workers' profits participation fund

Opening balance		**67,164**	84,296
Provision for the year	31	**14,955**	67,164
Interest on fund utilised in the Company's business	33	**5,081**	6,798
		87,200	158,258
Payments made during the year		**(72,245)**	(91,094)
		14,955	**67,164**

22.3 Workers' welfare fund

Opening balance		**34,368**	37,941
Provision for the year	31	**5,683**	28,459
		40,051	66,400
Liability written back		**--**	(18,040)
Payments made during the year (adjustment against tax refundable)		**--**	(13,992)
		40,051	**34,368**

23 SHORT TERM BORROWINGS

From financial institutions:			
Running finance	23.1	**208,159**	208,159
Export refinance	23.2	**121,000**	121,000
Bridge finance - from syndicate	23.3	**250,000**	250,000
		579,159	**579,159**

23.1 Represents utilized portion of facility of Rs.200 million (2018: Rs.200 million). The running finance carries mark up at 6 months KIBOR plus 3% (2018: 6 months KIBOR plus 3%) per annum, payable quarterly in arrears. The facility is secured by way of first pari passu charge of Rs.234 million on the Company's stocks / book debts. This facility was valid upto 30 June 2009. The facility has expired and not been renewed by the bank.

23.2 The export refinance carries mark up at 7.5% per annum, payable quarterly. The facility is secured by way of pari passu charge of Rs. 237 million on stocks and book debts of the Company. These financing arrangement has expired and not been renewed by the bank.

23.3 The syndicated finance facility was obtained from two banks having share of Rs.150 million and Rs.100 million respectively. The syndicated loan carries mark up at 6 months KIBOR plus 2% per annum payable after 6 months. The facility is secured by way of first pari passu of Rs. 333.33 million on the Company's fixed assets. The facility was valid upto 12 September 2008 and has not been renewed by the banks.

23.4 The Company is in litigations with all of the above lenders as more fully explained in note 26.1(a) to the financial statements.

24 MARKUP PAYABLE

	Notes	2019	2018
		-----(Rupees in '000')-----	
Markup payable on:			
- advances for investment in term finance certificates		**398,488**	398,488
- long term financings		**342,519**	342,519
- short term borrowings		**51,654**	51,654
		792,661	**792,661**

25 CURRENT AND OVERDUE PORTION OF NON-CURRENT LIABILITIES

	Notes	2019	2018
Long term financings	18	**1,989,060**	1,989,060
Liabilities against assets subject to finance lease	25.1	**41,210**	41,210
		2,030,270	**2,030,270**

25.1 The Company has entered into lease agreements with certain leasing companies for lease of vehicles and machinery. Total lease rentals due under various lease agreements aggregate Rs.41.210 million (2018: Rs.41.210 million) payable in monthly/quarterly installments latest by January 2012. Overdue rental payments are subject to an additional charge upto 3% per month. Taxes, repairs, replacement and insurance costs are to be borne by the lessee. In case of termination of agreement, the lessee has to pay the entire rent for unexpired period. Financing rates ranging from 17.76% to 20.57% per annum have been used as discounting factor. Purchase options can be exercised by the lessee, paying 10% of the leased amount.

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

(a) In respect of liabilities towards banks / financial institutions disclosed in note 18, 19, 23 and 24 to the financial statements, lender banks / financial institutions have filed suits in Honorable High Court of Sindh at Karachi for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties. During the year ended 2017, out of these banks / financial institutions, certain lenders have entered into standstill agreements with the Company for an aggregate liability of Rs.6,078.45 million sought by lenders in the suits filed by them and it was agreed that the Company would settle all the liabilities at principle amount of Rs.4,751.87 million through disposal of its certain assets. Hence joint applications were filed in Honorable High Court to obtain consent decrees for the terms and conditions stipulated in standstill agreement and the consent decrees were obtained. However, due to non execution of the terms of the standstill agreement the lenders filed application with the Honorable Sind High Court for execution of consent decrees. The Company obtained stay against the said execution applications. For settlement of liabilities the Company entered into non-binding agreement for sale of its assets, but the sale could not be finalized, however, the Company is still under discussion with buyers for sale of its north plant. Consequent to which the Company would be able to settle the liabilities.

(b) Out of the lenders as disclosed in note 18, 19, 22.1, 23, 24 and 25 to the financial statements, some lenders did not become signatory of the settlement agreement and continue to pursue their suits filed in Honourable High Court of Sindh at Karachi for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties. The aggregate suits amount in respect of these is Rs.1,033 million, out of total suits amount certain banks / financial institutions having suits to the extent of Rs.532.045 million have also filed winding up petitions u/s 301 of the Companies Act, 2017. Since the Company is in dispute with banks / financial institutions therefore the estimated financial effect of litigations is not being disclosed, as it may have adverse effect on Company's position in the suits.

The default of the Company is attributable to the Arrangers of the proposed Term Finance Certificates [TFCs] as they took the Company towards engineered default. The Company withdrew the foreign currency Convertible Bond issue which was completed with regard to the investors and approvals from SECP and SBP were also in place in all respect; and converted this into local TFCs under the firm commitment of major banks of the Company that it would be closed within a few weeks. Unfortunately, the TFC issue has so far not been closed.

The management has disputed the claim and is strongly contesting the case. The management has filed counter claims alleging that the banks claims are highly exaggerated as they have charged mark-up on mark-up and other levies higher than the rate of mark-up agreed and other charges in violation of State Bank of Pakistan rules and all other applicable laws of Pakistan. The management is hopeful that the decision will be in favour of the Company and the base less suits shall be rejected by the concerned courts. Since all the cases are pending before Honourable Courts therefore the ultimate outcome cannot be established at this stage.

(c) On 27 August 2009, The Competition Commission of Pakistan imposed a penalty of Rs.6,312 million on the cement industry including a penalty of Rs.345 million on the Company. The Company has filed a petition against the order in the Honourable Lahore High Court on legal and factual grounds . Further, the Competition Ordinance, 2007 will require reconsideration and approval of National Assembly in line with the judgment of Honourable Supreme Court of Pakistan dated 31 July 2009. In view of above, management is hopeful that there will be no adverse outcome for the Company. Accordingly, no liability has been accounted for in the books of the Company.

(d) On 3 January 2008, the Company filed a refund claim for the period from 17 June 1994 to 18 April 1999, amounting to Rs.608.015 million before Collector of Sales Tax and Federal Excise (the department) in view of Supreme Court judgment regarding the value of goods for the purpose of imposition of excise duty, under section 4(2) of the Central Excise Act, 1944 (the "1944 Act"). In the Supreme Court judgment it has been categorically held that no excise duty could be added to the retail price for levying excise duty under section 4(2) of the 1944 Act.

The department in similar cases had filed petition for review of the judgment of the Supreme Court of Pakistan. Our refund application was returned with the comments that since the cases are sub judiced in review, the decision on refund will be taken after fate of review petitions. On 20 January 2009, these petitions were dismissed by the Honourable Supreme Court of Pakistan. The Company then immediately approached the Department for processing of refund. After a lapse of years we then approached the Islamabad High court and on 30th June 2016 the honourable high court asked the FBR to hear us and the date be given for hearing. We were then called by the Accountant Chief FBR and decision is awaited. As a matter of prudence the Company has not accounted for the above refund in the books of account of the Company.

(e) During the year June 2015, the Company filed a suit in High Court of Sindh at Karachi against orders passed by Deputy Commission Inland Revenue wherein the department unlawfully demanded extra sales tax and excise duty amounting to Rs.1,599.932 million on alleged suppressed sales. The said demand has been created by comparing the cost of fuel and power with the other cement companies, thereby determined the figures of sales based on additional power consumption. The Company has also filed an appeal before appellate tribunal against these orders. The honourable High court ordered remand back for rehearing at the collector appeals level. In our rehearing the collector Appeals decided the case in our favour.

The Department has moved to the Tribunal against the decision of the C.I.P. As the case is pending and on the basis of the decision by Collector Apples the management is hopeful that the case will be decided in favour of the Company as the same is based on hypothetical assumptions, hence no provision is made in these financial statements.

(f) Guarantees issued by commercial banks on behalf of the Company amounting to Rs.107.025 million (2018: Rs.107.025 millions).

(g) A Constitutional Petition was filed by the Company against the Customs Department to recover a sum of Rs.56 million representing the sale proceeds of certain goods of the Company auctioned by Customs Department and adjusted against unlawful demand / claim of Rs. 89 million. The said Petition is pending and is at the stage of arguments and Company expects the same will be decided in its favour and the amount will be refunded.

		Notes	2019	2018
27	**TURNOVER - Net**		-----(Rupees in '000')-----	
	Turnover - Local		**17,370,411**	19,381,636
	Federal excise duty		**(2,706,819)**	(2,706,053)
	Sales tax		**(3,001,151)**	(3,384,484)
	Sales incentives		**(262,300)**	(205,856)
			(5,970,270)	(6,296,393)
			11,400,141	13,085,243
	Turnover - Export		**720,703**	388,240
	Export expenses	27.1	**(66,819)**	(49,598)
			653,884	338,642
			12,054,025	**13,423,885**

27.1 Export expenses represent freight and handling charges and commission on export of cement during the year. The export expenses are net off with export rebates of Rs.2.163 million (2018: Rs.1.682 million).

		Notes	2019	2018
28	**COST OF SALES**			
	Opening stock		**322,928**	248,524
	Purchases during the year		**1,241,985**	1,451,028
	Raw and packing materials available for consumption		**1,564,913**	1,699,552
	Closing stock	9	**(195,822)**	(322,928)
	Raw and packing materials consumed		**1,369,091**	1,376,624
	Manufacturing expenses			
	Fuel and power		**6,754,472**	7,374,611
	Salaries, wages and benefits	28.1	**821,472**	831,793
	Stores and spares consumed		**573,929**	599,139
	Depreciation	5.3	**760,154**	857,050
	Repairs and maintenance		**91,904**	133,604

	Notes	2019	2018
		-----(Rupees in '000')-----	
Handling charges		**54,234**	65,061
Transportation charges		**54,873**	47,602
Security charges		**36,778**	28,242
Insurance expenses		**25,799**	24,004
Vehicle running expense		**14,295**	16,625
Consultancy charges		**7,670**	11,365
Rates and taxes		**1,225**	10,403
Equipment hire charges		**4,448**	8,783
General office expenses		**4,128**	6,684
Laboratory chemicals and quality control		**8,448**	4,205
Printing and stationery		**3,809**	4,132
Communication charges		**2,695**	2,663
Travelling and conveyance		**1,521**	2,115
Others		**6,391**	7,926
		9,228,245	10,036,007
Manufacturing cost		**10,597,336**	11,412,631
Work in process - Opening		**411,034**	359,820
Work in process - Closing	9	**(167,914)**	(411,034)
		243,120	(51,214)
Cost of goods manufactured		**10,840,456**	11,361,417
Finished goods - Opening		**94,233**	88,794
Finished goods - Closing	9	**(107,962)**	(94,233)
		(13,729)	(5,439)
		10,826,727	**11,355,978**

28.1 This includes Rs.21.261 million (2018: Rs.19.363 million) in respect of the Company's contribution for provident funds and Rs.2.897 million (2018: Rs.3.050 million) recognised against contribution to Employees Old Age Benefits Institution (EOBI).

29 DISTRIBUTION COST

	Notes	2019	2018
Salaries, allowances and benefits	29.1	**62,826**	63,809
Advertisement expenses		**17,763**	21,697
Fee and subscription		**10,703**	13,439
Transportation charges		**12,174**	12,388
Repairs and maintenance		**5,862**	6,086
Rent, rates and taxes		**5,225**	5,480
Insurance expenses		**6,064**	5,004
Traveling and conveyance		**9,206**	9,536
Communication charges		**1,911**	2,242
Depreciation	5.3	**192**	456
Others		**7,163**	16,459
		139,089	**156,596**

29.1 These include Rs. 2.464 million (2018: Rs.2.392 million) in respect of the Company's contribution for provident funds and Rs. 0.328 million (2018: Rs.0.162 million) recognized against contribution to EOBI.

30 ADMINISTRATIVE EXPENSES

	Notes	2019	2018
		-----(Rupees in '000')-----	
Salaries, allowances and benefits	30.1	**336,221**	275,961
Repairs and maintenance		**128,687**	189,418
Legal and professional charges		**85,584**	68,456
Travelling, conveyance and cartage		**38,735**	39,208
Vehicle running expenses		**19,817**	15,891
Rent, rates and taxes		**18,101**	22,394
Insurance expenses		**17,327**	9,893
Communication charges		**17,083**	15,104
Security service charges		**12,419**	7,315
Depreciation	5.3	**7,728**	9,488
Printing and stationery		**6,924**	6,014
Fee and subscription		**5,670**	17,326
Utilities		**5,045**	6,839
Entertainment expenses		**768**	3,943
Newspaper and periodicals		**101**	108
Other expenses		**1,010**	1,328
		701,220	**688,686**

30.1 This includes Rs.7.224 million (2018: Rs.7.988 million) in respect of the Company's contribution for provident funds and Rs.0.342 million (2018: Rs.0.368 million) recognized against contribution to EOBI.

31 OTHER OPERATING EXPENSES

	Notes	2019	2018
Workers' Profit Participation Fund	22.2	**14,955**	67,164
Workers' Welfare Fund	22.3	**5,683**	28,459
Exchange loss		**66,654**	29,964
Auditor's remuneration	31.1	**4,000**	3,800
Loss on remeasurement of short term investment		**42**	7,743
Loss on sale of property, plant and equipment	5.4	**--**	2,085
Loss on sales of short term investment		**--**	14,096
		91,334	**153,311**

31.1 Auditor's remuneration

	2019	2018
Audit fee	**2,800**	2,600
Review of condensed interim financial information	**900**	900
Review of Code of Corporate Governance	**300**	300
	4,000	**3,800**

32 OTHER INCOME

	Notes	2019	2018
Income from financial assets			
Profit on bank deposits		**2,184**	1,927
Gain on sale of investments		**267**	--
Dividend income		**268**	938
Income from non-financial assets			
Gain on disposal of operating fixed assets	5.4	**686**	--
Scrap sales		**146**	590
Liabilities no longer payable written back		**--**	196,676
		3,551	**200,131**

		Notes	2019	2018
33	**FINANCE COST**		-----(Rupees in '000')-----	
	Unwinding of discount		**8,806**	10,159
	Interest on workers' profits participation fund	22.2	**5,081**	6,798
	Commission on bank guarantees		**1,584**	1,586
	Bank charges		**5,271**	3,246
			20,742	**21,789**

33.1 Company has not made the provision of mark-up for the year amounting to Rs.787.131 million (Up to 30 June 2019: Rs.5,482.413 million) keeping in view that the admitted liability will be reduced to the principle amounts on account of settlement of liabilities in accordance with the standstill agreements with lenders executed during the year. Had the provision been made the profit for the year would have been lower by Rs.787.131 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.5,482.413 million. The said non-provisioning is a departure from the requirements of IAS-23 'Borrowing Costs'.

34 TAXATION - Net

	2019	2018
Current		
- for the year	**119,335**	249,169
- for prior years	**(53,690)**	(28,291)
	65,645	220,878
Deferred tax	**488,123**	124,536
Total tax charge	**553,768**	**345,414**

34.1 Reconciliation between tax expense and accounting profit

	2019	2018
Accounting profit before taxation	**278,464**	1,247,656
Tax on accounting profit @ 29% (2018: 30%)	**80,755**	374,297
Rebates under section 65B of the Ordinance	**(30,968)**	--
Tax effect of rebate / credits	**115,891**	285,461
Tax effect of income subject to final tax regime	**--**	(10,411)
Deferred tax charge not booked on final tax regime	**26,608**	(16,798)
Tax at reduced rate	**69,548**	(440,586)
Tax effect of permanent differences	**44,897**	(72,563)
Depreciation	**313,467**	232,596
Inadmissible expenses / tax effect of temporary differences	**(12,740)**	(20,113)
Super tax	**--**	41,822
Tax effect of prior year	**(53,690)**	(28,291)
	553,768	**345,414**

34.2 The Finance Act, 2017 has amended Section 5A of the Income Tax Ordinance, 2001 and introduced tax on every public company at the rate of 5% (2018: 5%) of its accounting profit before tax for the year. However, this tax shall not apply in case of a public company, which distributes at least 20% (2018: 40%) of its after tax profits within six (6) months of the end of the tax year through cash.

The Company filed a Constitutional Petition (CP) before the Sindh High Court (SHC) on 28 July 2017 challenging the vires of Section 5A of the Income Tax Ordinance,2001, and SHC accepted the CP and granted stay against the newly amended section 5A.

In case the SHC's decision is not in favour of the Company; the Company will either be required to declare dividend to the extent of 20% (2018: 40%) of after tax profits or it will be liable to pay additional tax at the rate of 5% (2018: 5%). Aggregate tax liability as at reporting date as per Section 5A, amounting to Rs.194.025 million (2018: Rs.180.102 million). No tax charge has been recorded by the company in these financial statements.

34.3 The assessments of the Company deemed to have been finalized upto and including tax year 2018.

35 (LOSS) / EARNINGS PER SHARE - Basic and diluted

35.1 (Loss) / earnings per share - Basic

		2019	2018
		-----(Rupees in '000')-----	
(Loss) / Profit after taxation attributable to ordinary shareholders		**(275,304)**	902,242
		-- (Number of shares '000) --	
Weighted average number of ordinary shares outstanding		**484,113**	484,113
Earnings per share - Basic and diluted	(Rupees)	**(0.57)**	1.87

35.2 (Loss) / earnings per share - Diluted

There is no dilution effect on (loss) / earnings per share of the Company.

36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	(Rupees in '000')							
Remuneration	**7,933**	7,740	**6,853**	64,915	**218,270**	115,380	**233,056**	188,035
House rent	**3,570**	3,483	**3,084**	29,212	**98,221**	51,921	**104,875**	84,616
LFA	**664**	322	**286**	286	**6,407**	4,054	**7,357**	4,662
Medical	**227**	425	**473**	549	**3,402**	8,156	**4,102**	9,130
Retirement benefits	**684**	484	**571**	571	**9,634**	9,404	**10,889**	10,459
Utilities	**793**	774	**685**	6,492	**21,827**	11,538	**23,305**	18,804
Others	**4**	4	**4**	7	**198**	170	**206**	181
	13,875	**13,232**	**11,956**	**102,032**	**357,959**	**200,623**	**383,790**	**315,887**
Number of persons	**1**	1	**1**	2	**57**	48	**59**	51

The directors and certain executives are also provided with free use of Company owned and maintained cars and other benefits in accordance with their entitlements as per rules of the Company.

37 RELATED PARTY DISCLOSURES

Related parties include subsidiaries, associated entities, directors, the other key management personnel and close family members of directors and other key management personnel. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name of the related party	Transactions during the year	2019	2018
		-----(Rupees in '000')-----	
Dewan Mushtaq Trade Limited	Sale of vehicles	--	8,716
Employees' Provident Fund Trust	Expense in relation to provident fund	61,899	59,486

38 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

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

The Company's objective in managing risk is the creation and protection of shareholders value. The Company’s risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

38.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other patty to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties 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 economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	2019		2018	
	"Financial assets"	"Maximum exposure"	"Financial assets"	"Maximum exposure"
	-------- (Rupees) --------		-------- (Rupees) --------	
Long term loans	**12,147**	**12,147**	17,690	17,690
Long term deposit	**128,256**	**128,256**	127,411	127,411
Trade debts	**313,952**	**313,952**	293,660	293,660
Loans and advances	**170,093**	**170,093**	145,095	145,095
Trade deposits	**8,014**	**8,014**	8,014	8,014
Other receivable	**73,149**	**73,149**	73,476	73,476
Short term investments	**291**	**291**	9,551	9,551
Cash and bank balances (excluding cash in hand)	**68,290**	**68,290**	95,549	95,549
	774,192	**774,192**	**770,446**	**770,446**

The Company manages credit risk of receivables through the monitoring of credit exposures and continuous assessment of credit worthiness of its customers.

The management believes that no provision is required during the year. Further credit risk in respect of trade debts is mitigated by the security deposits amounting to Rs.644.311 million (2018: Rs.1,000.788 million). The credit quality of the Company's receivable can be assessed with their past performance.

Cash and cash equivalents

The cash and cash equivalents are held with banks, which are rated as follows:

Name of Bank	Rating Agency	Rating Short term	Rating Long term
Habib Bank Limited	JCR-VIS	A-1+	AAA
United Bank Limited	JCR-VIS	A-1+	AAA
Allied Bank Limited	PACRA	A1+	AAA
BankIslami Pakistan Limited	PACRA	A1	A+
Bank Alfalah Limited	PACRA	A1+	AA+
National Bank of Pakistan	JCR-VIS	A-1+	AAA
The Bank of Punjab	PACRA	A1+	AA
Faysal Bank Limited	PACRA	A1+	AA
Meezan Bank Limited	JCR-VIS	A-1+	AA+
MCB Bank Limited	PACRA	A1+	AAA
Dubai Islamic Bank Limited	JCR-VIS	A-1	AA-

38.2 Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. At present the Company is facing liquidity problems and have been unable to make timely repayment of its liabilities resulting in overdues, further, the short term finance facilities have expired and not been renewed by the lenders.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments.

	Carrying Amounts	Contractual Cash flows	Six months or less	Six to twelve months	One to two years	Two to five years	More than five years
	-----Rupees in '000'-----						
2019							
Non-derivative financial liabilities							
Long term financings	**2,111,267**	**2,131,249**	**1,925,128**	**63,933**	**71,112**	**71,076**	**--**
Term finance certificates	**3,110,000**	**3,110,000**	**--**	**--**	**3,110,000**	**--**	**--**
Short term borrowings	**579,159**	**579,159**	**579,159**	**--**	**--**	**--**	**--**
Lease liabilities	**41,210**	**41,210**	**41,210**	**--**	**--**	**--**	**--**
Long term deposits and payables	**946,553**	**946,553**	**--**	**--**	**--**	**946,553**	**--**
Trade and other payables	**1,563,824**	**1,563,824**	**1,563,824**	**--**	**--**	**--**	**--**
Mark up payable	**792,661**	**792,661**	**792,661**	**--**	**--**	**--**	**--**
Dividend payable	**12,927**	**12,927**	**12,927**	**--**	**--**	**--**	**--**
Unpaid and unclaimed dividend	**1,780**	**1,780**	**1,780**	**--**	**--**	**--**	**--**
	9,159,381	**9,179,363**	**4,916,689**	**63,933**	**3,181,112**	**1,017,629**	**--**

	Carrying Amounts	Contractual Cash flows	Six months or less	Six to twelve months	One to two years	Two to five years	More than five years
	-----Rupees in '000'-----						
2018							
Non-derivative financial liabilities							
Long term financings	2,230,327	2,259,115	1,925,128	63,933	127,866	126,844	15,344
Term finance certificates	3,110,000	3,110,000	--	--	3,110,000	--	--
Short term borrowings	579,159	--	--	--	--	--	--
Lease liabilities	41,210	41,210	41,210	--	--	--	--
Long term deposits and payables	1,224,135	1,224,135	--	--	--	1,224,135	--
Trade and other payables	1,748,548	1,748,548	1,748,548	--	--	--	--
Mark up payable	792,661	792,661	792,661	--	--	--	--
Dividend payable	12,927	12,927	12,927	--	--	--	--
Unpaid and unclaimed dividend	1,780	1,780	1,780	--	--	--	--
	9,740,747	**9,190,376**	**4,522,254**	**63,933**	**3,237,866**	**1,350,979**	**15,344**

38.3 Market risk

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

38.3.1 Currency risk

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

The Company is exposed to foreign currency risk on purchases that are denominated in a currency other than Pak Rupees (PKR). As the Company exports its products, accordingly it is exposed to currency risk, primarily with respect to trade debts denominated in US Dollars (USD).

	2019		2018	
	Rupees	US Dollar	Rupees	US Dollar
Assets / (liabilities)	------------------(in '000')------------------			
Trade debts	**5,501**	**33**	13,037	107
Supplier credit	**(296,100)**	**(1,800)**	(218,880)	(1,800)
Advances from customers	**(60,978)**	**(371)**	(22,808)	(188)
	(351,577)	**(2,137)**	**(228,651)**	**(1,880)**

The following significant exchange rate applied during the year:

	Average rate		Balance sheet date	
	2019	2018	2019	2018
US Dollar	**155.25**	110.00	**164.50**	121.60

Sensitivity analysis

At reporting date, if PKR had strengthened by 5% against the US Dollar with all other variables held constant profit for the year would have been lower / higher by the amounts shown below, mainly as a result of foreign exchange difference on translation of foreign currency liabilities.

	2019		2018	
	Profit or loss		Profit or loss	
	Gross exposure	Net of tax exposure	Gross exposure	Net of tax exposure
	------------------(in '000')------------------			
Trade debts	**275**	**190**	652	450
Supplier credit	**(14,805)**	**(10,215)**	(10,944)	(7,551)
Advances from customers	**(3,049)**	**(2,104)**	(1,140)	(787)
	(17,579)	**(12,129)**	**(11,433)**	**(7,888)**

The 5% weakening of the PKR against US Dollar would have had an equal but opposite impact on the profit for the year on the basis that all other variables remain constant.

38.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	2019	2018
Variable rate instruments	-----(Rupees in '000')-----	
Financial assets		
Cash at bank - Deposits / PLS saving accounts	**780**	219
Variable rate instruments		
Financial liabilities		
Advances for investment in term finance certificates	**3,110,000**	3,110,000
Long term financings	**2,131,249**	2,259,115
Lease liabilities	**41,210**	41,210
Short term borrowings	**579,159**	579,159
Trade payables	**54,289**	54,289
	5,915,907	**6,043,773**

Fair value sensitivity analysis for fixed rate instruments:

The impact of change in fair value due to a change in interest rate is not considered to be material to

Cash flows sensitivity analysis for variable rate instruments:

Since the Company has not made provision of mark-up on its borrowings on account of restructuring proposal offered to lenders, therefore sensitivity analysis cannot be given.

38.3.3 Equity price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Company does not have investments in listed equity securities and is not exposed to market price risk.

38.4 Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, trade and other payables, less cash and bank balances and investments. Capital signifies equity as shown in the balance sheet plus net debt.

38.5 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operation behaviour. Operational risks arise from all the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its objectives of becoming a profitable organisation, producing high quality cement and generating returns for investors. Primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors.

38.6 Fair value of financial assets and liabilities

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities re?ected in the financial statements approximate their fair values.

Fair value hierarchy

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

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

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

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

	Level 1	Level 2	Level 3
	(Rupees in '000)		
2019			
Short term investments			
At fair value through profit and loss	**291**	**--**	**--**
2018			
Short term investments			
At fair value through profit and loss	**9,551**	**--**	**--**

39 CAPACITY - Clinker

	2019	2018
	(In Metric Tonnes)	
Annual installed capacity		
- South unit (Line I)	**900,000**	900,000
- South unit (Line II)	**960,000**	960,000
- North unit (Line I)	**540,000**	540,000
- North unit (Line II)	**540,000**	540,000
	2,940,000	**2,940,000**

	2019	2018
	---- (In Metric Tonnes) ----	
Actual production for the year		
- South unit (Line I)	**272,345**	464,796
- South unit (Line II)	**671,244**	823,643
- North unit (Line I)	**408,376**	436,688
- North unit (Line II)	**417,084**	371,667
	1,769,049	**2,096,794**

Actual production is less than the installed capacity due to planned maintenance, shutdown and gap between market demand and supply of cement.

40 PROVIDENT FUND RELATED DISCLOSURES

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

41 NUMBER OF EMPLOYEES

	2019	2018
	Numbers	
Number of employees as at 30 June	**114**	129
Number of factory employees as at 30 June	**618**	613
Average number of employees during the year	**124**	134
Average number of factory employees during the year	**613**	619

42 OPERATING SEGMENTS

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

- Revenue from sales of cement represents 100% of the gross sales of the Company.

- 3.98% (2018: 1.96%) of the gross sales of the Company are made to customers located outside Pakistan.

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

- Revenues of Rs.4,749.089 million (2018 Rs.4,032.927 million) are derived from three customers.

43 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified for the purpose of comparison and better presentation. Due to the application of IFRS 15, export expenses that were previously classified in distribution cost have now been netted off against export sales.

44 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorised for issue on **24th September 2019** by the Board of Directors of the Company.

45 GENERAL

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

Syed Muhammad Anwar	**Imran Ahmed Javed**	**Haroon Iqbal**
Chief Executive Officer	Chief Financial Officer	Director

Pattern of Shareholding under Regulation 37(xx)(i) of the Code of Corporate Governance As at June 30, 2019

	Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1.	Associated Companies	10	131,625,455	27.19%
2.	NIT and ICP	7	468,456	0.10%
3.	Directors, CEO, their Spouses & Minor Children	7	7,000	0.00%
4.	Executives	-	-	0.00%
5.	Public Sector Companies & Corporations	93	17,384,408	3.59%
6.	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	35	4,489,919	0.93%
7.	Individuals	9,748	330,138,105	68.19%
	TOTAL	9,900	484,113,343	100.00%

DETAILS OF CATAGORIES OF SHAREHOLDERS

	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1.	**Associated Companies**			
1.1	Dewan Motors (Pvt.) Limited	3	18,125,000	3.74%
1.2	Dewan Mushtaq Motors Company (Pvt) Ltd.	3	18,125,000	3.74%
1.3	Dewan Development (Private) Limited	2	30,000,000	6.20%
1.4	Dewan Farooque Motors Limited	2	65,375,455	13.50%
		10	**131,625,455**	**27.19%**
2.	**NIT and ICP**			
2.1	INVESTMENT CORPORATION OF PAKISTAN	2	2,150	0.00%
2.2	IDBP (ICP UNIT)	1	1,000	0.00%
2.3	National Bank of Pakistan	1	2,695	0.00%
2.4	National Bank Of Pakistan Employees Pension Fund	1	438,813	0.09%
2.5	National Bank Of Pakistan Emp Benevolent Fund Trust	1	15,398	0.00%
2.6	National Bank of Pakistan, Trustee Deptt.	1	8,400	0.00%
		7	**468,456**	**0.10%**
3.	**Directors, CEO, their Spouses & Minor Children**			
	Directors and CEO			
3.1	Mr. Haroon Iqbal	1	1,375	0.00%
3.2	Syed Muhammad Anwar	1	1,375	0.00%
3.3	Mr. Ghazanfar Babar Siddiqi	1	1,375	0.00%
3.4	Mr. Aziz-ul-Haque	1	1,375	0.00%
3.5	Mr. Ishtiaq Ahmad	1	500	0.00%
3.6	Mr. Waseem Ul Haque Ansari	1	500	0.00%
3.7	Mr. Muhammad Naeemuddin Malik	1	500	0.00%
		7	**7,000**	**0.00%**
	Spouses of Directors and CEO	**-**	**-**	**0.00%**
	Minor Children of Directors and CEO	-	-	-
		7	**7,000**	**0.00%**

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY

	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1	Dewan Development (Private) Limited	2	30,000,000	6.20%
2	Dewan Farooque Motors (Pvt.) Limited	2	65,375,455	13.50%
3	Dewan Muhammad Yousuf Farooqui	3	190,000,606	39.25%

DETAILS OF TRADING IN THE SHARES OF THE COMPANY BY DIRECTORS, CEO, CFO, COMPANY SECRETARY, THEIR SPOUSES AND MINOR CHILDREN

Name	Date of conversion of loan	No. of Shares

THE COMPANIES ORDINANCE, 1984 FORM 34

(Section 236(1) and 464)

PATTERN OF SHAREHOLDING

1. Incorporation Number **0007605**

2. Name of the Company **DEWAN CEMENT LIMITED**

3. Pattern of holding of the shares held by the Shareholders as at **30 06 2019**

4.

Number of Shareholders	Shareholdings				Total Shares held
716	1	-	100	Shares	35,259
2199	101	-	500	Shares	915,845
1551	501	-	1,000	Shares	1,491,719
2959	1,001	-	5,000	Shares	8,717,593
996	5,001	-	10,000	Shares	8,106,927
605	10,001	-	20,000	Shares	9,178,506
254	20,001	-	30,000	Shares	6,489,216
125	30,001	-	40,000	Shares	4,450,859
126	40,001	-	50,000	Shares	6,000,500
47	50,001	-	60,000	Shares	2,637,911
29	60,001	-	70,000	Shares	1,917,000
34	70,001	-	80,000	Shares	2,558,175
21	80,001	-	90,000	Shares	1,837,275
52	90,001	-	100,000	Shares	5,156,625
24	100,001	-	120,000	Shares	2,555,114
10	120,001	-	140,000	Shares	1,283,500
19	140,001	-	160,000	Shares	2,904,400
9	160,001	-	180,000	Shares	1,535,553
21	180,001	-	200,000	Shares	4,165,500
18	200,001	-	250,000	Shares	4,146,724
21	250,001	-	300,000	Shares	5,958,500
2	300,001	-	350,000	Shares	640,500
4	350,001	-	400,000	Shares	1,559,250
7	400,001	-	450,000	Shares	2,954,313
7	450,001	-	500,000	Shares	3,438,000
3	500,001	-	550,000	Shares	1,560,000
2	550,001	-	600,000	Shares	1,126,000
1	600,001	-	650,000	Shares	647,726
4	650,001	-	750,000	Shares	2,792,963
3	750,001	-	800,000	Shares	2,301,050
1	800,001	-	950,000	Shares	948,500
3	950,001	-	1,000,000	Shares	3,000,000
3	1,000,001	-	1,100,000	Shares	3,090,456
1	1,100,001	-	1,200,000	Shares	1,135,500
2	1,200,001	-	1,300,000	Shares	2,426,000
1	1,300,001	-	1,400,000	Shares	1,350,000
1	1,400,001	-	1,700,000	Shares	1,640,500
1	1,700,001		1,900,000	Shares	1,863,500
1	1,900,001	-	2,200,000	Shares	2,196,000
1	2,200,001	-	2,900,000	Shares	2,880,139
1	2,900,001	-	3,000,000	Shares	2,959,000
3	3,000,001	-	3,400,000	Shares	10,000,000
1	3,400,001	-	6,000,000	Shares	5,257,000

Number of Shareholders	Shareholdings				Total Shares held
3	6,000,001	-	10,000,000	Shares	29,360,178
1	10,000,001	-	12,000,000	Shares	11,738,343
1	12,000,001	-	13,000,000	Shares	12,867,734
1	13,000,001	-	15,000,000	Shares	14,776,250
1	15,000,001	-	17,000,000	Shares	16,322,744
1	17,000,001	-	21,000,000	Shares	20,639,822
1	21,000,001	-	70,000,000	Shares	65,374,818
1	70,000,001	-	81,000,000	Shares	80,000,000
1	81,000,001	-	100,000,000	Shares	95,224,356
9900			**TOTAL**		**484,113,343**

5.	**Categories of Shareholders**	**Shares held**	**Percentage**
5.1	Directors, Chief Executive Officer, their spouses and minor children	7,000	0.00%
5.2	Associated Companies, undertakings and related parties	131,625,455	27.19%
5.3	NIT and ICP	468,456	0.10%
5.4	Banks, Development Financial Institutions, Non-Banking Finance Companies	381,304	0.08%
5.5	Insurance Companies	2,698,500	0.56%
5.6	Modarabas and Mutual Funds	1,410,115	0.29%
5.7	Shareholders holding 5%	285,376,061	58.95%
5.8	General Public		
	a. Local	330,032,005	68.17%
	b. Foreign	106,100	0.02%
5.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	17,384,408	3.59%

FORM OF PROXY

I/We----------------------------------of--------------------------------- being member(s) of Dewan Cement Limited and holder of-------- ------------Ordinary Shares as per Share Register Folio No.---------- and/or CDS Participant I.D. No. --------------------------------------and Sub Account No.---------------- hereby appoint--of-------------------------- or failing him/her--of-------------------------as my proxy to vote for me and on my behalf at the 40th Annual General Meeting of the company to be held on Thursday, October 24th, 2019 at 04:00 p.m. and / or any adjournment there of.

Signed this--------------------day of------------------------2019

1. Signature:-----------------------------------

Witness: --------------------------------------

Name: --

Address: ------------------------------------

C.N.I.C. No: ---------------------------------

Passport No.: ------------------------------

Signature on Five Rupees Revenue Stamp

The Signature should agree with the specimen registered with the company

2. Signautre:-----------------------------------

Witness: --------------------------------------

Name: --

Address: ------------------------------------

C.N.I.C. /Passport No.:------------------

NOTES:

A member of the Company entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company, duly completed at our shares registrar transfer agent BMF Consultants Pakistan (Pvt.) Ltd. Anum Estate, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, Adjacent to Baloch Colony Bridge, Karachi, Pakistan. not less than 48 hours before the meeting. CDC account holders will further have the following guidelines as laid down by the Securities & Exchange Commission of Pakistan.

a. For Attending Meeting:
   i. In case of individual, the account holder of sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (CNIC) or original passport at the time or attending the meeting.
   ii. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

b. For Appointing Proxies.
   i. In case of individual, the account holder of sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
   ii. Two persons, whose names, addresses and CNIC numbers shall be mentioned on the form to witness the proxy.
   iii. Attested copies of CNIC or passport of the benefical owners and proxy shall be furnished with the proxy form.
   iv. The proxy shall produce his/her original CNIC or original passport at the time of meeting.
   v. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) alongwith the proxy form of the Company.

نتیجہ:

ہم آخر میں اللہ تعالیٰ رحمٰن ورحیم سے دعا کرتے ہیں اور حضرت محمد ﷺ سے فضل وکرم کی دعا مانگتے ہیں کہ ہماری کمپنی، ہمارے ملک کو ترقی و طاقت عطا کرے، ہم اللہ تعالیٰ سے یہ بھی دعا کرتے ہیں کہ وہ تمام مسلم امّہ کے مابین صحیح اسلامی جذبہ، اخوت اور بھائی چارگی پیدا کرے۔ آمین ثمہ آمین۔

سید محمد انوار
چیف ایگزیکیٹیو آفیسر

ہارون اقبال
ڈائریکٹر

کراچی مورخہ: **24 ستمبر 2019**

ہیومن ریسورسز اور اجرت کے بارے میں کمیٹی میٹنگ:

دوران سال ایچ آر کمیٹی کی صرف ایک میٹنگ منعقد کی گئی، اس میٹنگ میں درج ذیل ممبران نے شرکت کی:۔

ممبران کے نام:	میٹنگز میں شرکت کرنے کی تعداد:
جناب عزیز الحق	1
سید محمد انوار	1
جناب اشتیاق احمد	1

آڈیٹرز کی تقرری:

موجودہ آڈیٹرز میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس ریٹائر ہو رہے ہیں انہوں نے 30 جون 2020ء کو ختم ہونے والے سال کیلئے بطور آڈیٹرز دوبارہ تقرری کیلئے اپنی خدمات کی پیشکش کی۔

آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کو آنے والے سال کیلئے کمپنی کے آڈیٹرز کے طور پر تقرری کی سفارش کی ہے۔

اظہار تشکر:

بورڈ اپنے محترم شیئر ہولڈرز وفاقی اور صوبائی حکومت میں کام کرنے والوں، بینکس، ڈویلپمنٹ فنانشل انسٹی ٹیوشن اور کسٹمرز کا ان کی جانب سے مستقل تعاون اور سپورٹ پر شکریہ ادا کرنا چاہتے ہیں۔

بورڈ اپنے ایگزیکیٹیو اسٹاف ممبرز اور کمپنی کے ورکرز کا بھی شکریہ ادا کرنا چاہتے ہیں اور ان کی کوششوں کے لئے یہ تحسین آمیز کلمات ریکارڈ پر رکھنا چاہتے ہیں۔

ڈویڈنڈ:

بورڈ اس پوزیشن میں نہیں ہے کہ وہ زیر جائزہ مدت کے لئے ڈویڈنڈ کی سفارش کرے۔

کمپنی شیئرز میں تجارت:

کسی بھی ڈائریکٹرز، سی ایف او، کمپنی سیکریٹری، ان کی بیگمات و بچے سال کے دوران کمپنی کے شیئر میں کوئی تجارت نہیں کی جس کا انکشاف شیئر ہولڈنگ کے طریقہ کار میں پہلے ہی درج کر دیا گیا ہے۔

بورڈ کی میٹنگ:

دوران سال بورڈ آف ڈائریکٹرز کی پانچ میٹنگز منعقد ہو چکی ہیں، ان میٹنگز میں درج ذیل ڈائریکٹرز نے شرکت کی ہے:

ڈائریکٹرز کے نام:	میٹنگز میں شرکت کرنے کی تعداد:
جناب اشتیاق احمد	3
جناب ہارون اقبال	4
سید محمد انوار	4
جناب عزیز الحق	4
جناب غضنفر بابر صدیقی	4
جناب وسیم الحق انصاری	3
محمد نعیم الدین ملک	3

آڈٹ کمیٹی کی میٹنگ:

دوران سال آڈٹ کمیٹی کی چار میٹنگز منعقد ہو چکی ہیں، ان میٹنگز میں درج ذیل ممبران نے شرکت کی ہے:

ممبران کے نام:	میٹنگز میں شرکت کرنے کی تعداد:
جناب عزیز الحق	4
جناب اشتیاق احمد	4
جناب غضنفر بابر صدیقی	4

نظم وضبط کا اسٹیٹمنٹ اور مالیاتی رپورٹنگ کا فریم ورک:

ڈائریکٹرز یہ بتاتے ہوئے خوشی محسوس کررہے ہیں کہ آپ کی کمپنی سیکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان(SECP) کے تحت بہتر کارپوریٹ گورننس اور کوڈ کو یقینی بنانے کے لئے مستقل طور پر اقدامات کر رہی ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک کے بارے میں بیانات درج ذیل ہیں:

(الف) کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے کاروباری نتائج، نقد رقم کی ترسیل اور حصص میں ردوبدل کی شفاف عکاسی کرتے ہیں۔

(ب) کمپنی کے کھاتے مناسب طریقہ سے تیار کئے جاتے ہیں۔

(ج) مناسب محاسبی پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ محاسبی کے اندازے ماہرانہ اور محتاط فیصلوں پر مبنی ہوتے ہیں۔

(د) مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات، جو کہ پاکستان میں نافذ العمل ہیں، ان کی پیروی کی گئی ہے۔

(ھ) اندرونی کنٹرول کے نظام منظّم ہیں اور اس کی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔ اس کے پراسس کا جائزہ مستقل رہے گا اور کنٹرول میں کسی بھی کمزوری کو دور کر دیا جائے گا۔

(و) آنے والے سالوں میں کمپنی کے کاروباری تسلسل پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں جیسا کہ مالیاتی حسابات کے نوٹ نمبر 2 میں تفصیل درج کی گئی ہے۔

(ز) نظم وضبط کے حوالے سے کوئی بھی مواد قانون کے خلاف نہیں ہے جس کی تفصیلات لسٹ میں دی گئی ہے۔

(س) منسلک مالی حسابات میں انکشافات کے علاوہ کوئی بقایا ٹیکس اور محصول نہیں ہے۔

(ش) پروویڈنٹ فنڈ کی سرمایہ کاری کی ویلیو کا انحصار ان کے متعلقہ اکاؤنٹس مبلغ 245.147 ملین پر ہے۔

(ص) کمپنی کے شیئر ہولڈنگ کا طریقہ کار 30 جون 2019ء منسلک ہے۔

(ض) اقرار کنندگان اور متعلقہ افراد کی جانب سے جاری کردہ شیئرز کا اسٹیٹمنٹ۔ (الگ الگ دیا گیا ہے)۔

(ط) دوران سال منعقدہ بورڈ میٹنگز کا اسٹیٹمنٹ اور ہر ڈائریکٹر کی حاضری۔

(ظ) گزشتہ چھ سالوں کیلئے کمپنی کے اہم امور اور مالیاتی تفصیلات (الگ الگ دی گئی ہیں)۔

جاری مقدمہ سازی:

جہاں تک مالیاتی حسابات میں قرض دہندگان کے متعلق سوال ہے تو اس سلسلے میں وصولی کیلئے کئی مقدمے بینکس/ مالیاتی اداروں نے دائر کئے ہوئے ہیں اوران مقدموں کا دفاع وکلاء حضرات کامیابی سے کررہے ہیں مزید یہ کہ بینکس ان کیسز پر جو کہ زیر سماعت ہیں توجہ نہیں دے رہے ہیں۔ وکلاء نے ان مقدمات کے سلسلے میں اپنی رائے داخل کی ہے اس کا جائزہ لیا جارہا ہے تاکہ ان مقدمات کا کامیابی سے دفاع کیا جاسکے۔

آڈیٹرز رپورٹ کا جائزہ:

آڈیٹرز نے درج ذیل بنیاد پر اپنی رپورٹ مکمل کی ہے جس کی وضاحت درج ذیل ہے:

پری آئی پی او انویسٹمنٹ کے لئے ایڈوانس:

آڈیٹرز انتظامیہ کے ساتھ پری آئی پی او انویسٹمنٹ کیلئے ایڈوانس کی درجہ بندی مبلغ 3,110 ملین روپے بطور طویل مدتی قرضہ جات پر متفق نہیں ہیں۔

انتظامیہ کی رائے کے مطابق آئی پی او کو منتظمین نے بند نہیں کیا تھا لہٰذا ٹی ایف سی جاری نہیں کی جاسکی۔ ہم نے انہیں دوبارہ ترمیم کیلئے نظرثانی کی پیشکش کی تھی اور پوری امید ہے کہ یہ مستقبل قریب میں حل ہو جائے گا۔ یہاں یہ بھی تحریر کرنا ضروری ہے کہ تقریباً 27% قرضہ جات پر نظرثانی کی جاچکی ہے۔

مارک اپ کیلئے قواعد:

کمپنی نے مارک اپ مبلغ 787.131 ملین روپے کا حساب درج نہیں کیا جو کہ اس کے سودی قرضہ جات پر لگنا تھا۔

انتظامیہ نے طویل مدتی قرضہ جات کے سلسلے میں اپنے بینکرز/ مالیاتی اداروں سے رابطہ قائم کیا ہے اور انتظامیہ کو یقین ہے کہ کمپنی کی یہ تجاویز جو کہ انتظامیہ نے دی ہے اسے مالیاتی ادارے/ بینکرز منظور کرلیں گے۔ لہٰذا کمپنی نے مارک اپ درج نہیں کیا ہے کیونکہ مارک اپ کی ادائیگی نہیں کی جائے گی۔

مفروضہ سے متعلق امور:

آڈیٹرز نے کمپنی کی کاروباری صلاحیت کے متعلق تشویش پر پیراگراف کا اضافہ کیا ہے۔ انتظامیہ کی رائے کے مطابق کمپنی کی تجاویز کو مالیاتی ادارے/ بینکر قبول کرلینگے اوراس کی بنیاد پر مالیاتی حسابات تیار کئے گئے ہیں۔

ترسیلات	2019	2018	
	ٹن میں تعداد	ٹن میں تعداد	% اضافہ/(کمی)
مقامی ترسیل۔سیمنٹ	1,804,546	2,133,031	(15.40)
مقامی ترسیل۔ جی بی ایف ایس	5,500	19,724	(72.12)
برآمداتی ترسیل	137,857	81,225	69.72

ملک میں تعمیراتی سرگرمیوں میں کمی کے باعث کمپنی کی مقامی فروخت میں 15.40% کی کمی ہوئی۔جبکہ گزشتہ سال سے برآمداتی فروخت میں 69.72% کا اضافہ دیکھا گیا۔ایکسائز ڈیوٹی میں 20% اضافہ سے بھی کمپنی کے منافع پر منفی اثر پڑا ہے۔

مستقبل کا نظریہ:

انڈسٹری کی پیداواری صلاحیت 78.89% رہی۔ پلانٹ میں نئی گنجائشیں حاصل کی گئی ہیں اور مزید توسیع کی جا رہی ہے۔لیکن کئی جگہوں پر سرمایہ کے اخراجات اور پیداوار میں کمی کر دی گئی ہے۔سال 2017-18 کی GDP جو کہ 5.5% تھی سال 2018-19 میں کم ہو کر 3.29% ہو گئی۔اگر حالات بہتر ہو جاتے ہیں تو یہ 2022ء تک 78 ملین ٹن تک پہنچ جائے گا اور اضافی سپلائی کی صورت حال منافع پر اثر انداز ہو سکتی ہے۔

حکومت کی جانب سے CPEC (چائنا پاکستان اکنامک کوریڈور) اور PSDP (پبلک سیکٹر ڈویلپمنٹ پروگرام) کا جائزہ لیا جا رہا ہے۔مقامی مارکیٹ میں ڈیمز اور لاکھوں گھروں کے سالانہ منصوبے کے پیچھے برائے نام پیداوار متوقع ہے۔

مہنگائی،شرح سود میں اضافہ، روپے کی قدر میں کمی، ٹیکس اور ایکسل لوڈ کی پابندی ان پٹ لاگتوں پر دباؤ ڈالے گی۔حکومت کی جانب سے اعلان کردہ ٹیکس پالیسیوں کی وجہ سے ڈیلرز اور ریٹیلرز سیمنٹ کی خریداری کرنے سے گریزاں ہیں۔سیمنٹ کی قیمتیں مارجن کو متاثر کر رہی ہیں۔

ہم نے ایک دہائی میں برآمدات میں غیر معمولی اضافہ دیکھا ہے۔باوجود بھارت کی جانب سے پابندی کے باعث بنگلہ دیش اور سری لنکا کو کلنکر کی برآمدات اور امریکی ڈالر اور پاکستانی روپے میں شراکت کی وجہ سے برآمدات کی طلب میں اضافہ کی توقع ہے۔

ڈائریکٹرز رپورٹ

آپ کی کمپنی کی انتظامیہ کمپنی کی 40 ویں سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کررہی ہے جس کے ساتھ 30 جون 2019ء کو ختم ہونے والے مالیاتی سال کیلیئے آڈٹ شدہ اکاؤنٹس بھی منسلک ہے۔ انتظامیہ اور کمپنی کے شیئرز میں جب سے یوسف دیوان کمپنیز نے کنٹرول حاصل کیا ہے تب سے یہ 16 ویں سالانہ رپورٹ پیش کی جارہی ہے۔

جائزہ:

مالیاتی سال 19-2018 میں سیمنٹ انڈسٹری کے مجموعی پیداواری تناسب میں %2.13 کا معمولی اضافہ دیکھا گیا ہے۔ کل ترسیلات 46.87 ملین ٹن رہی جس میں 40.33 ملین ٹن مقامی اور 6.54 ملین ٹن کی برآمدات شامل تھی۔

گزشتہ مالیاتی سال میں ترسیلات 45.89 ملین ٹن رہی جس میں 41.15 ملین ٹن مقامی اور 4.75 ملین ٹن کی برآمدات شامل تھی۔ مقامی ترسیل میں %1.98 کی کمی تھی جبکہ برآمدات میں %37.72 غیر معمولی اضافہ دیکھا گیا۔

کمپنی کی کارکردگی:

مالیاتی نتائج کی تفصیلات درج ذیل ہے:

	2019	2018
	----------(Rupees in '000')----------	
فروخت		
۔ مقامی۔صافی	11,400,141	13,085,243
۔ برآمدات۔صافی	653,884	338,642
	12,054,025	13,423,885
خام منافع	1,227,298	2,117,505
قبل از ٹیکس صافی منافع	278,464	1,247,656
بعد از ٹیکس صافی منافع/(نقصان)	(275,304)	902,242
بنیادی آمدنی/(نقصان) فی شیئر	(0.57) روپے	1.87 روپے
آمدنی/(نقصان) کا تناسب فی شیئر	(0.57) روپے	1.87 روپے

چیئرمین کا جائزہ

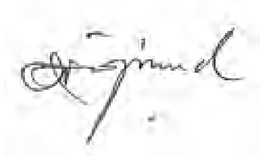
بورڈ آف ڈائریکٹرز کمپنی کی انتظامیہ کے ذمہ دار ہیں جو کہ تمام اہم پالیسیاں اور حکمت عملی مرتب کرتے ہیں۔ یہ بورڈ متعلقہ قوانین اور ضوابط کے تحت چلتا ہے ان کے فرائض، حقوق، ذمہ داریاں اور خدمات بیان کی گئی ہیں اور ان کی وضاحت کی گئی ہے۔

بورڈ آف ڈائریکٹرز ماہر افراد پر مشتمل ہیں جو اپنی بہترین صلاحیتوں کے ساتھ کمپنی کے مقاصد کے حصول کیلئے اپنی کوششیں بروئے کار لاتے ہیں۔

کمپنی کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لیا جاتا ہے۔ اس تشخیص کا مقصد بورڈ کی مجموعی کارکردگی اور کمپنی کے طے شدہ تناظر کے مقاصد میں اثر انداز ہونے والے عوامل کے خلاف پیمائش اور بینچ مارک کو یقینی بنانا ہے۔

30 جون 2019ء کو ختم ہونے والے مالی سال کے دوران بورڈ کی چار میٹنگز منعقد ہوئیں۔ کمپنی کے بورڈ آف ڈائریکٹرز نے بورڈ اور اس کی کمیٹی کی میٹنگز سے قبل مناسب وقت میں ایجنڈے اور معاون تحریری مواد سمیت فالو اپ میٹریل حاصل کیا۔

بورڈ کی مجموعی کارکردگی اطمینان بخش ہونے کے ناطے تمام ڈائریکٹرز ان اہم فیصلوں میں یکساں طور پر شامل ہیں۔



اشتیاق احمد

چیئرمین بورڈ آف ڈائریکٹرز

24 ستمبر 2019ء

۷۔ مالیاتی معلومات کی الیکٹرانک ترسیل۔

ایس ای سی پی نے اپنے نوٹیفکیشن SRO 787(1)/2014 مورخہ 8 ستمبر 2014ء کے ذریعے تمام کمپنیوں کو اختیار دیا ہے کہ وہ اپنی مالیاتی معلومات بشمول سالانہ عمومی اجلاس کے منٹس بذریعہ الیکٹرانک ترسیل اپنے شیئر ہولڈرز میں تقسیم کریں۔ جو ممبران اس سروس کو استعمال کرنا چاہتے ہیں وہ ہمیں اپنی تحریری اجازت دیں اور ہماری ویب سائٹ www.yousufdewan.com/dcl/index.html پر وزٹ کریں۔

a۔ میٹنگ میں حاضری کے لئے:

i کسی ایک فرد کے معاملے میں اکاؤنٹ ہولڈر اپنی شناخت ثابت کرنے کے لئے اپنے ہمراہ قومی شناختی کارڈ یا قومی پاسپورٹ لائیں گے۔

ii میٹنگ میں کارپوریٹ کی نمائندگی کے معاملے میں اپنے ہمراہ بورڈ آف ڈائریکٹرز کی جانب سے دی گئی پاور آف اٹارنی لائیں گے جس میں نامزد کردہ شخص کے حق میں تمام بورڈ کے ممبران کے دستخط ہونگے۔

b۔ پراکسی کی نامزدگی کے لئے:

i کسی ایک فرد کے معاملے میں میٹنگ میں شرکت کے لئے اکاؤنٹ ہولڈر اور سب اکاؤنٹ ہولڈر اور وہ شخص جس کے حصص گروپ اکاؤنٹ میں موجود ہیں اپنے ہمراہ پراکسی فارم لیکر آئیں گے۔

ii کسی دو اشخاص کے معاملے میں فارم پر دونوں کے قومی شناختی کارڈ نمبر اور ایڈریس پراکسی فارم پر موجود ہونے چاہیں۔

iii نامزد کردہ پراکسی اور اصل شیئر ہولڈر کے شناختی کارڈ کی تصدیق شدہ نقول لازمی ساتھ ہونی چاہیں

iv نامزد کردہ پراکسی میٹنگ میں شمولیت کے وقت اپنے ہمراہ اصل شناختی کارڈ/ پاسپورٹ لیکر آئیں گے۔

v میٹنگ میں کارپوریٹ کی نمائندگی کے معاملے میں اپنے ہمراہ بورڈ آف ڈائریکٹرز کی جانب سے دی گئی پاور آف اٹارنی لائیں گے جس میں نامزد کردہ پراکسی شخص کے حق میں تمام بورڈ کے ممبران کے دستخط ہونگے اور پراکسی فارم بھی لازمی ہے۔

۵۔ اُن شیئر ہولڈرز کے لئے نوٹس جنہوں نے اپنے شناختی کارڈ نمبر فراہم نہیں کئے ہیں۔

سیکیورٹیز اینڈ ایکسچینج کمیشن کی جانب سے مورخہ 5 جولائی 2012ء کو جاری کردہ ایس آر او نمبر 831(1)/2012 کے مطابق تمام شیئر ہولڈرز کو مستقبل میں ملنے والے ڈویڈنڈ ودھ ہیلڈ رقوم یا شیئرز کی منتقلی کے لئے شناختی کارڈ فراہم کرنا ضروری ہے اس لئے تمام شیئر ہولڈرز کو مطلع کیا جاتا ہے کہ وہ اپنے قومی شناختی کارڈ کی تصدیق شدہ نقول جلد از جلد کمپنی کو فراہم کریں۔

۶۔ شیئر ہولڈرز کے لئے ای۔ڈویڈنڈ کا منڈیٹ:

شیئر ہولڈرز میں کیش ڈویڈنڈ کو تقسیم کرنے کا زیادہ موثر نظام اختیار کرلیا گیا ہے جس کے تحت تمام حصص یافتگان کو کیش ڈویڈنڈ اُن کے اکاؤنٹس میں براہ راست ڈال دیا جائے گا۔ اس طرح تمام لوگ اپنے کیش ڈویڈنڈ کو فوراً نکال سکیں گے اور ماضی میں ہونے والے مسائل جیسے غلط پتے پر ارسال ہوجانا رونما نہیں ہونگے۔ سیکیورٹی اینڈ ایکسچینج کمیشن پاکستان (ایس ای سی پی) نے اپنے ایک نوٹس نمبر 8(4) SM/CDC 2008 مورخہ 5 اپریل 2013ء میں تمام کمپنیوں کو ای۔ڈویڈنڈ میکانزم اختیار کرنے کی ہدایت کی ہے۔ اس لئے تمام شیئر ہولڈرز سے درخواست ہے کہ وہ اس موثر سروس کا استعمال کریں اور اس ضمن میں اپنے مینڈیٹ دیں۔

نوٹس برائے سالانہ عمومی میٹنگ

بذریعہ نوٹس تمام کو مطلع کیا جاتا ہے کہ دیوان سیمنٹ لمیٹڈ کی سالانہ عمومی میٹنگ کا انعقاد بروز جمعرات مورخہ 24 اکتوبر 2019ء بوقت 4:00 بجے شام، دیوان سیمنٹ کی فیکٹری سائٹ، دیہہ دھندو، دھابیجی ضلع ملیر کراچی، پاکستان میں ہوگا جس میں بعد از تلاوتِ قرآنِ پاک اور دیگر مذہبی ادائیگیوں کے بعد مندرجہ ذیل معاملات زیر بحث لائے جائیں گے۔

عارضی کاروبار:

ا۔ مورخہ 25 اکتوبر بروز پیر 2018ء کو ہونے والی کمپنی کی غیر معمولی عام میٹنگ کے منٹس کی منظوری کو زیر بحث لایا جائے۔

۲۔ جانچ پڑتال کے بعد کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے برائے اختتام سال 30 جون 2019ء، بشمول ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی منظوری دی جائے۔

۳۔ اختتامی سال 30 جون 2020ء کے لئے آڈیٹرز کی تعیناتی کی تصدیق کی جائے گی اور اُن کا معاوضہ طے کیا جائے گا۔

۴۔ چیئرمین سے اجازت کے بعد دیگر کاروباری امور پر نظر ثانی۔

بحکم بورڈ

محمد حنیف جرمن
کمپنی سیکریٹری

کراچی: 27 ستمبر 2019ء

نوٹس

ا۔ کمپنی کی شیئر ٹرانسفر کے کھاتے 17 اکتوبر 2019ء سے 24 اکتوبر 2019ء تک بند رہیں گے۔

۲۔ ممبران سے درخواست کی جاتی ہے کہ وہ اپنے پتے کی تبدیلی کو فوراً کمپنی کے علم میں لائیں اور اس کی اطلاع ہمارے شیئر رجسٹرار ٹرانسفر ایجنٹ النعم اسٹیٹ روم نمبر 310، 311، تیسری منزل، دارالامان سوسائٹی، شاہراہ فیصل نزد بلوچ کالونی پُل، کراچی پاکستان پر دیں۔

۳۔ کمپنی کا ممبر میٹنگ میں حاضر ہونے اور ووٹ دینے کا اختیار کسی دوسرے کو بطور پراکسی دے سکتا ہے۔ مکمل پُر ہوئے پراکسی فارم مورخہ میٹنگ کے شروع ہونے سے 48 گھنٹے پہلے تک کمپنی کو موصول ہو جانے چاہیں۔

۴۔ CDC اکاؤنٹ ہولڈرز کے لئے سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی روشنی میں درج ذیل ہدایات جیسا کہ سرکلر نمبر 01 مورخہ 20 جنوری 2000ء میں تحریر کیا گیا ہے، پر عمل کرنا ضروری ہے۔

پراکسی فارم

میں/ہم ___________ کی جانب سے ___________ بحثیت دیوان سیمنٹ کے ممبران اور ________ عام حصص یافتہ فی حصص اندراج فولیونمبر ___________ اور

/یا CDS شرکاءآئی ڈی نمبر ___________ اورسب اکاؤنٹ نمبر ___________ اپنی طرف سے ___________ کوبطور پراکسی نامزد کرتے ہیں۔یہ میری/ہماری جانب سے

جمعرات مورخہ 24،اکتوبر 2019ءشام 4:00 بجے منعقدہ کمپنی کی 40ویں سالانہ عمومی میٹنگ میں ووٹ دینے کے مجاز ہیں۔

دستخط برائے ___________ بتاریخ ___________ 2019ء

ا۔	دستخط	___________	پانچ روپے کے ریونیواسٹیمپ پر دستخط
۲۔	گواہ	___________	کمپنی میں کیئے جانے والے دستخط
	نام	___________	سے مختلف نا ہوں
	پتہ	___________	
	شناختی کارڈنمبر	___________	
	پاسپورٹ نمبر	___________	

نوٹس

کمپنی کاممبر میٹنگ میں حاضر ہونے اورووٹ دینے کا اختیار کسی دوسرے کوبطور پراکسی دے سکتا ہے۔مکمل پُر ہوئے پراکسی فارم میٹنگ کے شروع ہونے سے 48 گھنٹے پہلے تک ہمارے شیئرٹرانسفرایجنٹ بی ایم ایف کنسلٹنٹس پاکستان پرائیویٹ لمیٹڈکوزیل درج پتے پر موصول ہوجانے چاہیں۔انعم اسٹیٹ روم نمبر 310،311،تیسری منزل،دارالامان سوسائٹی،شاہراہ فیصل نزدبلوچ کالونی پُل۔

CDC اکاؤنٹ ہولڈرز کے لئےسیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی روشنی میں درج ذیل ہدایات پرعمل کرناضروری ہے۔

a۔میٹنگ میں حاضری کے لئے

i کسی ایک فرد کے معاملے میں اکاؤنٹ ہولڈراپنی شناخت ثابت کرنے کے لئے اپنے ہمراہ قومی شناختی کارڈیاقومی پاسپورٹ لائیں گے۔

ii میٹنگ میں کارپوریٹ کی نمائندگی کے معاملے میں اپنے ہمراہ بورڈ آف ڈائریکٹرز کی جانب سے دی گئی پاورآف اٹارنی لائیں گےجس میں نامزدکردہ شخص کے حق میں تمام بورڈ کےممبران کے دستخط ہونگے۔

۔ پراکسی کی نامزدگی کے لئے:

i کسی ایک فرد کے معاملے میں میٹنگ میں شرکت کے لئے اکاؤنٹ ہولڈراورسب اکاؤنٹ ہولڈراوروہ شخص جس کے حصص گروپ اکاؤنٹ میں موجود ہیں اپنے ہمراہ پراکسی فارم لیکرآئیں گے۔

ii کسی دواشخاص کے معاملے میں فارم پر دونوں کے قومی شناختی کارڈنمبراورایڈریس پراکسی فارم پر موجودہونے چاہیں۔

iii نامزدکردہ پراکسی اوراصل شیئرہولڈر کے شناختی کارڈ کی تصدیق شدہ نقول لازمی ساتھ ہونی چاہیں

iv نامزدکردہ پراکسی میٹنگ میں شمولیت کے وقت اپنے ہمراہ اصل شناختی کارڈ/پاسپورٹ لیکرآئیں گے۔

v میٹنگ میں کارپوریٹ کی نمائندگی کے معاملے میں اپنے ہمراہ بورڈ آف ڈائریکٹرز کی جانب سے دی گئی پاورآف اٹارنی لائیں گےجس میں نامزدکردہ پراکسی شخص کے حق میں تمام بورڈ کےممبران کے دستخط ہونگے اور پراکسی فارم بھی لازمی ہے۔

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