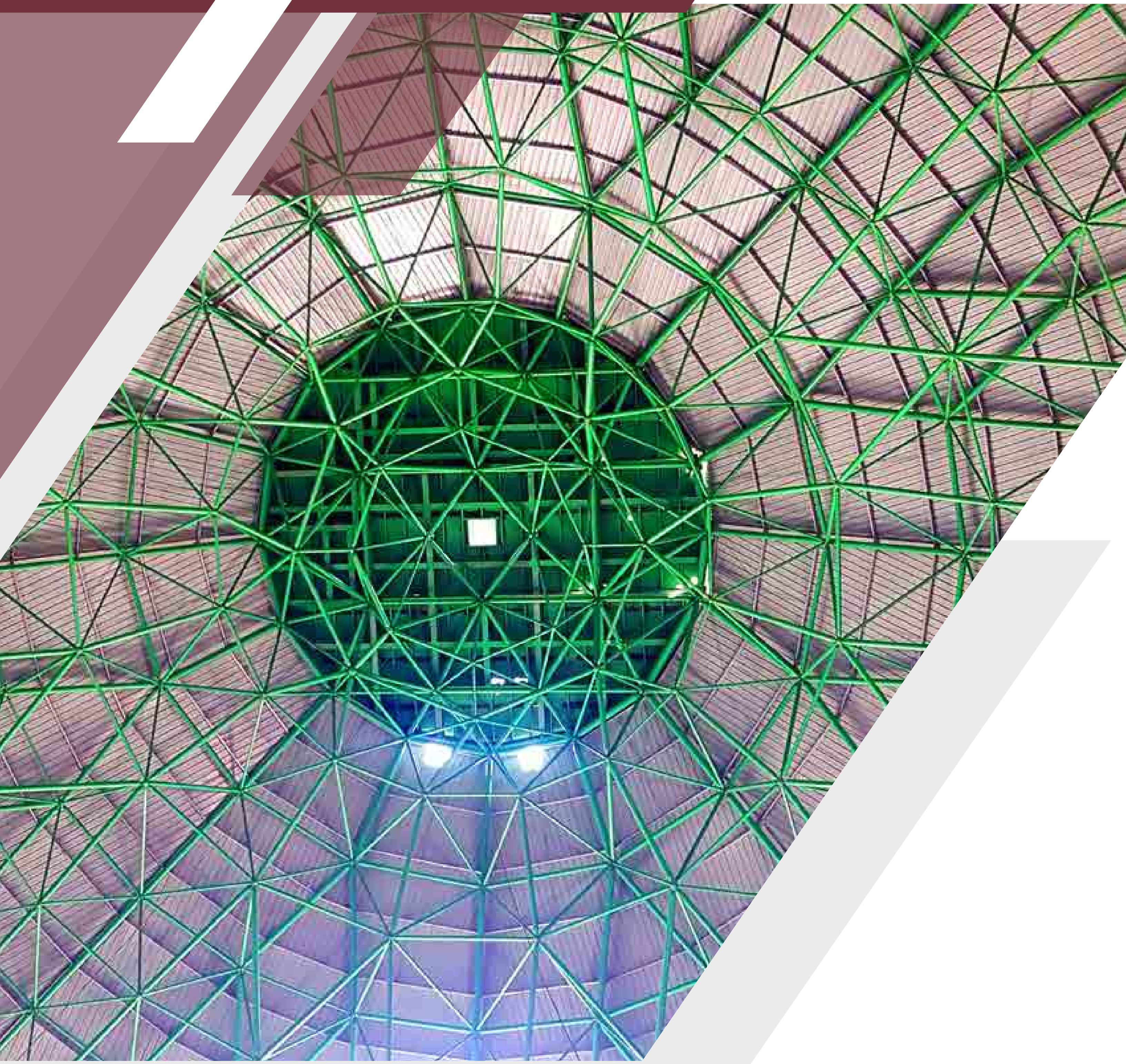
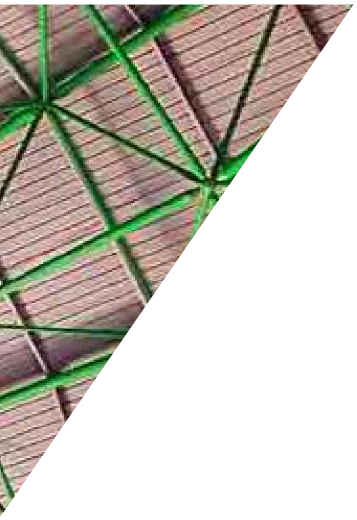
PIONEER CEMENT LIMITED.

ENDURING **STRENGTH**

Annual Report 2019

For The Year Ended June 30, 2019





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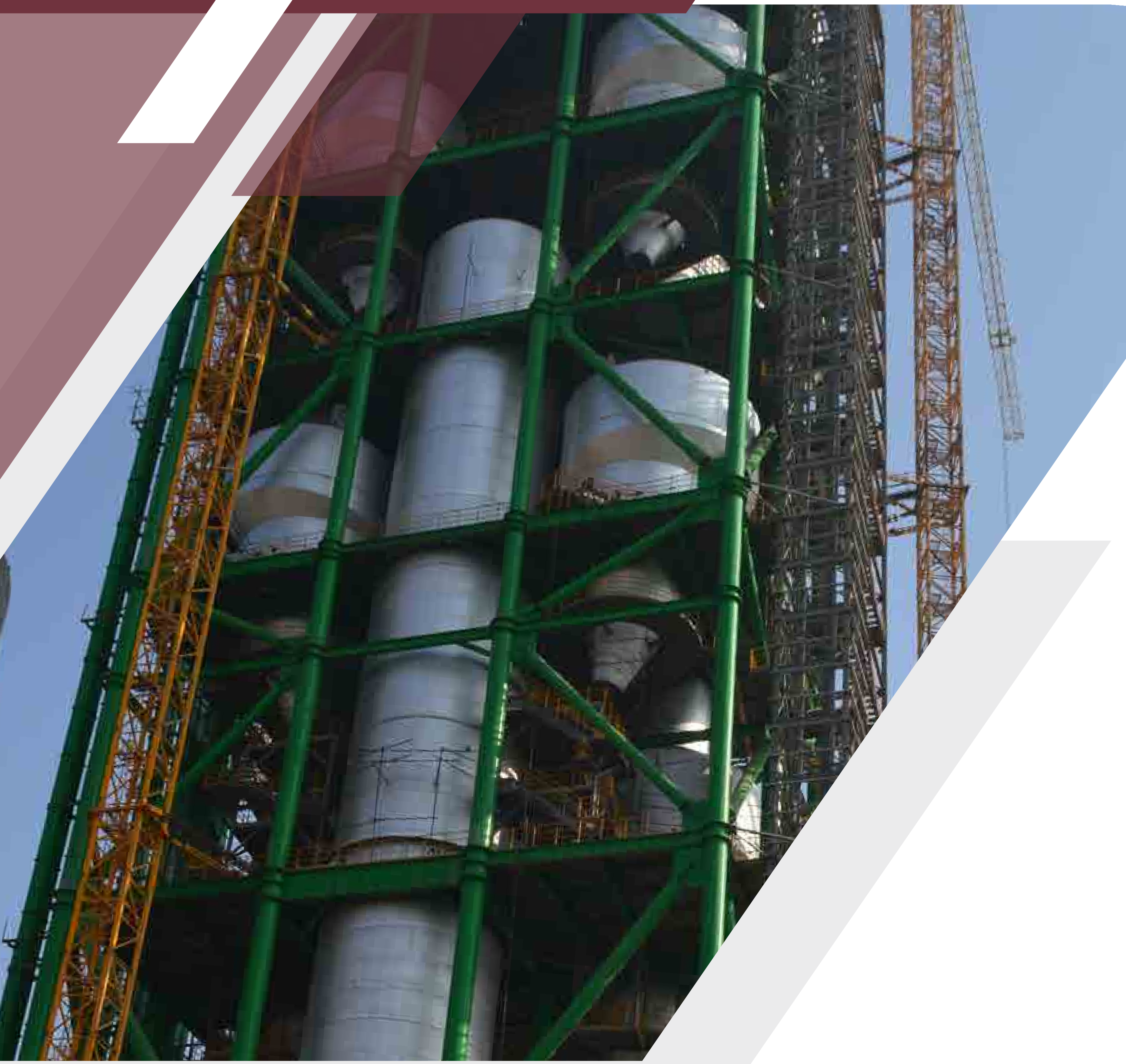


VISION & MISSION

VISION & MISSION

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

STRATEGIC GOALS

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

BUSINESS ETHICS

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

QUALITY POLICY

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

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

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

CORE VALUES

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

FINANCIAL RESULTS 2019

- Net Sales Revenue — Rs. 9,733.65 million
- Gross Profit — Rs. 2,134.69 million
- Operating Profit — Rs. 1,593.94 million
- EBITDA — Rs. 2,102.99 million
- Profit after Taxation — Rs. 790.38 million
- Earnings per Share — Rs. 3.48
- Breakup Value per Share (June 30, 2019) — Rs. 58.65
- Market Value per Share (June 30 , 2019) — Rs. 22.65

MILESTONES

1986
Incorporation as a Public Limited Company

1992
Commissioning of production line-I and listing of shares

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

2001
Switchover from furnance oil to coal firing system

2004
Start of commissioning of production line-II

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

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

2007
Awarded Brand of the Year award

2014
Received Professional Excellence Award from ICAP

2016
Commissioned 12MW WHRPP

2017
Commencement of construction of 8000 TPD clinker plant and 12 MW WHRPP + 24MW CFPP

Started construction of new Head Office Building in Lahore

2018
Successful upgradation of existing cement grinding mills

TŪV AUSTRIA
ISO 9001:2015

TŪV AUSTRIA
ISO 14001:2015

WWF GREEN OFFICE

ENVIRONMENTAL INITIATIVES

ENSURING ENVIRONMENTAL FRIENDLY OPERATIONS, PRODUCTS AND SERVICES

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

We are consistently adopting the latest technologies that are cleaner and greener. Our plants and processes are constantly improving to become more energy efficient. The Green Office Diploma by WWF Pakistan is authentication of our quest towards a resource-efficient entity. Health, Safety and Environment (HSE) department at our plant plays a pivotal role in ensuring that we abide by international standards of having an eco-friendly and safe working environment.

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


RESCUE

SOCIAL RESPONSIBILITIES

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

EDUCATION

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

HEALTH AND SAFETY

Our healthcare initiatives reflect our commitment to continuously give back to the community by supporting those in need. Pioneer Medical Centre at our plant provides free medical and emergency ambulance service not only for employees but for entire community. A fully functional dispensary managed by the Punjab Social Security Corporation has been set up for employee care.

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

ENVIRONMENTAL PROTECTION

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

LOCAL COMMUNITY DEVELOPMENT

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

ART & CULTURE

In an effort to support native talent, Pioneer Cement, amongst a few art promoting companies, continued to harbor creative minds of the country by organizing our yearly Artist Residency Program. This was Pioneer Cement's third year doing so with six renowned visual artists, in collaboration with Canvas Gallery, who visited our plant and stayed there for two weeks to create locally inspired art. Each one of them created art in collaboration with our plant operations team. A formal unveiling of their work in the presence of our employees, art and craft students, businessmen, local dignitaries and community leaders was held in February at the plant. This event has gained popularity among the locals and inspired local artists to learn from these famous artists by observing pieces of art created at the plant.

CORPORATE INFORMATION

Board of Directors
- Mr. Aly Khan (Chairman)
- Mr. Arif Hamid Dar (CEO)
- Ms. Aleeya Khan
- Mr. Shafiuddin Ghani Khan
- Mr. Mohammad Aftab Alam
- Mr. Mirza Ali Hassan Askari
- Mr. Jamal Nasim
- Mr. Rafique Dawood

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

HR & Remuneration Committee
- Mr. Shafiuddin Ghani Khan (Chairman)
- Mr. Aly Khan
- Ms. Aleeya Khan
- Mr. Mohammad Aftab Alam
- Mr. Arif Hamid Dar (CEO)

Chief Financial Officer
- Mr. Waqar Naeem

Chief Internal Auditor
- Mr. Jamal-ud-Din

Company Secretary
- Mr. Abdul Wahab

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

Statutory Auditors
- EY Ford Rhodes
  Chartered Accountants

Legal Advisor
- Hassan & Hassan

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

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

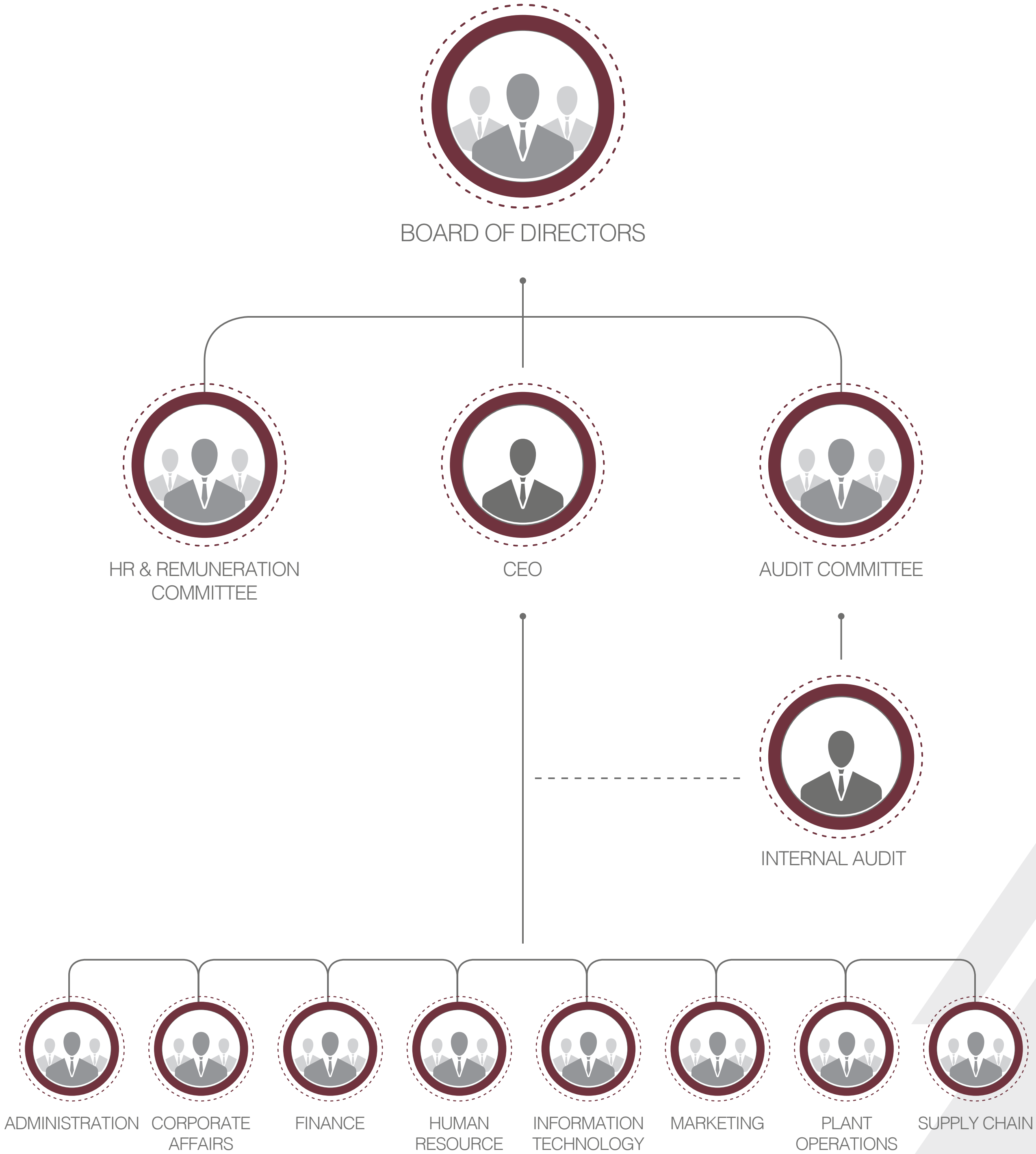
Regional Offices
Karachi Office
4th Floor, KDLB Building West Wharf,
Karachi
Tel: +92 (21) 32201232-3
Fax: +92 (21) 32201234
Email: pclkhi@pioneercement.com

Multan Office
House No. 218, Naqshband Colony
Khanewal Road, Multan
Tel: +92 (61) 6510404
Fax: +92 (61) 6510405

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

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

ORGANIZATIONAL STRUCTURE




PIONEER
CEMENT
STRENGTH

LIFE AT PIONEER

Pioneer Cement is one of the very few organizations that innovated and challenged the status quo to continuously improve and drive lasting values for its stakeholders. Inspiring industry through a value system developed and implemented for the long-term growth and stability of the organization, we have created an environment of trust and celebration for our employees. This has helped us generate better results and increased productivity at every level of the organization. Pioneer Cement always seeks out diversity and embraces different ideas, experiences and perspectives that generate admiration within society. Our emphasis on educational support continues to promote young talent.

BOARD OF DIRECTORS

Aly Khan | Chairman

Arif Hamid Dar | CEO

Aleeya Khan

Shafiuddin Ghani Khan

Mohammad Aftab Alam

Jamal Nasim

Mirza Ali Hassan Askari

Rafique Dawood

AUDIT COMMITTEE

Left to Right

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

HR & REMUNERATION COMMITTEE

Left to Right

Mr. Shafiuddin Ghani Khan (Chairman), Mr. Aly Khan, Ms. Aleeya Khan, Mr. Arif Hamid Dar (CEO) , Mr. Mohammad Aftab Alam

CHAIRMAN'S REPORT

I am pleased to present Pioneer Cement Limited's Annual Report for the year 2019.

This year, the industrial sector as a whole, witnessed unprecedented pressures; not only from a cost perspective, but also from an overall consumption perspective due to the quickly implemented various monetary and fiscal measures of the Government of Pakistan to achieve long-term macroeconomic stability.

The cement industry in particular has gone through a bumpy ride during the outgoing FY 2018-19. Total local sales volumes decreased by 1.98% compared to the corresponding year and margins contracted by an average of 8.12% due to escalated production costs caused by inflation, devaluation of the Pakistani Rupee and hikes in the State Bank's base interest rate.

Moving forward under the current circumstances, the Board of Directors of your Company has instructed the Management to focus on tirelessly creating efficiencies across the company's value chain to achieve a competitive edge in this challenging spell.

The Government's measures, while tough in the short-term, should enable long-term sustainable growth for the economy of our country and consequently the cement industry. Mega projects including the construction of dams and 5 million houses will be key consumption drivers along with robust private sector demand. Per capita consumption in similar sized economies is on average 1.35 times more than what we are at today.

Our room for growth is very clear.

We are also on track toward our Vision 2025. The installation of our new state-of-the-art 10,000 ton per day (TPD) capacity cement plant powered by a 24 MW coal fired power plant and 12 MW waste heat recovery power plant is at its commissioning stage. Soon your Company will be able to expand its market access across Pakistan as well as significantly capture untapped export potential. This will enable us to ensure strong future revenue flows to immediately service our debts as well as deploy funds toward our long-term goals further increasing our revenue and pay-out capacity.

Finally, on behalf of the Company, I would like to thank all our stakeholders in these uniquely difficult times for the confidence they place in Pioneer Cement.

This trust has empowered us to continue to move in a focused and positive direction in achieving our goals.

Aly Khan
Chairman
October 03, 2019

To the Shareholders

IN THE NAME OF ALLAH, THE MOST GRACIOUS, THE MOST MERCIFUL.

Directors of your Company present the annual report for the year ended June 30, 2019.

The Economy

Over the years, our economy has experienced frequent cycles of growth and bust due to structural issues. The consumption led growth has resulted in imbalance borrowings and high imports resulting in multiple challenges to the economy. Sustainable efforts are required to achieve long term growth and balance.

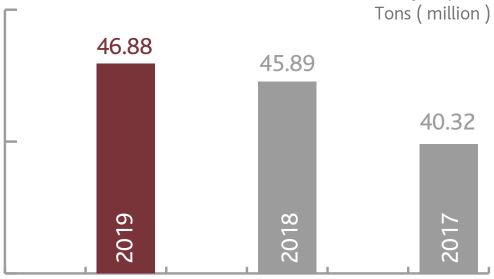
The economic growth was 3.29% with agriculture contributing 0.85%, industry 1.4% and services 4.7% growth. Large scale manufacturing as a whole has declined by 2.06%. To counter the inflation caused by devaluation of rupee, high fiscal and current account deficits and increase in oil prices, SBP has adopted contractionary monetary policy and has accordingly, increased the policy rate.

The Cement Industry

During the year total dispatches were 46.88 million tons as compared to 45.89 million tons last year, growth of 2.15%. 40.34 million tons cement was dispatched locally and 6.54 million tons was exported compared to local and export sale of 41.15 million tons and 4.74 million tons respectively last year.

Tons (million)

Dispatches	FY 2019	FY 2018	Variance
Local	40.34	41.15	(0.81)
Export	6.54	4.74	1.80
Total	46.88	45.89	0.99



Business Performance

Gross revenue earned during the year under review amounted to Rs. 14,180 million compared to Rs. 14,586 million last year, a drop of 2.78%. The breakup of total sale for the current year versus last year is as follows:

Rs. (million)

	FY 2019	FY 2018
Cement Sales		
Local	13,810	13,575
Exports	365	383
	14,175	13,958
Clinker Sale	05	627
Total	14,180	14,586

Production and Sales Volume

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

		FY 2019	FY 2018
Production Capacity			1,995,000
	Clinker	1,257,155	1,550,704
	Cement	1,442,610	1,543,325
Dispatches			
Domestic			
	Cement	1,384,238	1,475,956
	Clinker	-	100,915
		1,384,237	1,576,871
Exports			
	Cement	60,897	68,950
	Clinker	1,078	-
		61,975	68,950
Total Sales		1,446,213	1,645,821

Revenues and Cost of Production

Your Company earned a gross revenue of Rs. 14,180 million (2018: Rs. 14,586 million) and net revenue of Rs.9,734 million (2018: Rs. 10,121 million), thus registering a decline of 2.78% and 3.83% respectively.

The cost of sale has increased to Rs. 7,599 million (2018: Rs.7, 311 million) mainly due to:

- the devaluation of rupee against dollar and increase in paper prices in international market which has resulted increase in packing material cost which amounted to Rs. 776 million (2018: Rs. 620 million).

- though coal prices in international market dropped but due to depreciation of Pak rupee, the decline in prices could not offset the depreciation impact.

Operating and Financing Costs

- Distribution cost for the year increased by Rs. 15.47 million on account of sales promotions and increments. However, freight and handling charges dropped due to reduction in exports.

- Administrative expenses increased to Rs. 143.06 million (2018: Rs. 97.54 million) mainly on account of professional charges.

- Finance cost for the year has increased to Rs. 270.70 (2018: Rs. 94.90 million) due to increase in borrowings by the Company and increase in policy rate by SBP.

Profitability

For the year under review, gross profit was Rs. 2,134.69 million (2018: Rs. 2,810.67 million), decrease of Rs. 675.99 million (24.05%) over corresponding year due to the reasons explained above in the section of “Revenues and Cost of Production”.

During the year under review, GP margin has dropped to 21.93% compared to 27.77% margin last year. Operating profit has also dropped to Rs. 1,593.94 million (2018: Rs. 2,307.58 million). Due to volatility in the equity market, the Company had to provide for Rs. 180.90 million on its investment with mutual funds.
A summary of the profitability of PCL is shown below:

Rupees (000)

Results	FY 2019	FY 2018	Variance	
				%
Gross Profit	2,134,686	2,810,673	(675,987)	(24.05)
Operating Profit	1,593,938	2,307,581	(713,643)	(30.93)
Net Profit	790,377	1,644,020	(853,643)	(51.92)
Earnings Per Share (Rs)	3.48	7.24	(3.76)	(51.92)

Dividends

The Board of Directors in its meeting held on October 03, 2019 has recommended a final cash dividend of Rs. nil per share.

The Board

The Board comprises of seven non-executive directors including three independent directors. The position of the Chairman and the CEO are kept separate in line with the recommendation of the Code of Corporate Governance.

Meetings of Board of Directors and Committees

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

Name of Director	Status of Directorship	Committee		Attendance		
		Audit Committee	HR & Remuneration Committee	Board of Directors	Audit Committee	HR & Remuneration Committee
Mr. Aly Khan (Chairman of BoD)	Non-Executive	✓	✓	4/4	4	1/1
Ms. Aleeya Khan	Non-Executive	✓	✓	3/4	3	1/1
Mr. Mohammad Aftab Alam	Non-Executive	✓	✓	3/4	3	1/1
Mirza Ali Hassan Askari	Non-Executive	-	-	4/4	-	-
Mr. Shafiuddin Ghani Khan (Chairman of HR & Remuneration Committee)	Independent	✓	✓	4/4	4	1/1
Mr. Jamal Nasim (Chairman of Audit Committee)	Independent	✓	-	4/4	4	-
Mr. Rafique Dawood	Independent	-	-	4/4	-	-
Mr. Arif Hamid Dar	CEO	-	✓	4/4	-	1/1

Corporate and Financial Reporting Framework

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

The Board is pleased to confirm the following:

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

b) Proper books of account have been maintained.

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

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

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

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

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

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

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

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

i. Key operating and financial data for six years
ii. Statement of pattern of shareholding
iii. Statement of shares held by associated companies, undertakings and related persons
iv. Statement of other information

Corporate Social Responsibility

Health, Safety and Environment

The management is committed to provide its staff a safe, healthy and nurturing environment and accordingly has successfully achieved certification of ISO 9001:2015 and ISO 14001:2015. Further, your Company has also been awarded Green Office Diploma after complying with the criteria of reducing consumption of natural resources.

Gaseous and Dust Emission

The Company is dedicated to maintain a pollution free atmosphere and accordingly electrostatic precipitator and dust collectors have been installed at the production facility of the Company. Further, efficient coal firing burners have been installed that help in reducing environment pollution from nitrogen oxide and carbon monoxide. A Waste Heat Recovery Power Plant (WHRPP) has also been installed which produces electricity using the gases emitted during production process. Our under construction cement plant is of state of the art technology with efficient processes designed to save fuel and power consumption. It is also supported by a 12 MW WHRPP which will make our new plant even more environment friendly.

Employee Safety

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

Community Investment and Welfare Scheme

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

Contribution to National Exchequer

The Company contributed an amount of Rs. 4,883.42 million (2018: Rs. 6,437 million) into the Government Treasury on account of income taxes, levies, sales tax and excise duty. At the reporting date, an amount of Rs. 255.56 million (2018: Rs. 3 million) is payable to government departments which will be paid in due course.

EMPLOYEE WELFARE

Provident Fund / Gratuity

The Company operates a funded Provident Fund Scheme for all permanent employees while all contractual employees below the age of 60 years are provided with an unfunded Gratuity Scheme. The audited fair value of the investments of the Provident Fund as on June 30, 2019 was Rs. 124.14 million (2018: Rs. 159.1 million - audited).

Medical and Hospitalization

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

Human Capital

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

Directors' Training Program

Code of Corporate Governance requires all listed companies to make appropriate arrangements to conduct orientations and training courses for their directors. The Company is compliant to Section 20(a) of the Code of Corporate Governance with respect to Director's Training Program and during the year, no such program has been arranged.

Evaluation of Board's Own Performance

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

Auditors

EY Ford Rhodes will retire at the conclusion of the 33rd Annual General Meeting. They have offered themselves for reappointment. The Board hereby recommends EY Ford Rhodes for reappointment as suggested by Audit Committee.

Future Outlook

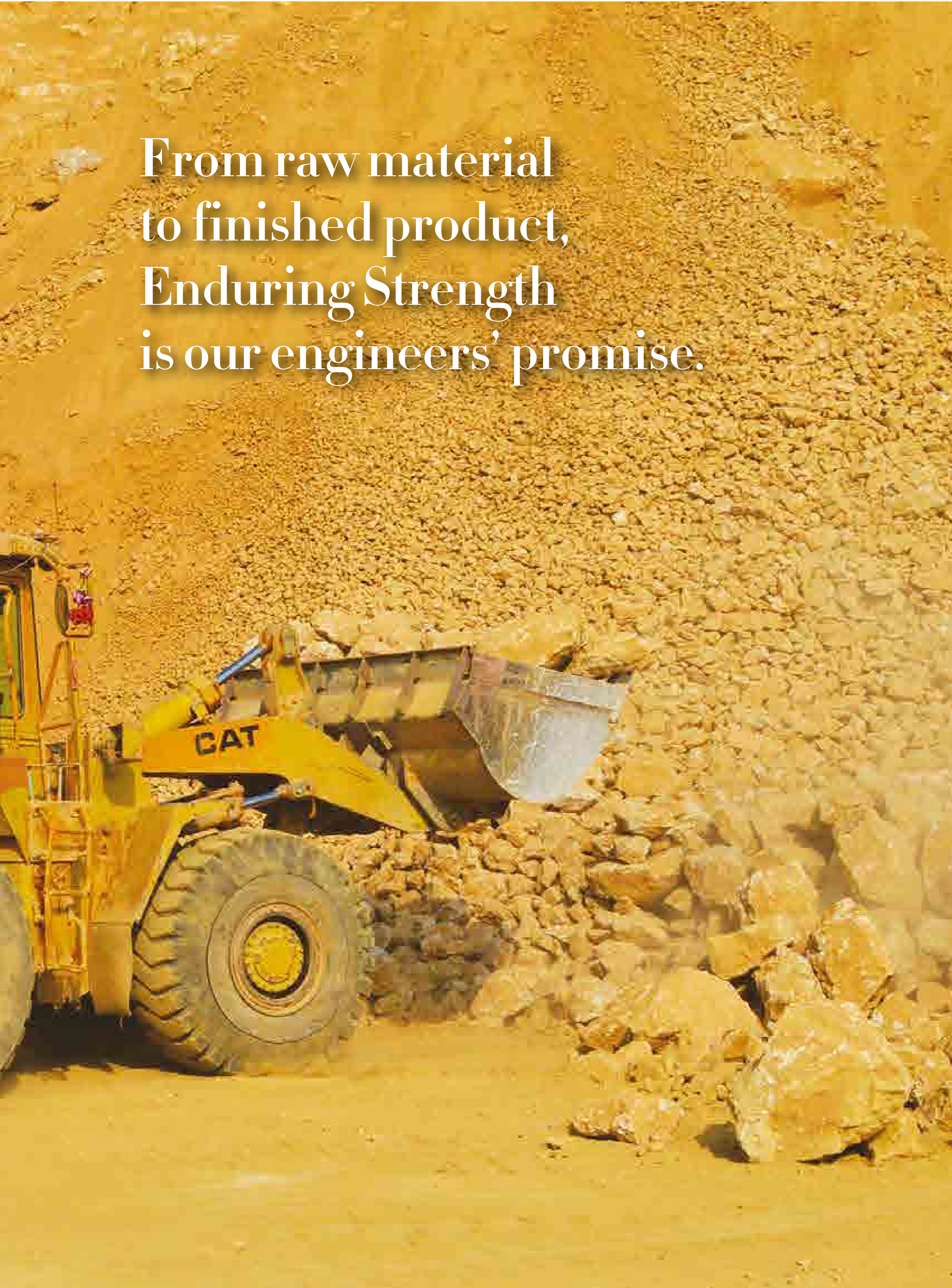
The electrical and mechanical erection work of our brown field 9,000 tons per day plant is at advanced stages. Installation of 12 MW Waste Heat Recovery Power Plant and 24 MW coal Power Plant is also being carried out. Your Company targets to expand the local and export market after the achievement of commercial operations which shall result in incremental returns to the shareholders.

Acknowledgement

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

For and on behalf of the Board

Arif Hamid Dar	**Aly Khan**
Chief Executive Officer	Chairman
October 03, 2019	October 03, 2019


From raw material
to finished product,
Enduring Strength
is our engineers' promise.
CAT

FINANCIAL HIGHLIGHTS 2019

FINANCIAL HIGHLIGHTS
SIX YEARS AT A GLANCE

Rupees in thousand	2019	2018	2017	2016	2015	2014
Production and Sales						
Clinker Production	1,257	1,551	1,564	1,185	1,014	1,189
Cement Production	1,443	1,543	1,405	1,345	1,210	1,194
Cement / Clinker Dispatches						
Domestic Market	1,384	1,577	1,634	1,310	1,143	1,048
International Market	62	69	36	46	68	142
	1,446	1,646	1,670	1,356	1,211	1,190
Capacity Utilization (based on installed capacity)	63%	78%	78%	59%	51%	60%

Rupees in million						
Financial position						
Assets Employed						
Property plant and equipment	36,106,52	22,920.02	12,237.40	10,384.00	7,330.70	7,509.40
Other long term assets	140.85	120.47	114.85	116.16	109.54	105.66
Current assets	6,030.04	6,070.88	5,407.92	4,267.51	4,674.14	4,262.03
Total Assets	42,277.41	29,111.37	17,760.17	14,767.70	12,114.35	11,877.07
Financed by						
Shareholders equity	10,505.27	10,517.41	9,519.11	7,820.70	6,720.32	5,134.77
Surplus on revaluation of fixed assets-net of tax	2,816.08	3,111.55	2,728.42	2,849.47	1,612.76	1,667.55
Long term liabilities	19,268.47	11,031.78	3,825.57	2,355.44	2,138.38	3,543.53
Other Current liabilities	9,687.60	4,450.63	1,687.07	1,742.09	1,642.89	1,531.21
Total Funds Invested	42,277.41	29,111.37	17,760.17	14,767.70	12,114.35	11,877.07
Turnover and profit						
Net turnover	9,733.65	10,121.32	10,630.99	9,366.53	8,425.77	8,024.78
Gross profit	2,134.69	2,810.67	4,428.31	4,005.20	3,165.50	2,588.97
Operating profit	1,593.94	2,307.58	4,104.20	3,864.08	3,520.30	2,553.20
Profit before taxation	1,323.23	2,212.69	4,069.51	3,846.61	3,501.46	2,430.02
Profit after taxation	790.38	1,644.02	2,917.55	2,518.78	2,496.14	1,768.86
EBITDA	2,102.99	2,821.60	4,569.36	4,245.85	3,869.60	2,949.98
Earnings per share (Rs.)	3.48	7.21	12.84	11.09	10.99	7.79
Breakup value per share (Rs.)	58.65	60.00	53.92	46.97	36.69	29.95
Cash flow summary						
Net cash generated from operating activities	3,284.90	1,775.38	1,751.13	3,149.90	2,556.73	2,267.29
Net cash (used in) / generated from	(13,591.03)	(9,051.39)	(2,429.46)	(2,729.26)	457.13	(810.13)
Net cash inflow / (outflow) from financing activities	10,023.79	7,460.25	326.87	(1,851.60)	(1,812.35)	(2,031.54)
Increase / (decrease) in cash and cash equivalents	(282.34)	184.24	(351.46)	(1,431.40)	1,201.51	(574.39)
Cash and cash equivalents at beginning of the year	493.26	309.02	660.48	2,091.90	890.40	1,464.79
Cash and cash equivalents at end of the year	210.92	493.26	309.02	660.50	2,091.91	890.40

FINANCIAL PERFORMANCE
SIX YEARS AT A GLANCE

	UoM	2019	2018	2017	2016	2015	2014
Profitability ratios							
Gross profit to sales	%	21.93	27.77	41.65	42.76	37.57	32.26
Operating profit to sales	%	16.38	22.80	38.61	41.25	41.78	31.82
Net profit before tax to sales	%	13.59	21.86	38.28	41.07	41.56	30.28
Net profit after tax to sales	%	8.12	16.24	27.44	26.89	29.63	22.04
EBITDA to sales	%	21.61	27.88	42.98	45.33	45.93	36.76
Return on equity (after tax)	%	34.80	72.38	128.44	110.89	109.89	77.87
Return on capital employed	%	5.85	11.97	37.50	49.32	49.85	44.79
Liquidity ratios							
Current ratio	Times	0.62	1.36	3.21	2.45	2.78	1.43
Acid test ratio	Times	0.39	0.88	2.18	1.82	1.93	0.86
EBITDA to current Liabilities	Times	0.22	0.63	2.71	2.44	2.30	0.99
Cash to current liabilities	Times	0.02	0.11	0.18	0.38	1.25	0.3
Cash flow from operating activities to sales	Times	0.34	0.18	0.16	0.34	0.30	0.28
Activity / turnover ratios							
Inventory turnover	Times	3.47	3.74	4.37	4.24	3.36	3.61
Inventory days	Days	105.27	97.59	83.58	86.08	108.66	101.13
Debtors turn over	Times	30.94	44.29	87.82	140.51	173.40	180.57
Debtors days	Days	11.80	8.24	4.16	2.60	2.10	2.02
Creditors turnover	Times	4.16	7.14	7.97	6.19	5.81	5.84
Creditors days	Days	87.79	51.12	45.80	58.97	62.81	62.52
Operating cycle	Days	29.27	77.64	41.94	29.71	47.95	40.63
Total assets turnover	%	23.02	34.77	59.86	63.43	69.55	67.57
Fixed assets turnover	%	26.90	44.16	86.34	89.54	113.85	105.93
Investment valuation ratios							
Earnings per share	Rupee	3.48	7.24	12.84	11.09	10.99	7.79
Price / earning ratio	Times	6.51	6.47	10.12	9.68	7.76	5.99
Market value per share as on June 30	Rupee	22.65	46.86	130.00	107.4	85.29	46.66
Cash dividend per share	Rupee	-	4.07	5.50	6.25	6.25	4.25
Dividend payout ratio	%	-	56.22	42.83	56.36	56.87	54.56
Capital structure ratios							
Financial leverage ratio	Times	1.85	2.51	6.66	19.28	10.40	5.14
Debt / equity ratio	Times	1.61	0.79	0.19	0.06	0.12	0.30
Interest coverage ratio	Times	5.89	24.32	118.30	221.17	62.50	16.45

ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Rupees in thousand	2019	2018	2017	2016	2015	2014
Share capital and reserves	10,505.27	10,517.41	9,519.11	7,820.70	6,720.32	5,134.77
Surplus on revaluation of fixed assets	2,816.08	3,111.55	2,728.42	2,849.47	1,612.76	1,667.55
Long term liabilities	19,268.47	11,031.78	3,825.57	2,355.45	2,101.16	2,092.60
Current liabilities	9,687.60	4,450.63	1,687.07	1,742.09	1,680.12	2,982.14
Total equity and liabilities	42,277.41	29,111.37	17,760.17	14,767.70	12,114.35	11,877.07
Non current assets	36,247	23,040.49	12,352.25	10,500.19	7,440.21	7,615.05
Current assets	6,030.04	6,070.88	5,407.92	4,267.51	4,674.14	4,262.02
Total assets	42,277.41	29,111.37	17,760.17	14,767.70	12,114.35	11,877.07

%						
Vertical analysis						
Share capital and reserves	24.85	36.12	53.60	52.95	55.47	43.23
Surplus on revaluation of fixed assets	6.66	10.69	15.36	19.30	13.31	14.04
Long term liabilities	45.58	37.90	21.54	15.95	17.34	17.62
Current liabilities	22.91	15.29	9.50	11.80	13.87	25.11
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	100.00
Non current assets	85.74	79.15	69.55	71.10	61.42	64.12
Current assets	14.26	20.85	30.45	28.90	38.58	35.88
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Horizontal analysis (i)						
Cumulative						
Share capital and reserves	104.59	104.83	85.39	52.31	30.88	100.00
Surplus on revaluation of fixed assets	68.88	86.59	63.62	70.88	(3.29)	100.00
Long term liabilities	820.79	427.18	82.81	12.56	0.41	100.00
Current liabilities	224.85	49.24	(43.43)	(41.58)	(43.66)	100.00
Total equity and liabilities	255.96	145.11	49.53	24.34	2.00	100.00
Non current assets	376.00	202.57	62.21	37.89	(2.30)	100.00
Current assets	41.48	42.44	26.89	0.13	9.67	100.00
Total assets	255.96	145.11	49.53	24.34	2.00	100.00
Horizontal analysis (ii)						
Year vs Year						
Share capital and reserves	(0.12)	10.49	21.72	16.37	30.88	15.58
Surplus on revaluation of fixed assets	(9.50)	14.04	(4.25)	76.68	(3.29)	(3.42)
Long term liabilities	74.66	188.37	62.41	12.10	0.41	(43.74)
Current liabilities	117.67	163.81	(3.16)	3.69	(43.66)	74.06
Total equity and liabilities	45.23	63.91	20.26	21.90	2.00	2.37
Non current assets	57.32	86.53	17.64	41.13	(2.30)	(3.61)
Current assets	(0.67)	12.26	26.72	(8.70)	9.67	15.13
Total assets	45.23	63.91	20.26	21.90	2.00	2.37

ANALYSIS OF STATEMENT OF PROFIT OR LOSS

Rupees in thousand	2019	2018	2017	2016	2015	2014
Net turnover	9,733.65	10,121.32	10,630.99	9,366.53	8,425.77	8,024.78
Cost of sales	(7,598.97)	(7,310.65)	(6,202.69)	(5,361.33)	(5,260.27)	(5,435.81)
Gross profit	2.134.69	2,810.67	4,428.31	4,005.20	3,165.50	2,588.97
Distribution cost	(182.38)	(166.91)	(94.06)	(59.98)	(56.97)	(53.14)
Administrative expenses	(143.06)	(97.54)	(84.58)	(81.54)	(71.02)	(63.87)
Other income / (charges)	(215.31)	(238.64)	(145.47)	0.40	482.79	81.25
Operating profit	1,593.94	2,307.58	4,104.20	3,864.08	3,520.30	2,553.20
Finance cost	(270.70)	(94.90)	(34.69)	(17.47)	(56.32)	(155.18)
Exchange gain	–	–	–	–	37.48	31.99
Profit before taxation	1,323.23	2,212.69	4,069.51	3,846.61	3,501.46	2,430.02
Taxation	(532.86)	(568.67)	(1,151.96)	(1,327.83)	(1,005.32)	(661.16)
Profit after taxation	790.38	1,644.02	2,917.55	2,518.78	2,496.14	1,768.86

%						
Vertical analysis						
Net turnover	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	(78.07)	(72.23)	(58.35)	(57.24)	(62.43)	(67.74)
Gross profit	21.93	27.77	41.65	42.76	37.57	32.26
Distribution cost	(1.87)	(1.65)	(0.88)	(0.64)	(0.68)	(0.66)
Administrative expenses	(1.47)	(0.96)	(0.80)	(0.87)	(0.84)	(0.80)
Other income / (charges)	(2.21)	(2.36)	(1.37)	0.00	5.73	1.01
Operating profit	16.38	22.80	38.61	41.25	41.78	31.82
Finance cost	(2.78)	(0.94)	(0.33)	(0.19)	(0.67)	(1.93)
Exchange gain	–	–	–	–	0.44	0.40
Profit before taxation	13.59	21.86	38.28	41.07	41.56	30.28
Taxation	(5.47)	(5.62)	(10.84)	(14.18)	(11.93)	(8.24)
Profit after taxation	8.12	16.24	27.44	26.89	29.63	22.04
Horizontal analysis (i)						
Cumulative						
Net turnover	21.29	26.13	32.48	16.72	5.00	100.00
Cost of sales	39.79	34.49	14.11	(1.37)	(3.23)	100.00
Gross profit	17.55	8.56	71.05	54.70	22.27	100.00
Distribution cost	243.19	214.08	77.00	12.87	7.20	100.00
Administrative expenses	123.98	52.71	32.42	27.66	11.20	100.00
Other income / (charges)	(364.99)	(393.71)	(279.03)	(99.50)	494.20	100.00
Operating profit	(37.57)	(9.62)	60.75	51.34	37.88	100.00
Finance cost	74.45	(38.85)	(77.64)	(88.74)	(63.70)	100.00
Exchange gain	(100.00)	(100.00)	(100.00)	(100.00)	17.16	100.00
Profit before taxation	(45.55)	(8.94)	67.47	58.30	44.09	100.00
Taxation	(19.41)	(13.99)	74.23	100.83	52.05	100.00
Profit after taxation	(55.32)	(7.06)	64.94	42.40	41.12	100.00
Horizontal analysis (ii)						
Year vs Year						
Net turnover	(3.83)	(4.79)	13.50	11.17	5.00	6.03
Cost of sales	3.94	17.86	15.69	1.92	(3.23)	5.28
Gross profit	(24.05)	(36.53)	10.56	26.53	22.27	7.63
Distribution cost	9.27	77.45	56.83	5.29	7.20	(40.93)
Administrative expenses	46.67	15.32	3.73	14.81	11.20	2.56
Other income / (charges)	(9.78)	64.05	(36,106.19)	(99.92)	494.20	(435.61)
Operating profit	(30.93)	(43.78)	6.21	9.77	37.88	14.55
Finance cost	185.26	173.52	98.59	(68.98)	(63.70)	(8.87)
Exchange gain	–	–	–	(100.00)	17.16	(83.14)
Profit before taxation	(40.20)	(45.63)	5.79	9.86	44.09	8.08
Taxation	(6.30)	(50.64)	(13.24)	32.08	52.05	(7.30)
Profit after taxation	(51.92)	(43.65)	15.83	0.91	41.12	15.22

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2019

Number of shareholders	Shares held From	To	Total shares held
1796	1	100	57,018
2222	101	500	660,340
1768	501	1,000	1,435,437
2134	1,001	5,000	5,415,175
508	5,001	10,000	4,019,320
198	10,001	15,000	2,524,214
119	15,001	20,000	2,219,174
81	20,001	25,000	1,909,804
52	25,001	30,000	1,481,780
36	30,001	35,000	1,213,176
33	35,001	40,000	1,266,963
15	40,001	45,000	648,564
36	45,001	50,000	1,780,864
13	50,001	55,000	689,500
23	55,001	60,000	1,341,612
9	60,001	65,000	566,829
8	65,001	70,000	547,056
12	70,001	75,000	875,295
13	75,001	80,000	1,016,090
7	80,001	85,000	573,693
14	85,001	90,000	1,225,300
4	90,001	95,000	368,258
16	95,001	100,000	1,597,600
3	100,001	105,000	309,000
7	105,001	110,000	755,984
6	115,001	120,000	703,552
4	120,001	125,000	496,500
1	125,001	130,000	125,771
3	130,001	135,000	402,000
3	140,001	145,000	428,055
2	145,001	150,000	300,000
1	150,001	155,000	153,000
4	155,001	160,000	634,400
1	160,001	165,000	162,234
2	180,001	185,000	367,300
2	185,001	190,000	380,000
1	190,001	195,000	193,900
7	195,001	200,000	1,397,200
2	200,001	205,000	405,000
1	205,001	210,000	207,000
1	210,001	215,000	211,682
1	220,001	225,000	225,000
3	225,001	230,000	679,856
1	240,001	245,000	244,000
3	245,001	250,000	743,500
1	255,001	260,000	257,000
1	280,001	285,000	281,000
5	295,001	300,000	1,499,000
1	300,001	305,000	304,000
1	310,001	315,000	312,500
1	315,001	320,000	318,300
1	320,001	325,000	322,353

	Shares held		
Number of shareholders	From	To	Total shares held
1	360,001	365,000	360,900
1	370,001	375,000	372,000
1	375,001	380,000	379,500
3	395,001	400,000	1,200,000
1	415,001	420,000	417,900
1	420,001	425,000	425,000
1	425,001	430,000	428,000
1	445,001	450,000	445,100
1	485,001	490,000	490,000
1	500,001	505,000	503,000
1	510,001	515,000	511,500
1	530,001	535,000	535,000
1	570,001	575,000	574,000
1	575,001	580,000	577,000
2	585,001	590,000	1,179,600
1	595,001	600,000	600,000
1	620,001	625,000	623,600
1	695,001	700,000	700,000
1	715,001	720,000	716,000
1	720,001	725,000	720,300
1	725,001	730,000	727,100
1	740,001	745,000	740,500
2	760,001	765,000	1,521,300
1	770,001	775,000	773,944
1	780,001	785,000	780,300
1	850,001	855,000	852,000
1	860,001	865,000	861,400
1	940,001	945,000	940,500
1	980,001	985,000	983,000
1	995,001	1,000,000	1,000,000
1	1,045,001	1,050,000	1,050,000
1	1,205,001	1,210,000	1,209,500
1	1,325,001	1,330,000	1,329,100
1	1,495,001	1,500,000	1,500,000
1	1,645,001	1,650,000	1,650,000
1	1,660,001	1,665,000	1,661,000
1	2,095,001	2,100,000	2,097,600
1	2,520,001	2,525,000	2,523,000
1	2,535,001	2,540,000	2,538,000
1	2,570,001	2,575,000	2,574,500
1	3,340,001	3,345,000	3,342,000
1	3,745,001	3,750,000	3,750,000
2	3,995,001	4,000,000	8,000,000
1	4,690,001	4,695,000	4,690,100
1	7,220,001	7,225,000	7,220,500
1	7,955,001	7,960,000	7,959,707
1	106,860,001	106,865,000	106,863,193
9,239			227,148,793

CATEGORY OF SHAREHOLDERS AND SHARES HELD

AS AT JUNE 30, 2019

Categories of shareholders	Shares held	%
Directors, Chief Executive Officer, their spouses and minor children	29,173	0.0128
Associated Companies, undertakings and related parties	863,444	0.3801
NIT and ICP	36,000	0.0158
Banks Development Financial Institutions, Non Banking Financial Institutions.	8,666,770	3.8155
Insurance Companies	4,878,800	2.1478
Modarabas and Mutual Funds	3,437,587	1.5134
Share holders holding 10% or more	106,863,193	47.0455
General Public		
a) Local	49,715,113	21.8866
b) Foreign	110,790	0.0488
Others		
1- Leasing Companies	79,640	0.0351
2- Investment Companies	4,216	0.0019
3- Joint Stock Companies	31,041,606	13.6658
4- Pension Funds	985,152	0.4337
5- Foreign Companies	117,778,531	51.8508
6- Others	9,521,971	4.1920

OTHER INFORMATION

AS AT JUNE 30, 2019

Sr#	Name	Shares held	%
	Mutual Funds (Name Wise Detail)		
1	CDC - TRUSTEE AKD INDEX TRACKER FUND (CDC)	26,100	0.0115
2	CDC -TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND (CDC)	2,944	0.0013
3	CDC - TRUSTEE AL MEEZAN MUTUAL FUND (CDC)	7,800	0.0034
4	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND (CDC)	182,300	0.0803
5	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND (CDC)	228,856	0.1008
6	CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND (CDC)	12,500	0.0055
7	CDC - TRUSTEE FAYSAL MTS FUND - MT (CDC)	13,500	0.0059
8	CDC -TRUSTEE FIRST CAPITAL MUTUAL FUND (CDC)	16,500	0.0073
9	CDC - TRUSTEE FIRST HABIB INCOME FUND - MT (CDC)	17,000	0.0075
10	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND (CDC)	500	0.0002
11	CDC - TRUSTEE NAFA ISLAMIC STOCK FUND (CDC)	455,100	0.2004
12	CDC - TRUSTEE NAFA STOCK FUND (CDC)	720,300	0.3171
13	CDC - TRUSTEE NIT INCOME FUND - MT (CDC)	7,000	0.0031
14	CDC - TRUSTEE NIT ISLAMIC EQUITY FUND (CDC)	150,000	0.0660
15	CDC - TRUSTEE UBL ASSET ALLOCATION FUND (CDC)	104,000	0.0458
16	CDC - TRUSTEE UBL DEDICATED EQUITY FUND (CDC)	42,000	0.0185
17	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND (CDC)	197,200	0.0868
18	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND (CDC)	940,500	0.4140
19	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND (CDC)	141,300	0.0622
20	M C F S L-TRUSTEE ASKARI ISLAMIC ASSET ALLOCATION FUND (CDC)	12,500	0.0055
21	MC FSL TRUSTEE JS - INCOME FUND (CDC)	105,500	0.0464
22	MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND (CDC)	12,500	0.0055
23	MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND (CDC)	22,500	0.0099
24	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND (CDC)	3,000	0.0013
	Directors and their Spouse and Minor Children (Name Wise Detail):		
1	MR. ALY KHAN	1	0.0000
2	MISS ALEEYA KHAN	11	0.0000
3	MRS. FATIN ALY KHAN W/O ALY KHAN	11	0.0000
4	MR. ARIF HAMID DAR	-	-
5	MR. SHAFIUDDIN GHANI KHAN (CDC)	100	0.0000
6	MR. MOHAMMAD AFTAB ALAM (CDC)	100	0.0000
7	MIRZA ALI HASAN ASKARI (CDC)	100	0.0000
8	MR. JAMAL NASEEM	9,510	0.0042
9	MR. RAFIQUE DAWOOD (CDC)	19,340	0.0085
	Executives	250	0.0001
	Public Sector Companies & Corporations	-	-
	Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds	14,611,549	6.4326%
	Shareholders holding five percent or more voting interest (Name Wise Detail)		
	VISION HOLDING MIDDLE EAST LIMITED (CDC)	106,863,193	47.0455

All trades in the shares of the Company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

	SALE	PURCHASE
NIL	-	-

Notice of Annual General Meeting

Notice is hereby given that the 33rd Annual General Meeting of Pioneer Cement Limited will be held at 135 Ferozepur Road, Lahore on Monday, October 28, 2019 at 11:00 a.m. to transact the following business:

1. To confirm minutes of last Annual General Meeting held on October 25, 2018.
2. To receive, consider and adopt the audited accounts for the year ended June 30, 2019 and the reports of directors and auditors thereon.
3. To appoint auditors for the year ending June 30, 2020 and to fix their remuneration.
4. To transact any other business as may be placed before the meeting with the permission of the Chairman.

By Order of the Board

ABDUL WAHAB
Company Secretary

Lahore
October 03, 2019

Notes

1. The share transfer books of the Company will remain closed from October 21, 2019 to October 28, 2019 (both days inclusive) for the purpose of holding AGM.

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

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

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

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

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

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

   Consent for Video Conference Facility

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

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

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

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

Signature of Member

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Pioneer 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.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2019.

EY Ford Rhodes

Chartered Accountants
Engagement Partner: Abdullah Fahad Masood
Lahore: October 04, 2019

Statement of Compliance

With Listed Companies (Code of Corporate Governance) Regulations, 2017

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

1. The total number of directors are eight (8) as per the following:

   a) Male : Seven
   b) Female : One

2. The composition of board is as follows:

   a) Independent Directors

   Mr. Shafiuddin Ghani Khan
   Mr. Rafique Dawood
   Mr. Jamal Nasim

   b) Other Non-executive Director

   Mr. Aly Khan
   Ms. Aleeya Khan
   Mr. Mohammad Aftab Alam
   Mirza Ali Hasan Askari

   c) Executive Director

   Mr. Arif Hamid Dar (CEO)

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

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

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

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

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

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

9. The Company is compliant to Section 20(a) of the Code of Corporate Governance with respect to Director's Training Program and during the year, no such program has been arranged.

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

    b) HR and Remuneration Committee

    Mr. Shafiuddin Ghani Khan (Chairman)
    Mr. Aly Khan
    Ms. Aleeya Khan
    Mr. Mohammad Aftab Alam
    Mr. Arif Hamid Dar (CEO)

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

14. The frequency of meetings of the committee was as per following:

    a) Audit Committee (four meetings)

    b) HR and Remuneration Committee (yearly)

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

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.

ARIF HAMID DAR
Cheif Executive Officer
October 03, 2019

ALY KHAN
Chairman of the Board
October 03, 2019

Independent auditors' report to the members of Pioneer Cement Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Pioneer Cement Limited (the Company), which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit. In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key Audit Matters	How our audit addressed the key audit matter
1. ADDITIONS IN CAPITAL WORK IN PROGRESS Additions in Capital Work in Progress (CWIP), as referred to in note 5.2, amount to Rs. 13.5 billion. These additions mainly pertain to the business expansion in respect of the construction of cement plant, waste heat recovery plant and coal power plant. The significant amount of capital expenditure incurred during the year required significant audit effort to ascertain the nature of cost incurred and whether such capital expenditure (including the borrowing cost) meet specific recognition, measurement and disclosure criteria as per the applicable financial reporting requirements. Due to the above, we have identified addition in CWIP as a key audit matter.	We assessed the Company's accounting policy for capitalization of CWIP for compliance with IAS 16 Property, Plant and Equipment. We evaluated and tested the design and operating effectiveness of the controls over additions in CWIP and also reviewed the procurement agreements with the vendors for the procurement and installation of the new plant and related facilities. We assessed the costs incurred for a sample, and agreed to the supporting documentation including supplier invoices, banking documents, receipts / shipping documentation, along with indirect cost charged and management's judgement whether such costs met the capitalization criteria under IAS 16 Property, Plant and Equipment. We reviewed interest cost included in the capital work in progress in respect of loan acquired specifically for the construction and development of cement plant, waste heat

Key Audit Matters	How our audit addressed the key audit matter
	recovery plant and coal power plant and assessed appropriate capitalization of such costs in line with IAS 23 Borrowing Cost and related loan agreements. We physically verified the additions on sample basis. We assessed the adequacy of the disclosure relating to addition in CWIP in the financial statements in line with IAS 16, IAS 23 and Fourth Schedule of the Companies Act 2017.
2. TAX CONTINGENCIES	
As disclosed in note 26.1 to the financial statements, certain tax matters are pending adjudication at various levels with the taxation authorities and other legal forums. The aggregate amounts involved in such contingencies is Rs. 708.78 million as of 30 June 2019. The tax contingencies require management to make judgements and estimates in relation to the interpretation of tax laws and regulations and the recognition and measurement of any provisions that may be required against such contingencies. Due to inherent uncertainties and the time period such matters may take time to resolve, the management judgements and estimates in relation to such contingencies may be complex.	We obtained explanations from management and corroborative evidence including communication with local tax authorities and confirmations of external tax advisors. We gained an understanding of the current status of tax assessments and investigations to monitor developments in on-going disputes. We analyzed and tested management's key assumptions, in particular on cases where there had been significant developments with local tax authorities, based on our knowledge and experience of the application of the tax legislation by the relevant authorities and courts. We involved internal tax experts to assess and review the management's conclusions on contingent tax matters and evaluated whether adequate disclosures have been made in note 26.1 to the financial statements in line with the requirements of IAS 37 and Fourth Schedule of the Companies Act 2017. We also evaluated whether the liabilities and exposures for uncertain tax positions were appropriately disclosed in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:
a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

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

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

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants
Lahore : October 04, 2019.

FINANCIAL STATEMENTS

for the year ended June 30, 2019

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

Rupees in thousand	Note	June 30, 2019	June 30, 2018
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	36,106,515	22,920,019
Investment property	6	83,605	78,690
Intangible asset	7	-	1,690
Long term deposits	8	57,247	40,086
		36,247,367	23,040,485
Current Assets			
Stores, spare parts and loose tools	9	1,889,241	1,697,712
Stock in trade	10	325,812	470,397
Trade debts - unsecured	11	482,724	433,814
Loans and advances	12	306,458	127,239
Trade deposits and short term prepayments	13	8,263	4,188
Advance taxes - net	14	2,077,938	1,837,323
Other receivables	15	325	45
Short term investments	16	728,359	1,006,904
Cash and bank balances	17	210,924	493,261
		6,030,044	6,070,883
Total Assets		**42,277,411**	29,111,368

Chief Financial Officer

Chief Executive Officer

Chairman

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

Rupees in thousand	Note	June 30, 2019	June 30, 2018
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital	18	3,500,000	3,500,000
Issued, subscribed and paid-up share capital	19	2,271,489	2,271,489
Reserves			
Capital			
Share Premium		197,517	197,517
Surplus on revaluation of fixed assets - net of tax	20	2,816,077	3,111,554
Revenue			
Accumulated profits		8,036,260	8,048,399
		11,049,854	11,357,470
		13,321,343	13,628,959
Non-Current Liabilities			
Long term financing - secured	21	14,856,329	7,890,631
Long term deposits		4,272	4,262
Deferred liabilities	22	2,509,565	2,265,998
Retention money		1,898,307	870,890
		19,268,473	11,031,781
Current Liabilities			
Trade and other payables	23	2,275,190	1,380,197
Contract liability		88,682	-
Accrued interest / profit on financing	24	659,433	183,641
Short term borrowings - secured	25	4,830,550	2,439,751
Current portion of long term financing - secured	21	1,765,116	375,000
Unclaimed dividend		68,624	72,039
		9,687,595	4,450,628
TOTAL LIABILITIES		28,956,068	15,482,409
CONTINGENCIES AND COMMITMENTS	26	-	-
TOTAL EQUITY AND LIABILITIES		**42,277,411**	29,111,368

The annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

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

Rupees in thousand	Note	June 30, 2019	June 30, 2018
Revenue from contracts with customers - net	27	9,733,653	10,121,320
Cost of sales	28	(7,598,967)	(7,310,647)
Gross profit		**2,134,686**	2,810,673
Distribution cost	29	(182,383)	(166,913)
Administrative expenses	30	(143,060)	(97,538)
Other income	31	72,766	59,049
Other expenses	32	(288,071)	(297,690)
		(540,748)	(503,092)
Operating profit		**1,593,938**	2,307,581
Finance cost	33	(270,704)	(94,896)
Profit before taxation		**1,323,234**	2,212,685
Taxation	34	(532,857)	(568,665)
Profit after taxation		**790,377**	1,644,020
Earnings per share - basic and diluted (Rupees)	35	**3.48**	7.24

The annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2019

Rupees in thousand	Note	June 30, 2019	June 30, 2018
Profit after taxation		790,377	1,644,020
Items that will not be reclassified to statement of profit or loss subsequently			
Re-measurement losses on defined benefit plan		(6,233)	(7,238)
Less: Related tax		1,808	1,810
		(4,425)	(5,428)
Surplus on revaluation of property, plant and equipment		-	404,534
Less: Related tax		-	(97,338)
		-	307,196
Deferred tax on surplus on revaluation of property, plant and equipment due to change in tax rate	20	(165,631)	196,587
Items that may be reclassified to statement of profit or loss		-	-
Other comprehensive (loss) / income for the year		(170,056)	498,355
Total comprehensive income for the year		**620,321**	2,142,375

The annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

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

Rupees in Thousand	Note	June 30, 2019	June 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	41	3,835,655	3,397,660
Income tax paid		(388,914)	(1,387,248)
Workers' profit participation fund paid		(68,684)	(131,554)
Workers' welfare fund paid		(42,465)	(71,998)
Gratuity and compensated absences paid		(16,655)	(18,616)
Provident fund paid		(16,886)	(12,369)
Increase in long term deposits - net		(17,151)	(495)
		(550,755)	(1,622,280)
Net cash generated from operating activities	A	**3,284,900**	1,775,380
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(13,696,725)	(10,546,544)
Proceeds from disposal of property, plant and equipment		3,072	2,411
Redemption of short term investments		102,626	1,492,743
Net cash used in investing activities	B	**(13,591,027)**	(9,051,390)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - secured - net		8,355,814	6,765,631
Increase in short term borrowings - net		2,390,799	1,632,896
Finance cost - net		205,088	(196,181)
Dividend paid		(927,911)	(742,094)
Net cash generated from financing activities	C	**10,023,790**	7,460,252
Net (decrease) / increase in cash and cash equivalents	A+B+C	(282,337)	184,242
Cash and cash equivalents at the beginning of the year		493,261	309,019
Cash and cash equivalents at the end of the year		210,924	493,261

The annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2019

Rupees in thousand	Issued, subscribed and paid-up capital	Reserves				Total Equity
		Capital		Revenue	Sub Total	
		Share premium	Surplus on revaluation of property, plant and equipment	Accumulated profits		
Balance as at July 1, 2017	2,271,489	197,517	2,728,420	7,050,106	9,976,043	12,247,532
Final dividend for the year ended June 30, 2017 @ Rs. 3.35 per share	-	-	-	(760,948)	(760,948)	(760,948)
Profit after taxation	-	-	-	1,644,020	1,644,020	1,644,020
Other comprehensive income for the year	-	-	503,783	(5,428)	498,355	498,355
Total comprehensive income for the year	-	-	503,783	1,638,592	2,142,375	2,142,375
Surplus on revaluation of property plant and equipment realized through incremental depreciation - net of tax	-	-	(120,649)	120,649	-	-
Balance as at June 30, 2018 - as previously reported	2,271,489	197,517	3,111,554	8,048,399	11,357,470	13,628,959
Effect of application of change in accounting policy resulting from adoption of IFRS 9 (note 2.1) - net of tax	-	-	-	(3,441)	(3,441)	(3,441)
Balance as at June 30, 2018 - restated	2,271,489	197,517	3,111,554	8,044,958	11,354,029	13,625,518
Final dividend for the year ended June 30, 2018 @ Rs. 4.07 per share				(924,496)	(924,496)	(924,496)
Profit after taxation	-	-	-	790,377	790,377	790,377
Other comprehensive loss for the year	-	-	(165,631)	(4,425)	(170,056)	(170,056)
Total comprehensive income for the year	-	-	(165,631)	785,952	620,321	620,321
Surplus on revaluation of property plant and equipment realized through incremental depreciation - net of tax	-	-	(129,846)	129,846	-	-
Balance as at June 30, 2019	2,271,489	197,517	2,816,077	8,036,260	11,049,854	13,321,343

The annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

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

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Pioneer Cement Limited (the Company) was incorporated in Pakistan as a public company limited by shares on February 09, 1986. Its shares are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of cement. The registered office of the Company is situated at 135, Ferozepur Road, Lahore. The Company's production facility is situated at Chenki, District Khushab in Punjab Province with the land area of 2,429 kanals and 9 marlas.

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

1.3 The Company is in process of installing a new brown field cement plant having production capacity of approximately 8,000 tons per day clinker supported by a 12 MW Waste Heat Recovery Power Plant. In addition, a 24 MW Coal Fired Power Plant is also being installed at the existing plant site.

1.4 During the year ended June 30, 2018, the Company signed a non-binding memorandum of understanding (MoU) with the sponsors of Galadari Cement (Gulf) Limited (the target company) to acquire the controlling interest of the target company. However, during the current year, the said MoU was terminated and it is of no further force and effect.

2 STATEMENT OF COMPLIANCE

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

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

– Provisions of and directives issued under the Companies Act, 2017.

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

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

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except for the following new and amended standards and interpretations effective for annual period beginning on 1 July 2018, as listed below. The Company has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.1 New standards, interpretations and amendments

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRIC 22	Foreign Currency Transactions and Advance Considerations
IFRS 2	Classification and Measurement of Share-based Payment Transactions (Amendment)
IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendment)
IAS 40	Transfers of Investment Property (Amendments)

The nature and effect of the changes as a result of adoption of IFRS 9 and IFRS 15 are described below. The adoption of interpretations and amendments applied for the first time in the year do not have any material impact on the financial statements of the Company.

IFRS 9 - Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company applied IFRS 9 prospectively, with an initial application date of 1 July 2018. The Company has not restated the comparative information, which continues to be reported under IAS 39. Differences (if any) arising from the adoption of IFRS 9 have to be recognized directly in retained earnings and other components of equity.

Classification and measurement

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortized cost, or fair value through OCI. 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 assessment of the Company's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of IFRS 9 did not have a significant impact on the Company. The following are the changes in the classification of the Company's financial assets:

Trade debts, trade deposits, loans and advances, advance taxes and other receivables

These balances classified as 'Loans and receivables' as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortized cost beginning 1 July 2018. The Company continued measuring at fair value all financial assets previously held at fair value under IAS 39.

The Company has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Company's financial liabilities.

In summary, upon the adoption of IFRS 9, the Company had the following reclassifications as at 1 July 2018:

Rupees in thousand	IAS 39 measurement category	IFRS 9 measurement category
		Amortized Cost
Loans and receivables		
Long term deposits	4,262	4,262
Trade debts*	446,989	442,143
Loans and advances	127,239	127,239
Advance taxes - net	-	1,837,323
Other receivables	45	45
Trade deposits	9	9

* The change in carrying amount is a result of additional impairment allowance as mentioned in following paragraph.

Impairment

The adoption of IFRS 9 has 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 as mentioned in note 4.6 and note 4.17.1. IFRS 9 requires the Company to recognize an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Upon adoption of IFRS 9, the Company recognized additional impairment on the Company's trade debts of Rs. 4.846 million, which resulted in a decrease in unappropriated profits of Rs. 3.441 million as at 1 July 2018 after adjustment of deferred tax. The Company has recognized Rs. 3.689 million as impairment in the current year.

Following is the reconciliation of the ending impairment allowances in accordance with IAS 39 to the opening loss allowances determined in accordance with IFRS 9:

Description	Provision for doubtful debts under IAS 39 30 June 2018	Increase / (Decrease)	Allowance for ECL under IFRS 9 as at 1 July 2018
		Rupees in thousand	
Loans and receivables under IAS 39 / Financial assets at amortized cost under IFRS 9	13,175	4,846	18,021

The basic and diluted EPS for the year ended 30 June 2018 would have been higher by Rs. 0.02 per share had the standard not been adopted.

Hedge accounting

As at year end, the Company does not have hedge relationships. Accordingly, IFRS 9 will not have an impact on Company's financial statements.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized 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. In addition, the standard requires relevant disclosures. The management reviewed and assessed the Company's existing contracts with the customers in accordance with the guidance included in IFRS 15 and concluded that there is no material impact on the revenue recognition of the Company.

The Company adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 July 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 July 2018.

Below are the details of key impacts arising from the adoption of the standard:

Statement of financial position

In statement of financial position, the corresponding figure of trade and other payables amounting to Rs. 75.118 million has been reclassified to contract liabilities. Contract liabilities are recognized in respect of Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or the amount is due) from a customer. Amounts as at 30 June have also been reclassified as follows for the purpose of comparability:

Description	Carrying Amount as stated	Increase / (Decrease)	IFRS 15 Carrying Amount
As at 01 July 2018		Rupees	
Trade and other payables	1,380,197	(75,118)	1,305,079
Contract liabilities	-	75,118	75,118
	1,380,197	-	**1,380,197**

The application of IFRS 15 did not have a material impact on amounts in statement of profit or loss, statement of comprehensive income, statement of changes in equity and the statement of cash flows as the current methodology for revenue recognition adequately reflects timing of satisfaction of performance obligations under requirements of the new standard.

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

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

Standard or Interpretation			**Effective date (annual periods beginning on after)**
IFRS 16	–	Leases	January 01, 2019
IFRIC 23	–	Uncertainty over Income Tax Treatments	January 01, 2019
IFRS 9	–	Prepayment Features with Negative Compensation — (Amendments)	January 01, 2019
IAS 28	–	Long-term Interests in Associates and Joint Ventures — (Amendments)	January 01, 2019
IAS 19	–	Plan Amendment, Curtailment or Settlement — (Amendments)	January 01, 2019
IFRS 3	–	Business Combinations - Previously held Interests in a joint operation — (Amendments)	January 01, 2019
IFRS 11	–	Joint Arrangements - Previously held Interests in a joint operation	January 01, 2019
IAS 12	–	Income Taxes - Income tax consequences of payments on financial instruments classified as equity	January 01, 2019
IAS 23	–	Borrowing Costs - Borrowing costs eligible for capitalization	January 01, 2019
IAS 1	–	Presentation of Financial Statements — (Amendments)	January 01, 2020
IAS 8	–	Accounting Policies, Changes in Accounting Estimates and Errors — (Amendments)	January 01, 2020

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 except for IFRS 16. The management is in the process of determining the effect of application of IFRS 16.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2019.

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

Standard or Interpretation	Effective date (annual periods beginning on after)
IFRS 1 – First-time Adoption of IFRS	July 01, 2009
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 17 – Insurance Contracts	January 01, 2022

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

3 BASIS OF PREPARATION

3.1 Basis of measurement

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

3.2 Presentation currency

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

3.3 Significant accounting judgments, estimates and assumptions

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

a) recognition of revenue (Note 4.18);
b) recognition of taxation and deferred tax (Note 4.14);
c) determining the residual values, useful lives and revalued amounts of property, plant and equipment (Note 4.1);
d) employment benefits (Note 4.11);
e) impairment of inventories / adjustment of inventories to their net realizable value (Note 4.5);
f) impairment of store, spares and loose tools (Note 4.4);
g) impairment against Expected Credit Losses (ECL) (Note 4.6);
h) impairment of financial assets (Note 4.17.1);
i) investment property (Note 4.2); and
j) contingencies (Note 26.1).

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant and equipment

4.1.1 Operating property, plant and equipment

Owned:

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

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

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

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

Assets subject to finance lease:

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

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

4.1.2 Capital work in progress

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

4.2 Investment property

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

4.3 Intangible assets

Intangible assets are stated at cost less accumulated amortization and identified accumulated impairment losses, if any. These are amortized using the straight line method reflecting the pattern in which economic benefits of the asset are consumed by the Company at the rates disclosed in note 7.

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

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

4.4 Stores, spare parts and loose tools

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

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

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

4.5 Stock in trade

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

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

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

4.6 Trade debts and other receivables

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

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

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

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

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

4.7 Short term investments

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

4.8 Cash and cash equivalents

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

4.9 Surplus on revaluation of fixed assets

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

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

4.10 Long term and short term borrowings

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

4.11 Employees' benefits

Defined contribution plan

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

Defined benefit plan – contractual workers

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

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

Compensated absences

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

4.12 Trade and other payables

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

4.13 Provisions

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

4.14 Taxation

Current:

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

Deferred:

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

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

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

4.15 Sales tax

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

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

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of current assets or current labilities in the statement of financial position.

4.16 Foreign currency translations

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

4.17 Financial instruments

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

4.17.1 Financial assets

Financial assets - initial recognition

The Company has adopted IFRS 9 Financial Instruments with effect from 1 July 2018. Accordingly, financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

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

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

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

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

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

Financial assets - subsequent measurement

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

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

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

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

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

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

b) Financial assets at amortized cost (debt instruments)

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

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

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

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

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

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

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

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

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

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

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

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

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

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

Financial assets - Derecognition

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

- The rights to receive cash flows from the asset have expired; or

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

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

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

Financial assets - Impairment

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

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

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

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

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

4.17.2 Financial liabilities

Financial liabilities - initial recognition

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

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

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

Financial liabilities - subsequent measurement

Loans and borrowings

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

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

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

Financial liabilities - derecognition

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

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

4.18 Revenue recognition

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

Step 1
Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2
Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3
Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4
Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5
Recognise revenue when (or as) the Company satisfies a performance obligation.

Satisfaction of performance obligations

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognizing revenue. The Company has assessed that based on the contracts entered into with customers and the provisions of relevant laws and regulations, the Company recognizes revenue at point in time.

Transfer of control in contracts with customers

In cases where the Company determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the assets is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

"Local sales:
The Company enters into contracts for sale of cement and clinker where the goods are made available at the factory premises where the control is transferred. As the Company does not provide the delivery of goods to the customer, the performance obligation is met at dispatch. Therefore the revenue is recognized at the point in time when the performance obligation is satisfied.

Export sales:
Export sales of cement are made to Afghanistan and India. As per the contract with customers in Afghanistan, the Company does not provide the services of delivery of goods, however delivery of goods at Wagha Border is required as per contracts with customers in India. Therefore revenue for exports to India is recognized at the point in time at which the performance obligation of delivery of goods is satisfied.

There are no performance obligations where the conditions for recognition of revenue over time are satisfied."

Determination of transaction prices

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

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

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

Contract balances

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

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

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

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

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

Other Revenue
- Return on bank deposits is recognized on time proportion basis using effective interest method.
- Scrap sales are recognized on physical delivery to customer.
- Rental income arising from investment property is accounted for on accrual basis over the lease period and is included in revenue due to its operating nature.
- Dividend income is recognized when the Company's right to receive establishes.
- Other revenues are accounted for on accrual basis.

4.19 Borrowing costs

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

4.20 Impairment of non financial assets

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

4.21 Dividend and appropriation reserves

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

4.22 Earnings per share

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

4.23 Segment reporting

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

5 PROPERTY, PLANT AND EQUIPMENT

	NOTE	2019	2018
		Rupees in thousand	
Operating property, plant and equipment	5.1	11,053,352	11,350,064
Capital work in progress	5.2	25,053,163	11,569,955
		36,106,515	22,920,019

5.1 OPERATING PROPERTY, PLANT AND EQUIPMENT

		2019											WRITTEN DOWN VALUE
		COST / REVALUATION					RATE %	DEPRECIATION					
	Note	As at 01 July 2018	Additions / transfers	Revaluation surplus	Disposals / transfers	As at 30 June 2019		As at 01 July 2018	Disposals / transfers	Revaluation surplus	For the year	As at 30 June 2019	As at 30 June 2019
		Rupees ('000)						Rupees ('000)					
Owned													
Freehold land	5.1.1	91,104	-	-	-	91,104	-	-	-	-	-	-	91,104
Factory building on freehold land	5.1.1	2,908,912	-	-	-	2,908,912	5	1,644,555	-	-	110,168	1,754,723	1,154,189
Leasehold improvements		10,833	-	-	-	10,833	33.3	10,833	-	-	-	10,833	-
Roads and quarry development		56,008	-	-	-	56,008	20	56,008	-	-	-	56,008	-
Plant and machinery line I	5.1.1	6,621,109	17,858	-	-	6,638,967	Units of production method	4,771,335	-	-	54,343	4,825,678	1,813,289
Plant and machinery line II	5.1.1	8,298,640	105,790	-	-	8,404,430	Units of production method	1,945,436	-	-	239,732	2,185,168	6,219,262
Coal firing system	5.1.1	450,944	14,674	-	-	465,618	Units of production method	295,531	-	-	4,651	300,182	165,436
Power generation plant		1,637,875	8,973	-	-	1,646,848	4	94,630	-	-	65,694	160,324	1,486,524
Furniture and fixture		35,907	4,067	-	(63)	39,911	10	25,711	(63)	-	1,591	27,239	12,672
Office equipment		52,689	7,292	-	-	59,981	10	31,436	-	-	4,313	35,749	24,232
Computers and accessories		28,800	5,466	-	(193)	34,073	33	26,677	(106)	-	2,279	28,850	5,223
Vehicles		130,650	49,397	-	(4,433)	175,614	20	71,255	(1,656)	-	24,594	94,193	81,421
Total 2018-19		20,323,471	213,517	-	(4,689)	20,532,299		8,973,407	(1,825)	-	507,365	9,478,947	11,053,352

		2018											WRITTEN DOWN VALUE
		COST / REVALUATION					RATE %	DEPRECIATION					
	Note	As at 01 July 2017	Additions / transfers	Revaluation surplus	Disposals / transfers	As at 30 June 2018		As at 01 July 2017	Disposals / transfers	Revaluation surplus	For the year	As at 30 June 2018	As at 30 June 2018
		Rupees ('000)						Rupees ('000)					
Owned													
Freehold land	5.1.1	75,920	-	15,184	-	91,104	-	-	-	-	-	-	91,104
Factory building on freehold land	5.1.1	2,625,536	128,160	155,216	-	2,908,912	5	1,458,308	-	87,751	98,496	1,644,555	1,264,357
Leasehold improvements		10,833	-	-	-	10,833	33.3	10,833	-	-	-	10,833	-
Roads and quarry development		56,008	-	-	-	56,008	20	56,008	-	-	-	56,008	-
Plant and machinery line I	5.1.1	5,592,668	11,514	1,016,927	-	6,621,109	Units of production method	3,940,096	-	732,877	98,362	4,771,335	1,849,774
Plant and machinery line II	5.1.1	7,423,746	867,349	7,545		8,298,640	Units of production method	1,729,969	-	1,769	213,698	1,945,436	6,353,204
Coal firing system	5.1.1	381,679	-	69,265	-	450,944	Units of production method	241,819	-	45,394	8,318	295,531	155,413
Power generation plant		1,618,286	10,899	8,690	-	1,637,875	4	29,312	-	502	64,816	94,630	1,543,245
Furniture and fixture		33,083	2,858	-	(34)	35,907	10	24,395	(34)	-	1,350	25,711	10,196
Office equipment		48,995	3,694	-	-	52,689	10	27,602	-	-	3,834	31,436	21,253
Computers and accessories		27,743	1,280	-	(223)	28,800	33	24,678	(223)	-	2,222	26,677	2,123
Vehicles		114,323	19,743	-	(3,416)	130,650	20	54,331	(3,210)	-	20,134	71,255	59,395
Total 2017-18		18,008,820	1,045,497	1,272,827	(3,673)	20,323,471		7,597,351	(3,467)	868,293	511,230	8,973,407	11,350,064

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

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

Rupees in thousand	Cost	2019 Net book value	2018 Net book value
Freehold land	31,411	31,411	31,411
Factory buildings	1,714,959	619,821	670,292
Plant and machinery - line I	4,257,434	1,355,804	1,227,165
Plant and machinery - line II	4,562,088	3,430,697	3,427,619
Coal firing system	372,476	167,333	147,193
Power generation plant	1,638,158	1,478,682	1,535,056
	12,576,526	7,083,748	7,038,736

5.1.3 Forced Sale Values of the assets under "Revaluation" at the date of revaluation were as follows:

Rupees in thousand	
Freehold land	77,438
Factory buildings	1,097,029
Plant and machinery line I including coal firing system	1,603,746
Plant and machinery line II	5,082,966
Power generation plant	1,234,595
	9,095,774

5.1.4 Depreciation for the year has been allocated as follows:

Rupees in thousand	Note	2019	2018
Cost of sales	28	414,205	426,717
Cost of sales (fuel and power)	28	81,561	75,541
Cost of sales (raw material consumed)	28	183	22
Distribution cost	29	2,753	2,425
Administrative expenses	30	8,663	6,525
		507,365	511,230

5.1.5 The operating fixed assets include fully depreciated assets having cost of Rs. 892.477 million (2018: Rs. 814.289 million).

5.1.6 The following assets were disposed off during the year:

Rupees in thousand

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain	Disposal mode	Particulars of buyer
Aggregate amount of assets disposed off having book value less than Rs 5 million each	4,689	1,825	2,864	3,072	208	Negotiations & Company's Policy	Various
2019	4,689	1,825	2,864	3,072	208		
2018	3,673	3,468	206	2,411	2,205		

Rupees in thousand		Note	2019	2018
5.2	**Capital work in progress**			
	Opening balance as at July 01		11,569,955	1,825,930
	Additions during the year		13,483,208	10,670,213
	Transferred to operating fixed assets		-	(926,188)
	Closing balance		25,053,163	11,569,955
	Represented by:			
	Cement plant, WHR and coal power plan including civil work	5.2.1	24,310,307	11,090,141
	Other plant and machinery items		93,460	9,248
	Office premises under construction	5.2.3	614,169	465,228
	Other civil works		35,227	5,338
	Closing balance		25,053,163	11,569,955

5.2.1 The amount of borrowing cost capitalized during the period amounts to Rs. 1,524.973 million (2018: Rs. 242.978 million).

5.2.2 The applicable financing rates for the under construction projects ranges from KIBOR plus 10bps to KIBOR plus 110bps (2018: KIBOR plus 10bps to KIBOR plus 110bps).

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

Rupees in thousand		2019	2018
6	INVESTMENT PROPERTY		
	Carrying amount as on July 01	78,690	70,836
	Fair value remeasurement gain for the year	4,915	7,854
		83,605	78,690

6.1 The property was reclassified from owner-occupied property to investment property during financial year 2013 and comprises of an office building in Karachi leased out under operating lease agreement. Investment property includes office 701,702,703 and 704, 7th floor, Lackson square Building number 3, Karachi. Total covered area is 9,630 square feet .

6.2 Investment property is stated at fair value, which has been determined based on valuations performed by M/s Surval, as at June 30, 2019; the forced sale value of the said property is Rs. 71.06 million. (2018: Rs. 66.89 million).

6.3 Net profit arising from investment property amounts to Rs. 4.353 million (2018: Rs. 3.994 million).

Rupees in thousand	Note	2019	2018
Rental income		7,098	6,621
Operating expenses		(2,745)	(2,627)
Net profit		4,353	3,994

7 INTANGIBLE ASSETS

Computer software			
Cost:			
As at July 01	7.1	11,066	11,066
Additions during the year		–	–
As at June 30		11,066	11,066
Accumulated amortization:			
As at July 01		9,376	6,586
Amortization during the year	7.2	1,690	2,790
As at June 30		11,066	9,376
Net book value		-	1,690
Rate of amortization		20 - 33.3%	20 - 33.3%

7.1 The cost of intangible assets includes fully amortized assets amounting to Rs. 11.066 million (2018: Rs. 4.326 million).

7.2 The amortization charge for the year has been allocated as follows:

Rupees in thousand	Note	2019	2018
Cost of sales	28	844	1,395
Distribution cost	29	423	697
Administrative expenses	30	423	698
		1,690	2,790

8 LONG TERM DEPOSITS

Security deposits - considered good		
- Utilities	47,944	35,848
- Others	9,303	4,238
	57,247	40,086

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

9 STORES, SPARE PARTS AND LOOSE TOOLS

Stores	529,639	583,593
Spare parts	860,802	702,521
Loose tools	17,120	11,838
	1,407,561	1,297,952
Spare parts in transit	208,516	298,210
Imported coal in transit	317,097	145,483
	1,933,174	1,741,645
Provision for slow moving stores and spare parts	(43,933)	(43,933)
	1,889,241	1,697,712

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

Rupees in thousand		Note	2019	2018
10	STOCK IN TRADE			
	Raw material	28.1	28,565	45,909
	Packing material		30,190	55,729
	Work in process	28	201,136	301,897
	Finished goods	28	65,921	66,862
			325,812	470,397
11	TRADE DEBTS - unsecured			
	Considered good		482,724	433,814
	Considered doubtful	11.1	21,710	13,175
		11.1	504,434	446,989
	Provision for bad and doubtful debts	11.2	(21,710)	(13,175)
			482,724	433,814

11.1 Set out below is the information about the credit risk exposure on the company trade debt using a provision matrix.

	1-30 Days	31-90 Days	91-181 Days	Over 181 Days	Total
As at 30 June 2019					
Expected credit loss rate	0.41%	2.50%	13.00%	88.84%	
Estimated total gross carrying amount at default	416,639	59,417	8,846	19,532	504,434
Expected credit loss	1,723	1,485	1,150	17,352	21,710
As at 01 July 2018					
Expected credit loss rate	0.24%	5.94%	36.36%	95.82%	
Estimated total gross carrying amount at default	410,610	19,782	77	16,520	446,989
Expected credit loss	989	1,175	28	15,829	18,021

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

11.2 Allowance for expected credit loss

Rupees in thousand	Note	2019	2018
Opening balance		13,175	13,175
Allowance against balances as at 1 July 2018		4,846	-
Allowance for the year	29	3,689	-
Closing balance		21,710	13,175
12 LOANS AND ADVANCES			
unsecured & considered good			
Employees		5,394	7,162
Bank margins against letters of credit		4,209	4,060
Bank margins / security		39,247	-
Suppliers		36,940	90,841
Contractors		176,891	1,016
Service providers		43,777	24,160
		306,458	127,239

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

Rupees in thousand	Note	2019	2018
13 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits		9	9
Short term prepayments		8,254	4,179
		8,263	4,188
14 ADVANCE TAXES - NET			
Advance income tax - net	34.3	1,048,047	1,136,794
Sales tax receiveable - net		1,029,891	700,529
	14.1	2,077,938	1,837,323

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

Rupees in thousand	Note	2019	2018
15 OTHER RECEIVABLE			
Receivable from WAPDA	15.1	19,381	19,381
Others		3,298	3,018
		22,679	22,399
Allowance for expected credit loss		(22,354)	(22,354)
		325	45

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

Rupees in thousand	2019	2018
16 SHORT TERM INVESTMENTS		
Fair Value Through Profit or Loss:		
- Investments with shariah compliant funds		
Meezan Islamic Fund		
3,830,338 Units (June 30, 2018: 3,830,338)	183,588	242,594
NBP Islamic Stock Fund (Formerly: NAFA Islamic Stock Fund)		
22,977,008 Units (June 30, 2018: 22,977,008)	209,268	261,876
KSE Meezan Index Fund		
913,849 Units (June 30, 2018: 913,849)	48,386	64,558
Meezan Balanced Fund		
10,873,817 Units (June 30, 2018: 10,873,817)	146,351	167,852
Meezan Asset Allocation Fund		
3,427,064 Units (June 30, 2018: 3,427,064)	121,430	152,615
Meezan Islamic Income Fund		
11,167 Units (June 30, 2018: 10,100)	574	541
	709,597	890,036
- Investments with conventional funds		
ABL Government Securities Fund		
1,663,177 Units (June 30, 2018: 11,102,494)	16,724	116,856
NBP Government Securities Liquid Fund (Formerly: NAFA Government Securities Liquid Fund)		
1,280 Units (June 30, 2018: 1,144)	13	12
NBP Money Market Fund (Formerly: NAFA Money Market Fund)		
205,240 Units (June 30, 2018: Nil)	2,025	-
	18,762	116,868
	728,359	1,006,904

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

Rupees in thousand	Note	2019	2018
17 CASH AND BANK BALANCES			
Cash in hand		854	715
Cheques in hand	17.1	171,441	180,801
		172,295	181,516
Balance with banks in:			
-Deposit accounts	17.2 & 17.4	27,674	280,633
-Current accounts		10,955	31,112
	17.3	38,629	311,745
		210,924	493,261

17.1 This represents sales collection in process.

17.2 These carry profits at rates ranging from 3% to 10.2% (2018: 2.40 % to 5.50%) per annum.

17.3 Out of this, an aggregate amount of Rs. 2.292 million (2018: Rs. 274.129 million) has been deposited with Shariah-compliant Islamic Banks.

17.4 ‘This includes Rs. Nil (2018: Rs. 253 million) deposited in an escrow account in respect of Company’s proposed acquisition of Galadari Cement (Gulf) Limited as explained in Note 1.4.

18 AUTHORIZED SHARE CAPITAL

2019	2018		Note	2019	2018
No. of shares in '000				Rupees in thousand	
300,000	300,000	Ordinary shares of Rs.10/- each		3,000,000	3,000,000
50,000	50,000	Preference shares of Rs.10/- each		500,000	500,000
350,000	350,000			3,500,000	3,500,000

19 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

		Issued for cash:			
184,464	184,464	ordinary shares of Rs.10/- each		1,844,642	1,844,642
		Issued for consideration other than cash:			
23,223	23,223	Ordinary shares of Rs.10/- each	19.2	232,228	232,228
4,394	4,394	Ordinary shares of Rs.10/- each	19.3	43,937	43,937
		Issued as fully paid bonus shares:			
15,068	15,068	Ordinary shares of Rs.10/- each		150,682	150,682
227,149	227,149			2,271,489	2,271,489

19.1 Vision Holding Middle East Limited (VHMEL), a Company incorporated and operating in British Virgin Island, having postal address of P.O. Box 728, 38 Esplanade, St. Helier, Jersey JE4 8ZT, Channel Islands, held 106.863 million (2018: 106.863 million) ordinary shares of Rs. 10 each as on June 30, 2019 comprising 47% of paid up share capital. William Gordan Rodgers is authorized agent of VHMEL.

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

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

Rupees in thousand	Note	2019	2018
20 SURPLUS ON REVALUATION OF FIXED ASSETS - net of tax			
Gross surplus			
Opening balance of surplus on revaluation of fixed assets		4,140,122	3,907,944
Surplus on revaluation carried out during the year		-	404,534
Transferred to accumulated profits in respect of incremental depreciation charged during the year		(182,881)	(172,356)
	20.1	3,957,241	4,140,122
Less: Deferred tax liability			
Opening balance of revaluation		1,028,568	1,179,524
Increase on surplus revaluation carried out during the year		-	97,338
Incremental depreciation charge on related assets		(53,035)	(51,707)
Increase in deferred tax liability due to change in tax rate		165,631	(196,587)
		1,141,164	1,028,568
Closing balance of surplus on revaluation of fixed assets		2,816,077	3,111,554

20.1 This includes surplus on revaluation of freehold land amounting to Rs. 59.693 million (2018: Rs. 59.693 million).

Rupees in thousand		Note	2019	2018
21	LONG TERM FINANCING - SECURED			
	Islamic bank			
	Meezan Bank Limited	21.1	562,500	787,500
	Meezan Bank Limited	21.2	487,500	600,000
	Meezan Bank Limited	21.3	2,045,283	-
			3,095,283	1,387,500
	Less : Current portion		(412,500)	(375,000)
		A	2,682,783	1,012,500
	National Bank of Pakistan-syndicate			
	Conventional Component		11,725,305	5,961,047
	Islamic Component		1,800,857	917,084
		21.4	13,526,162	6,878,131
	Less : Current portion		(1,352,616)	-
		B	12,173,546	6,878,131
		A+B	14,856,329	7,890,631

21.1 The Company has obtained Diminishing Musharaka / Ijarah facility of up to Rs. 900 million (2018: Rs. 900 million) to finance the installation of Waste Heat Recovery Power Plant & Coal Fired Boiler at a price of 3 months KIBOR plus 1.1% per annum for a tenure of five years including grace period of one year with quarterly rental frequency. The facility is secured by creation of specific hypothecation charge over Waste Heat Recovery Power Plant and Coal Fired Boiler of the Company amounting to Rs. 1,000 million.

21.2 The Company has obtained Diminishing Musharaka / Ijarah facility of up to Rs. 600 million (2018: Rs. 600 million) for cement grinding capacity enhancement project as at price of 3 months KIBOR plus 1.1%. The facility is secured by creation of specific hypothecation charge over complete cement grinding enhancement project up to Rs. 650 million. The facility is re-payable in five years including a grace period of one year on quarterly basis.

21.3 During the year, the Company has obtained Syndicated Diminishing Musharaka facility amounting to Rs. 2,550 million to finance 24 MW Coal Power Plant. Meezan Bank Limited is the lead arranger and agent of this facility. This facility carries markup / profit at 3 months KIBOR plus 1.1% per annum payable quarterly whereas the principal is repayable in seven years including a grace period of two years. The facility is secured by way of exclusive charge over all present and future plant, machinery and equipment of the project and pari passu charge over all present and future immovable fixed assets (land and buildings) of the Company with 25% margin.

21.4 The Company has obtained syndicated facility amounting to Rs. 15,000 million (2018: Rs. 15,000 million) to finance new 8000 tons per day clinker plant supported by a 12 MW Waste Heat Recovery Plant. This comprises of Rs. 13,000 million term finance loan and Rs. 2,000 million musharaka facility. National Bank of Pakistan is the lead arranger and agent of this facility. This facility carries markup / profit at 6 months KIBOR plus 1.1% per annum payable quarterly whereas the principal is repayable in seven years including a grace period of two years. This facility is secured by way of pari passu charge over all present and future fixed assets of the Company excluding existing Waste Heat Recovery Power Plant, Cement Grinding Mills and 24 MW Coal power plant.

Rupees in thousand		Note	2019	2018
22	DEFERRED LIABILITIES			
	Deferred tax liability	22.1	2,367,673	2,150,059
	Gratuity - vested contractual employees	22.2	141,892	115,939
			2,509,565	2,265,998

Rupees in thousand		Note	2019	2018
22.1	**Deferred tax liability**			
	Deferred tax liability on taxable temporary differences:			
	- accelerated tax depreciation		1,306,844	1,181,660
	- surplus on revaluation of fixed assets	20	1,141,164	1,028,568
			2,448,008	2,210,228
	Deferred tax asset on deductible temporary differences:			
	- employee benefits		(51,985)	(1,378)
	- provision for slow moving stores and spare parts		(12,295)	(12,372)
	- allowance for expected credit losses		(12,332)	(10,005)
	- others		(3,723)	(36,414)
			(80,335)	(60,169)
			2,367,673	2,150,059

		Note	2019	2018
	Deferred tax is calculated in full on temporary differences under the liability method			
	Opening balance		2,150,059	2,292,655
	Charge recognized in statement of profit or loss	34	55,196	(41,537)
	(Income) / charge on effect of application of IFRS 9 through equity		(1,405)	-
	Charge recognized in other comprehensive income		163,823	(101,059)
	Closing balance		2,367,673	2,150,059

22.2 Defined benefits plan: Gratuity

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

		Note	2019	2018
	Staff retirement benefits - gratuity	22.2.5	141,892	115,861
	Benefit payable		-	78
			141,892	115,939
22.2.2	**The amounts recognized in the statement of profit or loss account are as follows:**			
	Current service cost		14,359	12,127
	Interest cost on defined benefit obligation		10,213	7,255
	Adjustment as result of change in accounting estimate		-	(9,175)
	Expense recognized in the statement of profit or loss account		24,572	10,207

		Note	2019	2018
22.2.3	**The amounts chargeable to other comprehensive income are as follows:**			
	Remeasurement of Plan Obligations			
	Actuarial (gains)/losses from changes in financial assumptions		1,592	300
	Experience adjustments		4,641	6,908
	Remeasurement charged to other comprehensive income		6,233	7,238

		Note	2019	2018
22.2.4	**Movements in the net liability recognized as follows:**			
	Net liabilities at the beginning of the year		115,861	107,165
	Expense recognized during the year		24,572	10,207
	Benefits paid		(4,774)	(8,749)
	Re-measurements charged to other comprehensive income		6,233	7,238
	Net liabilities at the end of the year		141,892	115,861

Rupees in thousand		Note	2019	2018
22.2.5	**Movements in the present value of defined benefit obligation:**			
	Present value of defined benefits obligation at the beginning of the year		115,861	107,165
	Adjustment as result of change in accounting estimate		-	(9,175)
	Current service cost		14,359	12,127
	Interest cost on defined benefit obligation		10,213	7,255
	Benefits paid		(4,774)	(8,749)
	Remeasurement:			
	Actuarial (gains)/losses from changes in financial assumptions		1,592	330
	Experience adjustments		4,641	6,908
	Present value of defined benefits obligation at the end of the year		141,892	115,861

Rupees in thousand		
22.2.6	**Estimated expense to be charged to statement of profit or loss in next year**	
	Current service cost	16,973
	Interest cost on defined benefit obligation	19,610
	Amount chargeable to profit or loss	36,583

22.2.7 Estimated expense to be charged to statement of profit or loss in next year

Estimated contribution to post employment benefit plan in 2020 will be Rs. 8.562 million.

Qualified actuaries have carried out the valuation as at 30 June 2019. The projected unit credit method, based on the following significant assumptions, is used for valuation of the scheme:

Rupees in thousand	2019	2018
Discount rate for interest cost in profit or loss charge	9.00%	7.75%
Discount rate for obligation	14.25%	9.00%
Expected rates of salary increase in future years	13.25%	8.00%
Mortality rates	SLIC 2001-2005	
	Setback 1 year	
Retirement age assumption	Age 60	Age 60

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

Rupees in thousand	Sensitivity level	Assumption	Defined benefit obligation
	+100 bps	Discount rate	130,509
	-100 bps	Discount rate	155,033
	+100 bps	Expected increase in salary	155,232
	-100 bps	Expected increase in salary	130,141

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

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

Rupees in thousand		Note	2019	2018
23	TRADE AND OTHER PAYABLES			
	Creditors	23.1	1,600,656	867,562
	Accrued expenses		295,295	265,975
	Advances from customers		-	75,118
	Deposits	23.2	18,378	14,780
	Excise duty on cement		251,698	16,328
	Royalty and excise duty		1,622	10,898
	Withholding tax payable		3,867	23,593
	Employees' compensated absences	23.3	43,865	37,597
	Workers' profit participation fund	22.4	13,305	10,684
	Workers' welfare fund	22.5	45,374	56,283
	Others		1,130	1,379
			2,275,190	1,380,197

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

23.2 This includes Rs. 15.5 million (2018: Rs. 13.5 million) received from transporters as security deposits. As per contract terms the Company has the right to utilize the security deposit amount for business purposes as it deems appropriate.

23.3	**Employees' compensated absences**			
	Opening balance as at July 01		37,597	22,764
	Charge to CWIP for the year		1,721	-
	Charge for the year		18,149	24,557
			57,467	47,321
	Payments made during the year		(13,602)	(9,724)
	Closing balance as at June 30		43,865	37,597

23.4	**Workers' profit participation fund**			
	Opening balance as at July 01		10,684	18,554
	Charge for the year	32	71,305	123,684
			81,989	142,238
	Payments made during the year		(68,684)	(131,554)
	Closing balance as at June 30		13,305	10,684

23.5 The Company has made provision amounting to Rs.31.556 million (2018: Rs. 42.409 million) during the year.

24	ACCRUED MARK UP / PROFIT ON FINANCING			
	Islamic banks			
	Long term financing		127,758	65,149
	Short term borrowing		30,264	9,168
			158,022	74,317
	Conventional banks			
	Long term financing		400,513	94,985
	Short term borrowing		100,898	14,339
			501,411	109,324
			659,433	183,641

Rupees in thousand		Note	2019	2018
25	SHORT TERM BORROWINGS - secured			
	Islamic banks			
	Meezan Bank Limited - Running musharaka	25.1	822,229	662,521
	Meezan Bank Limited - Import Musawamah	25.2	366,460	-
			1,188,689	662,521
	Conventional banks			
	Allied Bank Limited	25.3	507,613	704,319
	National Bank of Pakistan	25.4	996,078	576,396
	MCB Bank Ltd	25.5	498,671	496,515
	Bank Al Habib Ltd	25.6	434,709	-
	Habib Bank Limited	25.7	663,630	-
	JS Bank Limited	25.8	246,658	-
	United Bank Limited	25.9	294,502	-
			3,641,861	1,777,230
			4,830,550	2,439,751

25.1 Represents Running Musharaka / Murabaha up to Rs. 550 million in aggregate (2018: Rs. 550 million). The facility carries provisional profit rate of 0.35 % (2018: 0.25%) plus 3 months KIBOR on basis of Meezan Bank's average Musharaka investment determined at the time of disbursement and is payable on quarterly basis. This also carries 0.001% bank share of Musharaka profit if Musharaka profit exceeds beyond profit rate of 0.35 % plus 3 months KIBOR. The facility is secured against joint pari passu charge over current assets of the Company with margin of 25 percent. It also includes liability of Payment Against Documents (PAD) amounting to Rs. 106.424 million (2018: Rs.103.38 million). The Company has also obtained LC Sight / Usance facility up to Rs. 550 million for import of coal, plant and machinery, stores and spares and services. LC sight facility is secured by lien over import documents whereas Usance LC is secured against Pari Passu charge over current assets. These extendable facilities will expire on December 31, 2019.

25.2 During the year, the Company obtained an Import Musawamah facility amounting to Rs. 400 million (2018: Rs. Nil). The facility carries profit rate of KIBOR plus 0.50% per annum. The facility is secured by lien over the investments of the Company with Al- Meezan Investments with 35% margin.

25.3 The Company has obtained short term Running finance / Money market line / LC facility / Finance against imported merchandise and FATR from Allied Bank Limited amounting to Rs. 1,500 million in aggregate (2018: Rs. 1,500 million). This facility carries markup at the rate 3 months KIBOR plus 0.35% per annum payable to the Bank on quarterly basis, while markup in respect of money market loan transaction would be advisable at the time of transaction. The facility is secured by lien on Company's investment in Government Securities Fund and / or Cash Fund of ABL Asset Management Company with 5% margin and also contains joint pari passu hypothecation charge over present and future current assets of the company with 25% of margin. LC facility also carries lien on import documents / Bill of exchange / Trust receipts. This extendable facility expires on August 31, 2019.

25.4 The Company has obtained a Running finance facility amounting to Rs.1,000 million. The facility is secured against joint pari passu charge over current assets of the Company with 25% margin. This carries markup at the rate of 3 months KIBOR plus 0.25% per annum payable on quarterly basis. This facility also has a Letter of Credit sub limit of Rs. 500 million for import of coal, stores and machinery parts. This extendable facility has expired on June 30,2019 and renewal is in process.

25.5 The Company has obtained a Running finance facility amounting to Rs. 500 million. The facility is secured against joint pari passu charge on the current assets of the Company with 25% margin .This carries markup at the rate of 3 months KIBOR plus 0.20% per annum payable on quarterly basis. This facility also has a Letter of Credit sub limit of Rs. 500 million to import coal, packing material, stores and machinery parts .This facility expires on March 31, 2020.

25.6 During the year, the Company has obtained running finance/letter of credit sight facility/FATR facility of Rs. 500 million. This facility carries markup at the rate of 3 months KIBOR plus 0.35% per annum (2018: 0.25%) payable on quarterly basis. The facility is secured against joint pari passu charge over current assets of the Company amounting to Rs. 667 million. LC facility also carries lien on import documents / Bill of exchange / Trust receipts. This extendable facility expires on August 28, 2021.

25.7 During the year, the Company has obtained running finance/letter of credit sight facility/FATR facility of Rs. 700 million. This facility carries markup at the rate of 3 months KIBOR plus 0.10% per annum payable on quarterly basis. The facility is secured against Rs. 933.3 million joint pari passu charge over current assets of the Company. LC facility also carries lien on import documents / Trust receipts. This extendable facility has expires on February 28, 2020.

25.8 The Company has obtained letter of credit sight facility from JS Bank Limited up to Rs. 700 million (June 2017: Rs. 700 million) to import coal. The letter of credit sight facility is secured against lien over import documents with 5% cash margin or as per State Bank of Pakistan requirement whichever is higher . This facility contains LC sublimit of Rs. 300 million to import stores, spares and tools, Rs. 200 million for obtaining foreign technical services and FIM of Rs. 650 million against import of coal. The Company has also obtained letter of guarantee (LG) facility amounting to Rs. 50 million (June 2017: Rs Nil) which shall be secured against 100% margin, if availed. Further, the company has also obtained a forward cover facility amounting to Rs. 70 million (June 2017: Rs Nil) which was not utilized during the year. This renewable facility will expire on May 31, 2020.

25.9 During the year, the Company has obtained non-interest cash finance/letter of credit sight facility/FATR facility of Rs. 400 million. This facility carries markup at the rate of 1 month KIBOR plus 0.30% per annum payable on quarterly basis. The facility is secured against PKR 533.34 million joint pari passu charge over current assets of the Company including 25% margin. LC facility also carries lien on import documents / Bill of exchange / Trust receipts. This extendible facility has expired on April 30, 2019 and extension is in progress.

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

Pending the outcome of below cases, no provision has been made in the financial statements, since the management of the Company based on its consultants' opinion, is confident that the outcome of the appeals will be in favor of the Company. The aggregate exposure of the following cases amounts to Rs. 708.78 million (2018: Rs. 691.6).

Tax Matters

26.1.1 Demands of sales tax including additional tax and penalty on lime stone and clay amounting to Rs. 4.518 million and Rs. 8.292 million were raised respectively. The case for Rs. 4.518 million is pending in the Lahore High Court, Lahore (LHC) and case for Rs. 8.292 million is decided by the Collector of Sales Tax (Appeal) on February 03, 2007 partially reducing the value of sales tax amount from Rs. 8.292 million to Rs. 2.8 million. The Company had deposited Rs. 2.2 million and filed an appeal against the order of Collector Sales Tax (Appeal) in Sales Tax Tribunal, Lahore which is pending adjudication.

26.1.2 The income tax assessments of the Company have been finalized up to tax year 2012. While finalizing the said assessments, income tax authorities made certain additions / disallowances and accordingly raised income tax demands. As a result of appeals filed by the Company before different appellate fora; the said additions / disallowances and income tax demands had been reduced to Rs. 2,471 million and Rs. 137 million respectively. However, certain number of appeals of Company as well as tax department are still pending adjudication at different appellate fora. The management believes that there is a reasonable probability that the matters will be decided in favor of the Company. Pending the outcome of the matters, no provision has been made in these financial statements.

26.1.3 The Deputy Commissioner Inland Revenue (DCIR) passed an amended order dated 29 November 2018 under section 161(1A)/205 of the Income Tax Ordinance, 2001 (the Ordinance) for tax year 2012, wherein demand of Rs. 10.911 million was created. Being aggrieved with the said order, the company filed an appeal before Commissioner Inland Revenue Appeals [CIR(A)] which was decided against the Company. However, being aggrieved with the said order, the company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication. The management believes that there is a reasonable probability that the matter will be decided in favor of the company. Pending the outcome of the matter, no provision has been made in these financial statements.

26.1.4 The Additional Commissioner Inland Revenue (ADCIR) passed an amended order dated 28 June 2019 under section 122(5A) of the Ordinance for tax year 2013, wherein certain additions were made which resulted into taxable income of Rs. 1,949 million and refunds of Rs. 2.998 million. Being aggrieved with the said order, the company filed an appeal before CIR(A) which is pending adjudication. The management believes that there is a reasonable probability that the matter will be decided in favor of the company. Pending the outcome of the matter, no provision has been made in these financial statements.

26.1.5 The Company's case was selected under section 214C/177 of the Ordinance by the FBR for audit of its income tax affairs for the tax year 2014. Audit proceedings were finalized by the DCIR and passed an order dated 09 September 2017 under section 122(1) of the Ordinance, wherein certain additions were made which resulted into taxable income at Rs. 1,304 million and income tax demand at Rs. 347 million. Being aggrieved with the said order, the Company filed an appeal on 08 December 2017 before the CIR(A) which is pending adjudication. The management believes that there is a reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.

26.1.6 The Company has filed writ petition on 19 January 2015 before the LHC on the issue of chargeability of Alternate Corporate Tax (ACT) for the tax year 2014. The learned Judge allowed filing of return without payment of ACT upon submission of post-dated cheque amounting to Rs. 113.724 million with the Commissioner (to the extent of ACT). The Company has deposited the said cheque with the Commissioner as a collateral against Company's tax liability. The case is still pending in LHC.

26.1.7 The DCIR issued a show cause notice under section 205(1B) of the Ordinance to the Company showing intention to impose default surcharge for short payment of advance income tax liability for tax year 2015. The Company file a writ petition against the said show cause notice before the LHC on May 30, 2016. The LHC disposed off the said writ petition with the direction that the officer issuing the notice shall proceed to finalize the assessment after taking into account the stance of the Company with regard to the ACT and applicable rate for the tax year in question within a period of one month of receipt of order. However, assessment has not been finalized yet. The management believes that there is a reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.

26.1.8 The ADCIR passed an amended order dated 25 November 2016 under section 122(5A) of the Ordinance for tax year 2015, wherein certain additions were made which resulted into taxable income of Rs. 4,131 million and income tax demand of Rs. 514 million. Being aggrieved with the said order, the Company filed an appeal before CIR(A) who deleted all the additions except the addition made under section 18(1)(d) of the Ordinance amounting to Rs. 550 million. Being aggrieved with the Order of CIR(A), both the Company and tax department filed appeals before the ATIR, wherein the ATIR vide its combined order dated 13 September 2017 decided the appeals in favour of the Company. Against the said order of the ATIR, the tax department filed a reference bearing No.121750/17, before the honorable LHC, which is pending adjudication. The management believes that there is a reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.

26.1.9 The ADCIR passed an amended order dated 29 January 2019 under section 122(5A) of the Ordinance for tax year 2017, wherein certain additions were made which resulted into increase in taxable income of Rs. 4.421

million and income tax demand of Rs. 1.089 million. Being aggrieved with the said order, the company filed an appeal before CIR(A) which is pending adjudication. The management believes that there is a reasonable probability that the matter will be decided in favor of the company. Pending the outcome of the matter, no provision has been made in these financial statements.

26.1.10 Commissioner passed an order that during the tax period 2008-2009, one of the suppliers of the Company namely M/s Al-Noor General Order Supplier allegedly did not deposit the tax paid by it on the supplies and therefore, the Company was not entitled to claim input tax in its monthly sales tax returns and a demand of Rs. 9.064 million was created. ATIR decided the order against the Company. The Company has filed an appeal against the said order in LHC which is pending adjudication.

Other Matters

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

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

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

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

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

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

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

26.2 Commitments

26.2.1 Commitments in respect of outstanding letters of credit amount to Rs. 1,863.46 million (2018 Rs. 6,244.081 million). It includes letter of credit facilities for the procurement of new cement production plant, WHR and coal power plant aggregating to USD 11.03 million (2018: USD 48.25 million). In addition, commitment in respect of contracts registered with banks amount to Rs. 11.87 million (2018: Rs. 11.09 million).

Commitments in respect of issued letters of guarantees favouring Collector of Customs, Karachi amount to Rs. 17.57 million (2018: Rs. nil).

26.2.2 Contracts for capital expenditure amounts to Rs. 4,057.895 million (2018: Rs. 6,849.082 million).Rupees in thousand

	Note	2019	2018

27 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

27.1 Disaggregated revenue information

Set out below is the disaggregation of the company's revenue from contracts with customers:

Sales - gross	14,179,636	14,585,523
Less:		
Sales Tax	2,260,513	2,337,767
Federal Excise Duty	2,076,356	2,008,583
Commission	38,099	33,884
Discount and Rebate	71,015	83,969
	4,445,983	4,464,203
Total revenue from contract with customers	9,733,653	10,121,320
Types of Revenue		
Cement - Local	13,809,509	13,574,937
Cement - Export	364,688	383,468
Clinker - Local	-	627,118
Clinker - Export	5,439	-
	14,179,636	14,585,523
Geographical Markets		
Pakistan	13,809,509	14,202,055
India	275,470	383,468
Afghanistan	94,657	-
	14,179,636	14,585,523
Timing of revenue recognition:		
Goods transferred at a point in time	14,179,636	14,585,523

Rupees in thousand		Note	2019	2018
27.2	**Contract Balances**			
	Trade Receivables	11	482,724	433,814
	Contract Liabilities		88,682	-
28	COST OF SALES			
	Raw material consumed	28.1	571,644	620,267
	Packing material consumed		775,983	620,195
	Fuel and power		4,870,842	4,956,475
	Stores and spare parts consumed		245,265	266,657
	Salaries, wages and benefits	28.2	446,024	465,943
	Travelling and conveyance		32,501	21,114
	Insurance		9,699	8,670
	Repairs and maintenance		73,813	76,695
	Depreciation	5.1.4	414,205	426,717
	Amortization of intangible assets	7.2	844	1,395
	Other manufacturing expenses		56,445	44,379
	Total manufacturing cost		7,497,265	7,508,507
	Work in process			
	Opening balance		301,897	109,176
	Closing balance	10	(201,136)	(301,897)
			100,761	(192,721)
	Cost of goods manufactured		7,598,026	7,315,786
	Finished goods			
	Opening balance		66,862	61,723
	Closing balance	10	(65,921)	(66,862)
			941	(5,139)
			7,598,967	7,310,647
28.1	**Raw material consumed**			
	Opening balance		45,909	29,595
	Quarrying / transportation / purchases and other overheads		554,300	636,581
			600,209	666,176
	Closing balance	10	(28,565)	(45,909)
			571,644	620,267
28.2	**Includes amount pertaining to employee benefits as follows:**			
	Defined contribution plan		9,967	8,881
	Gratuity - vested contractual employees		24,572	10,207
	Compensated absences		13,322	17,724
			47,861	36,812

Rupees in thousand		Note	2019	2018
29	DISTRIBUTION COST			
	Salaries, wages and benefits	29.1	61,961	48,449
	Travelling and conveyance		2,215	814
	Vehicle running expenses		2,874	2,019
	Communication		3,904	2,635
	Printing and stationery		1,829	1,524
	Rent, rates and taxes		7,037	5,637
	Utilities		3,163	2,101
	Repairs and maintenance		2,775	1,305
	Allowance for expected credit losses	11.2	3,689	-
	Legal and professional charges		316	196
	Insurance		322	265
	Fee and subscription		2,864	1,341
	Advertisements / sales promotion		24,075	3,434
	Freight and handling charges	29.2	60,102	92,279
	Entertainment		2,081	1,792
	Depreciation	5.1.4	2,753	2,425
	Amortization	7.2	423	697
			182,383	166,913

29.1	**Includes amount pertaining to employee benefits as follows:**			
	Defined contribution plan		2,208	1,666
	Compensated absences		1,966	2,389
			4,174	4,055

29.2 This represents freight and handling charges against export sales.

30	ADMINISTRATIVE EXPENSES			
	Salaries, wages and benefits	30.1	71,892	63,945
	Travelling and conveyance		4,028	1,787
	Vehicle running expenses		4,320	3,246
	Communication		1,253	1,019
	Printing and stationery		2,856	2,645
	Rent, rates and taxes		6,768	5,495
	Utilities		19	20
	Repairs and maintenance		3,200	2,484
	Legal and professional charges		25,151	4,141
	Insurance		1,032	856
	Auditors' remuneration	30.2	2,180	2,000
	Fee and subscription		5,346	1,971
	Depreciation	5.1.4	8,663	6,525
	Amortization	7.2	423	697
	Entertainment		39	461
	Others		5,890	246
			143,060	97,538

30.1	**Includes amount pertaining to employee benefits as follows:**			
	Defined contribution plan		2,085	1,822
	Compensated absences		2,861	4,489
			4,946	6,311

Rupees in thousand		Note	2019	2018
			EY Ford Rhodes	EY Ford Rhodes
30.2	**Auditors' remuneration**			
	Annual audit fee		1,100	1,000
	Fee for half yearly review		440	400
	Special certifications and other advisory services		330	300
	Out of pocket expenses		310	300
			2,180	2,000

		Note	2019	2018
31	OTHER INCOME			
	Income from financial assets			
	Interest on bank deposits		5,935	4,200
	Profit on bank deposits		14,293	7,220
	- Income on mutual funds			
	Dividend income			
	-Shariah compliant investments		65	761
	-Conventional investments		6,632	1,272
	Remeasurement gain on short term investments - FV through profit or loss			
	-Conventional investments		1,918	5,632
	Gain on disposal of short term investments			
	-Shariah compliant investments		-	22,017
			8,615	29,682
	Liabilities written back		9,093	-
			37,936	41,102
	Income from non financial assets			
	Scrap sales		21,363	-
	Gain on disposal of fixed assets	5.1.6	208	2,205
	Fair value gain on investment property	6	4,915	7,854
	Rental income arising from investment property	6.3	7,098	6,621
	Rental income		746	1,227
	Others		500	40
			34,830	17,947
			72,766	59,049

		Note	2019	2018
32	OTHER OPERATING EXPENSES			
	Workers' profit participation fund	23.4	71,305	123,684
	Workers' welfare fund	23.5	31,556	42,409
	Remeasurement loss on short term investments - FV through profit or loss			
	-Shariah compliant investments		180,388	131,198
	-Conventional investments		515	-
	Loss on disposal of short term investments			
	-Conventional investments		3,631	-
	Donation	32.1	676	399
			288,071	297,690

32.1 None of the directors were interested in donee institutions.

Rupees in thousand		Note	2019	2018
33	FINANCE COST			
	Profit on Musharaka finance		124,709	64,019
	Mark-up on:			
	Short-term borrowings		132,850	25,725
	Fee, charges and commission			
	Bank charges		13,145	5,152
			270,704	94,896
34	TAXATION			
	Current tax:			
	Current year		477,236	601,968
	Prior year		425	8,234
			477,661	610,202
	Deferred tax:			
	Relating to the reversal of and origination of temporary differences	34.2	55,196	(41,537)
			532,857	568,665

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

		2019	2018
	Accounting profit for the year before tax	1,323,234	2,212,685
	- Tax applicable rate of 29% (2018: Rate 30%)	383,738	663,806
	- Effect of expenses not allowed for tax	119,865	(80,222)
	- Effect of prior year	425	8,234
	- Impact of super tax	31,336	63,617
	- Tax effect under lower rate of tax	4,858	2,206
	- Tax credits	(7,365)	(88,976)
	Taxation	532,857	568,665
	Average effective tax rate	40%	26%
34.2	**Deferred tax**		
	Relating to origination and reversal of temporary difference	214,459	(270,803)
	(Expense) / income resulting from change of rate of tax	(159,263)	229,266
		55,196	(41,537)
34.3	**Advance income tax - net**		
	Opening balance - net	1,136,794	359,748
	Provision for tax during the year	(477,661)	(610,202)
		659,133	(250,454)
	Advance income tax during the year	388,914	1,387,248
		1,048,047	1,136,794

34.3.1 The provision for current year tax represents tax on taxable income at the rate of 29%. Sufficient tax provision has been incorporated in these financial statements.

34.3.2 Income tax assessments are deemed finalized by the management up to the Tax Year 2018 as tax returns were filed under the self assessment scheme.

34.3.3 Subsequent to the amendment to section 5(A) of the Income Tax Ordinance, 2001, tax at the applicable rate shall be imposed on every public company which derives profit for the year. However, this tax shall not apply in case of a Company which distributes at least specified percentage of its tax profits within six months of the end of the tax year in the form of cash dividend. Liability in respect of such tax, if any, is recognized when the prescribed time period for distribution of dividend expires.

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

Rupees in thousand	Provision for taxation	Tax assessed	(Shortage) / Excess
2018	601,968	602,393	(425)
2017	1,108,186	1,116,420	(8,234)
2016	1,340,440	1,333,686	6,754

Rupees in thousand	2019	2018
35 EARNINGS PER SHARE - BASIC AND DILUTED		
There is no dilution effect on the basic earning per share of the Company, which is based on:		
Profit after taxation (Rupees in '000')	790,377	1,644,020
Weighted average number of ordinary shares in issue ('000')	227,149	227,149
Earnings per share - basic and diluted (Rupees)	3.48	7.24

36 TRANSACTIONS WITH RELATED PARTIES

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

Relationship with company	Nature of Transaction	Note	2019	2018
Key management personnel	Remuneration	38	174,434	139,192
Workers' profit participation fund	Payments to WPPF	23.4	68,684	131,554
Staff retirement contribution plan	Contribution to staff provident fund		16,886	12,369
Balances:				
WPPF payable			13,305	10,684

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

37 FINANCIAL RISKS AND MANAGEMENT OBJECTIVES

37.1 Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, sustain future development of the business and maximize shareholders value. The Company closely monitors the return on capital along with the level of distributions to ordinary shareholders. No changes were made in the objectives, policies or processes during the year ended June 30, 2019.

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

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

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

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

37.2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans, borrowings, deposits and investments. The Company is exposed to interest rate risk, liquidity risk, credit risk and equity risk. The sensitivity analysis in the following sections relate to the position as at 30 June 2019 and 2018.

37.3 Liquidity risk

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

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

Rupees in thousand	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
June 30, 2019						
Long term financing	–	–	1,765,116	14,856,329	–	16,621,445
Long term deposits	–	–	–	4,272	–	4,272
Deferred liabilities	–	–	–	141,892	–	141,892
Unclaimed dividend	–	–	68,624	–	–	68,624
Retention money	–	–	–	1,898,307	–	1,898,307
Trade and other payables	257,187	1,960,833	57,710	–	–	2,275,190
Contract liabilities	88,682	–	–	–	–	88,682
Accrued mark up / profit on financing	659,433	–	–	–	–	659,433
Short term borrowings	1,040,339	–	3,790,211	–	–	4,830,550
	2,045,641	1,960,833	5,681,121	16,900,800	–	26,588,395
June 30, 2018						
Long term financing	–	–	375,000	7,890,631	–	8,265,631
Long term deposits	–	–	–	4,262	–	4,262
Deferred liabilities	–	–	–	115,939	–	115,939
Unclaimed dividend	–	–	72,039	–	–	72,039
Retention money	–	–	–	870,890	–	870,890
Trade and other payables	50,819	1,281,097	48,281	–	–	1,380,197
Accrued mark up / profit on financing	183,641	–	–	–	–	183,641
Short term borrowings	–	–	2,439,751	–	–	2,439,751
	234,460	1,281,097	2,935,071	8,881,722	–	13,332,350

37.4 Yield / mark-up rate

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

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

Markup rate sensitivity

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

Rupees in thousand	Increase/ decrease in Basic Points	Effect on bank deposits	Effect on profit before tax
2019			
Pak Rupee	+100	277	(21,784)
Pak Rupee	-100	(277)	21,784
2018			
Pak Rupee	+100	2,806	(13,323)
Pak Rupee	-100	(2,806)	13,323

37.5 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company is mainly exposed to credit risk on long term deposits, trade debts, advances, other receivables, short term investments and bank balances aggregating to Rs. 3.583 million (2018: Rs.3.818 million). The Company seeks to minimize its credit risk exposure through having exposure only to customers considered credit worthy.

Rupees in thousand	Note	2019	2018
Long term deposits	8	57,247	40,086
Trade debts	11	482,724	433,814
Advances to employees	12	5,394	7,162
Advance taxes - net	14	2,077,938	–
Other receivables	15	325	45
Short term investments	16	728,359	1,006,904
Cheques in hand	17	171,441	180,801
Bank balances	17	38,629	311,745
		3,562,057	1,980,557

Credit quality of financial assets

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

Rupees in thousand	2019	2018
Bank balances		
Banks having A1+ rating (PACRA)	18,384	30,211
Banks having A-1+ rating (JCR-VIS)	20,245	281,518
Banks having A-1 rating (JCR-VIS)	-	16
	38,629	311,745
Short Term investments		
Funds having AAA rating (PACRA)	13	12
Funds having AA rating (PACRA)	2,025	-
Funds having A rating (JCR-VIS)	16,724	117,397
Funds having A- rating (PACRA)	-	541
Unrated (equity based funds)	709,597	888,954
	728,359	1,006,904

37.6 Foreign exchange risk management

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

37.7 Other price risk

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

Rupees in thousand	Increase/ (decrease) in value	2019	2018
Short term investments (equity based funds)	+10%	52,544	64,690
	-10%	(52,544)	(64,690)

37.8 Fair value

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

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

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

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

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

Rupees in thousand	Cash and cash equivalents	Amortized Cost	Fair value through OCI	Fair value through profit or loss	Total
June 30, 2019					
Financial assets measured at fair value					
Short term investments	–	–	–	728,359	728,359
Financial assets not measured at fair value					
Long term deposits	–	57,247	–	–	57,247
Current assets					
Trade debts - unsecured	–	482,724	–	–	482,724
Loans and advances	–	5,394	–	–	5,394
Trade deposits	–	9	–	–	9
Advance Taxes - net	–	2,077,938	–	–	2,077,938
Other receivables	–	325	–	–	325
Cash and bank balances	210,924	–	–	–	210,924
	210,924	2,623,637	–	728,359	3,562,920
June 30, 2018					
Financial assets measured at fair value					
Short term investments	–	–	–	1,006,904	1,006,904
Financial assets not measured at fair value					
Long term deposits	–	40,086	–	–	40,086
Current assets					
Trade debts - unsecured	–	433,814	–	–	433,814
Loans and advances	–	7,162	–	–	7,162
Trade deposits	–	9	–	–	9
Advance Taxes - net	–	–	–	–	–
Other receivables	–	45	–	–	45
Cash and bank balances	493,261		–	–	493,261
	493,261	481,116	–	1,006,904	1,981,281

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

Rupees in thousand	Note	2019	2018
37.8.3 Financial liabilities by categories			
Financial liabilities at amortized cost:			
Long term financing - secured	21	16,621,445	8,265,631
Trade and other payables	23	2,275,190	1,380,197
Contract liabilities		88,682	-
Accrued mark up / profit on financing	24	659,433	183,641
Short term borrowings - secured	25	4,830,550	2,439,751
		24,475,300	12,269,220

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

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

Rupees in thousand	Level 1	Level 2	Level 3
2019			
Short term investments	728,359	–	–
	728,359	–	–
2018			
Short term investments	1,006,904	–	–
	1,006,904	–	–

38 REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE OFFICER AND EXECUTIVES

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

Rupees in thousand	Chief Executive Officer		Executive Director		Executives	
	2019	2018	2019	2018	2019	2018
	1	1	1	1	26	26
Basic Salary	12,803	14,833	–	911	67,953	46,220
Contribution to Provident Fund Trust	1,280	1,483	–	-	1,280	3,013
Allowances & benefits:						
House Rent	5,761	6,675	–	410	30,579	20,799
Utilities	1,280	1,483	–	91	6,795	4,622
Others	5,433	8,170	–	555	41,270	29,927
	26,557	32,644	–	1,967	147,877	104,581

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

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

	2019	2018
39 NUMBER OF EMPLOYEES		
Number of employees at year end including permanent and contractual - total	1,059	951
Average number of employees during the year - total	1,054	941
Number of employees at year end including permanent and contractual - factory	962	865
Average number of employees during the year - factory	960	860

40 PROVIDENT FUND TRUST

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

Rupees in thousand	2019 Audited	2018 Audited
Size of the fund	158,227	167,055
Cost of investment made	120,110	139,070
Fair value of investment	124,136	159,119
Percentage of investment made	78%	95%

Rupees in thousand		2019		2018	
		Audited	% in full	Audited	% in full
40.2	**Breakup of investments**				
	Mutual funds	62,995	50%	101,066	63%
	Certificate of investments	55,858	45%	42,808	27%
	Term finance certificates	934	1%	934	1%
	Shares	4,350	4%	14,311	9%
		124,137	100%	159,119	100%

Rupees in thousand		Note	2019	2018
41	CASH GENERATED FROM OPERATIONS			
	Profit before taxation		1,323,234	2,212,685
	Adjustments for non cash and other items:			
	Depreciation	5.1.4	507,365	511,230
	Amortization of intangible	7.2	1,690	2,789
	Provision for expected crdit losses		3,689	-
	Provision for gratuity and compensated absences		42,721	34,985
	Finance cost	31	270,704	89,744
	Gain on disposal of property, plant and equipment	5.1.6	(208)	(2,205)
	Gain on remeasurement of investment property	6	(4,915)	(7,854)
	Workers' profits participation fund	30	71,305	123,684
	Workers' welfare fund	30	31,556	42,409
	Dividend income	29	(6,697)	(2,033)
	Loss on redemption of short term investment	29	3,631	-
	Unrealized loss on investments		178,985	125,566
	Liabilities written back		(9,093)	-
			1,090,733	918,315
	Cash flows before working capital changes		2,413,967	3,131,000
	Movement in working capital			
	(Increase)/ decrease in current assets:			
	Stores, spare parts and loose tools		(191,529)	(196,933)
	Stock in trade		144,585	(234,654)
	Trade debts		(57,445)	(208,986)
	Loans and advances		(179,219)	(64,727)
	Trade deposits and short term prepayments		(4,075)	(2,251)
	Sales tax receivable		(329,362)	(610,353)
	Other receivables		(280)	(45)
			(617,325)	(1,317,949)
	Increase/ (decrease) in current liabilities:			
	Trade and other payables		1,011,596	747,764
	Retention money payable		1,027,417	836,845
			2,039,013	1,584,609
			1,421,688	266,660
			3,835,655	3,397,660

Metric tons		2019	2018
42	PRODUCTION CAPACITY		
	Rated capacity - clinker		
	- Line I	705,000	705,000
	- Line II	1,290,000	1,290,000
		1,995,000	1,995,000
	Actual production - clinker		
	- Line I	241,625	522,760
	- Line II	1,015,530	1,027,944
		1,257,155	1,550,704
	Sales		
	- Local - Cement	1,384,237	1,475,956
	- Local - Clinker	-	100,915
		1,384,237	1,576,871
	- Exports - Cement	60,897	68,950
	- Exports - Clinker	1,078	-
		1,446,212	1,645,821

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

43 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issuance by the Board of Directors of the Company on October 03, 2019.

44 EVENTS AFTER REPORTING DATE

Subsequent to the year ended June 30, 2019, the Board of Directors has proposed a final cash dividend in their meeting held on October 03,2019 for the year ended June 30, 2019 of Rs. Nil (2018: Rs. 4.07) per share.

The finance Act 2019, has levied a tax at the rate of 5% to be imposed in every public company that derives profit for a tax year but does not distribute at least 20% of its after tax profit.('requisite dividend') within six months of the end of tax year ('requisite time') through cash. Any liability in this respect will be recognised when the requisite time expires without the Company having distributed the requisite dividend.

45 GENERAL

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

انسانی سرمایہ

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

ڈائریکٹرز کیلئے تربیتی پروگرام

کوڈ آف کارپوریٹ گوورنس کے تحت تمام کمپنیز پابند ہیں کہ وہ اپنے ڈائریکٹرز کیلئے آگہی اور تربیتی کورس کا اہتمام کریں۔کمپنی تربیتی کورس کے لئے کوڈ آف کارپوریٹ گوورنس کی شق ۲۰ (اے) کے مطابق ہےاور دوران سال اس طرح کا کوئی پروگرام مرتب نہیں کیا گیا۔

بورڈ کی اپنی کارکردگی کی تشخیص

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

آڈیٹرز

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

مستقبل کا نقطہ نظر

ہمارے براؤن فیلڈ ۹۰۰۰ ٹن روزانہ کی پیداوار کے حامل پلانٹ کا بجلی اور مکینیکل کا کام اپنے آخری مراحل میں ہے۔۱۲ میگاواٹ ویسٹ ہیٹ ریکوری پاور پلانٹ اور ۲۴ میگاواٹ کول پاور پلانٹ پر بھی کام تیزی سے جاری ہے۔پلانٹ کے کمرشل آپریشن کے شروع ہوتے ہی آپ کی کمپنی نے مقامی منڈی میں اور برآمدات میں اپنے ہدف کو بڑھا دینا ہے جس سے حصص داران کو بہتر منافع مل سکے گا۔

اعتراف

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

عارف حمید ڈار
چیف ایگزیکٹو آفیسر
۳ اکتوبر ۲۰۱۹

علی خان
چیئرمین بورڈ آف ڈائریکٹرز
۳ اکتوبر ۲۰۱۹

گیس اور دھول کا اخراج

کمپنی آلودگی سے پاک ماحول کو برقرار رکھنے کیلیئے کوشاں ہے اور اس کے لئے برقی آلات اور دھول جمع کرنے والے آلات کمپنی کے پیداواری مقام پر لگائے ہیں۔ اس کے علاوہ کوئلہ جلانے کے موثر آلات لگائے ہیں جو کہ ماحولیاتی آلودگی کو نائٹروجن آکسائڈ اور کاربن مونو آکسائڈ سے کم کرتے ہیں۔ ایک ویسٹ ہیٹ ریکوری پلانٹ بھی لگایا گیا ہے جو کہ پیداواری عمل کے دوران پیدا شدہ گیس کو استعمال کرتے ہوئے بجلی پیدا کرتا ہے۔ ہمارا زیر تعمیر سیمنٹ پلانٹ جدید ترین ٹیکنالوجی کا حامل ہے جس میں ایندھن اور بجلی کی کھپت کم ہے۔ اس کے ساتھ بھی ایک ۱۲ میگاواٹ کا ویسٹ ہیٹ ریکوری پلانٹ لگایا گیا ہے جو ہماری اس پلانٹ کو مزید ماحول دوست بنائے گا۔

ملازمین کی حفاظت

کمپنی کے ملازمین مطلوبہ آلات اور حفاظت سے متعلقہ اوزاروں سے لیس ہیں تا کہ وہ پیدا شدہ شور سے محفوظ رہ سکیں۔ ایک علیحدہ حفاظتی شعبہ بھی قائم کیا گیا ہے جو کہ حفاظتی قوائد وضوابط قائم کر سکے اور اس کے ساتھ تعمیل کو یقینی بنائے۔ یہ قوائد وضوابط وقتاً فوقتاً دیکھے جاتے ہیں تا کہ کسی بھی ناخوشگوار واقع سے بچنے کیلیئے ضروری اقدامات کئے جا سکیں۔

کمیونٹی سرمایہ کاری اور فلاحی سکیم

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

قومی خزانے میں شراکت

کمپنی نے قومی خزانے میں اس سال ۶۳۔۵۵۳،۴ملین روپے (۲۰۱۸: ۶،۴۳۷ملین روپے) انکم ٹیکس، لیویز، سیلز ٹیکس اور ایکسائز ڈیوٹی کی مد میں حصہ ڈالا۔ اس رپورٹ کی تیاری کے وقت تک ۵۶۔۲۵۵ملین روپے (۲۰۱۸: ۹۔۲۳ملین روپے) قابل ادائیگی جو کہ مناسب وقت میں ادا کر دیئے جائیں گے۔

بہبود ملازمین

پراویڈنٹ فنڈ / گریجویٹی

کمپنی اپنے تمام مستقل ملازمیں کے لئے پراویڈنٹ فنڈ سکیم چلا رہی ہے جبکہ تمام معاہدہ جاتی ملازمین جن کی عمر ۶۰ سال سے کم ہے کے لئے گریجویٹی سکیم چلا رہی ہے۔ پراویڈنٹ فنڈ کی سرمایہ کاری کی مناسب قیمت ۳۰ جون ۲۰۱۹ کو ۱۴۔۱۲۴ ملین روپے ہے (۲۰۱۸: ۱۔۱۵۹ملین روپے آڈٹ شدہ)۔

طبی سہولیات

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

بورڈ مندرجہ ذیل امور کی تصدیق کرتا ہے:

- پائنیر سیمنٹ کی انتظامیہ کے تیار کردہ مالی حسابات میں اپنے تمام امور، کاروباری نتائج، کیش فلو کی حالت اور ایکویٹی میں ردوبدل کا جائزہ پیش کیا جاتا ہے۔
- حساب کتاب کی مناسب کتب کو برقرار رکھا گیا ہے۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیز کا خیال رکھا جاتا ہے اور اکاؤنٹنگ کے اندازے مناسب اور محتاط ہوتے ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں مروجہ بین الاقوامی اکاؤنٹنگ کے معیار کا خیال رکھا جاتا ہے اور اگر ان میں کوئی تبدیلی ہو تو باقاعدہ ظاہر کیا جاتا ہے۔
- اندرونی کنٹرول اور ضابطوں کے موجودہ نظام کا باقاعدگی سے جائزہ لیا جاتا ہے۔ یہ بورڈ کی آڈٹ کمیٹی کا بنایا ہوا ہے اور ضرورت پڑنے پر بدلا بھی جاتا ہے۔
- کمپنی کی قابلیت پر تشویش کے بارے میں کوئی اہم شکوک وشبہات نہیں ہیں۔
- کارپوریٹ گوورننس کے بہترین طریقوں سے کسی قسم کا قابل ذکر اختلاف نہیں پایا جاتا۔
- اخلاقی اور کاروباری ضابطہ بنایا گیا ہے اور ڈائریکٹرز اور کارکنان میں تقسیم کیا گیا ہے۔
- بورڈ نے مشن سٹیٹمنٹ اور کاروباری حکمت عملی کی سٹیٹمنٹ بھی بنائی ہے۔
- کوڈ آف کارپوریٹ کے تحت مندرجہ ذیل بیانیہ لف ھذا ہیں:

  ا) چھ سالہ مالیاتی اور کاروباری اعداد۔
  ۲) حصص رکھنے کا طریقہ۔
  ۳) ایسوسی ایٹڈ کمپنیز، انڈر ٹیکنگز اور ریلیٹڈ اشخاص کے حصص کا بیانیہ
  ۴) دیگر معلومات کا بیانیہ۔

کارپوریٹ سماجی کارکردگی

صحت، تحفظ اور ماحول

انتظامیہ اپنے سٹاف کو ایک محفوظ، صحت مندانہ اور بڑھوتری کا ماحول دینے کیلئے پرعزم ہے اور اس کے مطابق کامیابی سے ISO 9001:2015 and ISO 14001:2015 کے سرٹیفکیٹ حاصل کر چکی ہے۔ مزید برآں قدرتی ذرائع کے استعمال میں کمی کی بدولت آپ کی کمپنی کو گرین آفس ڈپلوما بھی مل چکا ہے

آڈٹ کمیٹی

نمبرشمار	نام	عہدہ	حاضری
۱۔	جناب جمال نسیم	چیئرمین	۴
۲۔	جناب علی خان	ممبر	۴
۳۔	محترمہ عالیہ خان	ممبر	۳
۴۔	جناب شفیع الدین غنی خان	ممبر	۴
۵۔	جناب محمد آفتاب عالم	ممبر	۳

ایچ آر اینڈ ریمونیریشن کمیٹی

نمبرشمار	نام	عہدہ	حاضری
۱۔	جناب شفیع الدین غنی خان	چیئرمین	۱
۲۔	جناب علی خان	ممبر	۱
۳۔	محترمہ عالیہ خان	ممبر	۱
۴۔	جناب محمد آفتاب عالم	ممبر	۱
۵۔	جناب عارف حمید ڈار	ممبر	۱

کارپوریٹ اور مالی رپورٹنگ کا فریم ورک

بورڈ کمپنی کی حکمت عملی کی سمت کا جائزہ باقاعدگی سے لیتا رہتا ہے۔ کاروباری منصوبہ جات اور بجٹ کے اہداف کے حصول کیلئے بھی باقاعدہ جائزہ لیا جاتا ہے۔ بورڈ کارپوریٹ گوورننس کے اعلیٰ معیار کو برقرار رکھنے کیلئے پرعزم ہے اور سیکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے نافذ کردہ کوڈ آف کارپوریٹ گوورننس کی جامع تعمیل کو یقینی بناتا ہے۔

انتظامی اور مالی لاگت

گزشتہ سال کی نسبت فروخت کو فروغ دینے کیلئے کئے گئے اقدامات کی بنا پر تقسیمی اخراجات میں ۴۷۔۱۵ ملین روپے کا اضافہ ہوا۔تاہم برآمدات میں کمی کی وجہ سے مال برداری اور دیکھ بھال کے خرچوں میں کمی ہوئی۔

انتظامی اخراجات بڑھ کر ۱۴۳۔۰۶ ملین روپے ہوگئے (۲۰۱۸: ۵۴۔۹۷ ملین روپے) اس کی بڑی وجہ پیشہ ورانہ خدمات کے حصول میں اضافہ ہے۔

کمپنی کے قرضوں میں اضافے اور سٹیٹ بینک کی پالیسی کی شرح میں اضافہ کی وجہ سے اس سال مالیاتی لاگت میں ۲۷۰۔۰۷ ملین روپے تک اضافہ ہوا (۲۰۱۸: ۹۴۔۹ ملین روپے)۔

منافع جاتی کارکردگی

زیرجائزہ سال کے دوران مجموعی منافع ۲،۱۳۴۔۶۹ ملین روپے رہا۔(۲۰۱۸: ۲،۸۱۰۔۷ ملین روپے) جوکہ پچھلے سال کے مقابلے میں ۶۷۵۔۹۹ ملین روپے (۲۴۔۰۵ فیصد) کم ہے، کمی کی وجوہات اوپر بیان کی جاچکی ہیں۔

موجودہ سال کے دوران مجموعی منافع کی شرح ۲۱۔۹۳ فیصد تک کم رہی جو کہ گزشتہ سال ۲۷۔۷۷ فیصد تھی۔جس کے نتیجہ میں آپریٹنگ منافع بھی ۱۰۵۹۳۔۹۴ ملین روپے تک کم رہا۔اسٹاک مارکیٹ میں اتار چڑھاؤ کے باعث کمپنی کو میوچل فنڈ میں سرمایہ کاری پر ۱۸۰۔۹۰ ملین روپے نقصان کتابوں میں درج کرنا پڑا۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز سات نان ایگزیکٹو ڈائریکٹران پر مشتمل ہے جن میں تین انڈیپینڈنٹ ڈائریکٹران شامل ہیں۔کوڈ آف کارپوریٹ گورننس 2017 کے تحت چیئرمین اور چیف ایگزیکٹو کی پوزیشن الگ الگ ہیں۔سال کے دوران بورڈ آف ڈائریکٹرز کی چار میٹنگز ہوئیں:

نمبر شمار	نام	عہدہ	حاضری
۱۔	جناب علی خان (چیئرمین)	نان ایگزیکٹو	۴
۲۔	محترمہ عالیہ خان	نان ایگزیکٹو	۳
۳۔	جناب شفیع الدین غنی خان	انڈیپینڈنٹ	۴
۴۔	جناب محمد آفتاب عالم	نان ایگزیکٹو	۳
۵۔	مرزا علی حسن عسکری	نان ایگزیکٹو	۴
۶۔	جناب جمال نسیم	انڈیپینڈنٹ	۴
۷۔	جناب رفیق داؤد	انڈیپینڈنٹ	۴
۸۔	جناب عارف حمید ڈار	چیف ایگزیکٹو آفیسر	۴

ڈائریکٹران رپورٹ برائے حصص داران

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

آپ کی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ ۳۰ جون، ۲۰۱۹ کو ختم ہونے والے مالی سال کی سالانہ رپورٹ پیش کررہے ہیں۔

معیشت

گزشتہ کئی ادوار سے ملکی معیشت نے انتظامی امور کے مسائل کی بدولت کئی اتار چڑھاؤ دیکھے ہیں۔کھپت میں اضافے کی وجہ سے ہونے والی ترقی نے قرضوں میں عدم توازن اور درآمدات میں اضافہ کیا جس کے نتیجے میں ہماری معیشت کو متعدد مسائل کا سامنا کرنا پڑا۔ دیرپا ترقی اور توازن حاصل کرنے کیلئے پائیدار کوششوں کی ضرورت ہے۔

گزشتہ سال معاشی ترقی ۳۔۲۹ فیصد رہی اسی طرح زراعت کی ترقی ۰۔۸۵ فیصد، صنعت کی ترقی ۱۔۴ فیصد اور خدمات کے شعبے کی ترقی ۴۔۷ فیصد رہی۔ بڑے پیداواری اداروں کی کارکردگی میں مجموعی طور پر ۲۔۰۶ فیصد کمی واقع ہوئی۔روپے کی قدر میں کمی، مالیاتی، موجودہ کھاتہ خسارہ اور قیمتوں میں اضافے کی وجہ سے ہونے والی مہنگائی کو روکنے کیلئے سٹیٹ بینک نے تخفیفی مالیاتی پالیسی اپنائی ہے اور ساتھ ہی پالیسی کی شرح میں اضافہ کیا ہے۔

سیمنٹ کی صنعت

سال ۲۰۱۸۔۱۹ کے دوران ۴۶۔۸۸ ملین ٹن کی مجموعی ترسیلات ہوئیں جو کہ پچھلے سال ۲۰۱۷۔۱۸ کی ۴۵۔۸۹ ملین ٹن کی مجموعی ترسیلات کے مقابلے میں ۲۔۱۵ فیصد زیادہ رہی ہے۔اس میں اندرون ملک ترسیلات ۴۰۔۳۴ ملین ٹن اور برآمدات ۶۔۵۴ ملین ٹن شامل ہیں۔جبکہ گزشتہ سال اسی عرصہ میں مقامی ترسیلات اور برآمدات بلترتیب ۴۱۔۱۵ ملین ٹن اور ۴۔۷۴ ملین ٹن تھیں۔

کاروباری کارکردگی

مجموعی کارکردگی کا جائزہ درج ذیل ہے۔

آمدن اور پیداواری لاگت

آپ کی کمپنی ۱۴،۱۸۰ ملین روپے کی مجموعی آمدنی حاصل کی (۲۰۱۸: ۱۴،۵۸۶ ملین روپے) اور خالص آمدنی ۹،۷۳۴ ملین روپے رہی (۲۰۱۸: ۱۰،۱۲۱ ملین روپے) اس طرح بالترتیب ۲۔۷۸ فیصد اور ۸۳۔۳ فیصد کی کمی واقع ہوئی۔فروخت کی کل لاگت بڑھ کر ۷،۵۹۹ ملین روپے ہوگئی (۲۰۱۸: ۷،۳۱۱ ملین روپے) اس کی بڑی وجوہات:

- ڈالر کے مقابلے میں روپے کی قدر میں کمی اور بین الاقوامی منڈی میں کاغذ کی قیمت میں اضافہ کے باعث پیکنگ میٹیریل کی کل لاگت ۷۷۶ ملین روپے رہی (۲۰۱۸: ۶۲۰ ملین روپے)۔
- اگرچہ بین الاقوامی منڈی میں کوئلہ کی قیمت میں کمی واقع ہوئی لیکن روپے کی قدر میں فرسودگی کی وجہ سے اس کمی کا کوئی مثبت اثر نہیں آیا۔

چیئرمین رپورٹ

میں پائنیر سیمنٹ لیمیٹڈ کی سالانہ رپورٹ سال ۳۰ جون، ۲۰۱۹ آپ کے سامنے پیش کرتے ہوئے خوشی محسوس کررہا ہوں۔

اس سال صنعتی شعبہ مجموعی طور پر حکومت کے طویل مدتی معاشی استحکام کے حصول کیلیئے کئے گئے فوری مالیاتی اقدامات کے نفاذ سے نہ صرف لاگت کے نکتہ نظر سے بلکہ کھپت کے لحاظ سے بھی دباؤ میں رہا۔

سیمنٹ کی صنعت اس مالی سال ۱۹-۲۰۱۸ کے دوران اتار چڑھاؤ کا شکار رہی۔ گزشتہ سال کے مقابلے میں کل مقامی فروخت ۹۸۔ا فیصد کم رہی جبکہ مہنگائی، روپے کی قدر میں کمی اور سٹیٹ بینک کے بنیادی شرح سود میں اضافہ کی وجہ سے پیداواری لاگت میں اوسط ۱۲۔۸ فیصد کا اضافہ ہوا۔
موجودہ سخت حالات میں آگے بڑھتے ہوئے آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے انتظامیہ کو ہدایات دی ہیں کہ وہ اپنی توجہ کمپنی میں مزید افادیت پیدا کرنے پر مرکوز رکھیں تاکہ موجودہ حالات میں مسابقتی برتری حاصل کی جاسکے۔

حکومتی اقدامات اگرچہ کم مدتی طور پر مشکل ہیں لیکن ہماری ملکی معیشت اور بلخصوص سیمنٹ کی صنعت کیلیئے طویل مدتی طور پر پائیدار ہونے چاہئیں۔ نجی شعبہ کی مانگ کے ساتھ ساتھ بڑے منصوبوں بشمول ڈیموں کی تعمیر اور ۵۰ لاکھ گھروں کی تعمیر کھپت میں اضافے کے بڑے ذرائع ثابت ہوں گے۔ سیمنٹ کی کھپت کے لحاظ سے دیگر ممالک میں فی کس کھپت ہماری موجودہ کھپت سے اوسط ۳۵۔ا گنا زیادہ ہے۔

ترقی میں ہمارا حصہ بہت واضح ہے۔
ہم اپنے اولین مقصد ۲۰۲۵ کی طرف گامزن ہیں۔ ہمارے نئے جدید ترین ۱۰،۰۰۰ ٹن یومیہ صلاحیت کے حامل سیمنٹ پلانٹ کی تنصیب کے ساتھ ساتھ ۲۴ میگا واٹ کوئلہ سے چلنے والا پاور پلانٹ اور ۱۲ میگاواٹ ویسٹ ہیٹ ریکوری پاور پلانٹ تکمیل کے آخری مراحل میں ہے۔ جلد ہی آپ کی کمپنی ملکی سطح پر مال کی ترسیل کو بڑھائے گی اس کے ساتھ ساتھ بیرون ملک منڈیوں تک رسائی حاصل کرکے برآمدات میں اضافہ کرے گی۔ اس طرح ہم اپنی مجموعی آمدنی کو بڑھاتے ہوئے ناصرف طویل مدتی قرضوں کی بروقت ادائیگی کریں گے بلکہ طویل مدتی اہداف پر سرمایہ کاری سے اپنی آمدن اور قرضوں کی ادائیگی کی صلاحیت کو مزید بڑھائیں گے۔

آخر میں میں کمپنی کی طرف سے تمام متعلقین کا شکرگزار ہوں جنہوں نے اس مشکل وقت میں پائنیر سیمنٹ لیمیٹڈ پر اعتماد کا اظہار کیا۔

یہ بھروسہ ہمیں اپنے اہداف کے حصول کیلیئے مثبت سمت میں آگے بڑھنے کیلیئے حوصلہ دیتا ہے۔

علی خان
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FORM OF PROXY

Registered Folio No. /
CDC Account No. ____________________

I/We ____

Name

of ____

Address

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

____

Name

of ____

Address

or failing him ____

Name

of ____

Address

(also being a member of the Company) as my/ our proxy to attend, act and vote for me/ us and on my/ our behalf, at the 33rd Annual General Meeting of the Company to be held on Monday, October 28, 2019 at 135 Ferozepur Road, Lahore and at any adjournment thereof.

As witness my hand this ____________ day of October 2019.

____
Signature of the Shareholder/ Appointer

WITNESSES

1. Name ____________________
   Address ____________________
   CNIC # ____________________

2. Name ____________________
   Address ____________________
   CNIC # ____________________

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

AFFIX
CORRECT
POSTAGE

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